

Sam Fullerton, Eastern Michigan University

Melissa Johnson Morgan, University of Southern Queensland

Ron Garland, University of Waikato

A Contemporary Snapshot of Consumer Attitudes to Sport Sponsorship in Australia

Key Words: sponsorship, Australia, consumer attitudes, demographics

Abstract

A sample of 440 heads-of-households in Australia documented a diversity of opinion in regard to 21 statements about various aspects of sports sponsorship. In general, it could be concluded that opinions were positive overall, but that there were a number of concerns. When the sample was split into demographic groups, several significant differences were identified.

Introduction

The growth of sponsorship has dramatically outpaced that of the more traditional components of the typical integrated marketing communications (IMC) plan. The estimate of USD\$ 37.7 billion for global sponsorship spending in 2007 represents an 11.9% increase over 2006 expenditures. This compares favorably to the projected growth rates of 2.4% for traditional media advertising and 3.8% for sales promotion. Of that sum, approximately two-thirds of it been directed towards the sponsorship of sports properties. Furthermore, from a geographic perspective, with a growth rate of 15.6%, the Australasian region represents the sector of the world that is growing most rapidly (IEG, 2007). Clearly, sports sponsorship is becoming a more critical component as firms today seek to maximize the impact of their IMC plans.

In Australia, sponsors have assumed a more visible role within the sports environment. While the 2000 Summer Olympic Games may have been the most prominent sports property to rely extensively on sponsorship dollars, it is far from

the only one. Super 14 Rugby, the Wallabies, the World Cup of Rugby, the Aussie Rules Football affiliates, the State of Origin competition, the Australian Opens (golf and tennis), Cricket Australia, and the America's Cup Yachting syndicates have all ratcheted up their efforts to sign sponsors whose contributions presumably benefit each of the sponsored properties.

While we readily acknowledge the reality that sponsorship has become more prevalent in Australia, we must also confess to the charge that little research has been done in an effort to assess the public's perception of this activity. This project represents an effort to address this deficiency, and in doing so to start a discourse on sponsorship that will benefit both Australian sports and an increasingly sophisticated industry of Australian sport sponsors.

A Brief Literature Review

Despite the fact that SOCOG's sponsorship revenues were reported to be A\$ 830 million (Speed & Thompson, 2000), there is a relative paucity of literature regarding consumer attitudes about sponsorship in general (Cornwell & Maignan, 1998) and in Australia in particular. Perhaps the most often cited Australia-based study is one that explored a smoking cessation program's sponsorship of sports properties as part of an IMC program that reportedly led to a decline in Aboriginal smoking (Ivers et al, 2006). However, that study looked at outcomes rather than attitudes about sponsorship. One study that did focus on attitudes compared students in Australia and the United States; it concluded that both groups were relatively positive and that few differences in their attitudes could be documented (Fullerton & Taylor, 2004).

Research Objectives

There are two basic objectives associated with this project. Foremost is that of determining Australian residents' attitudes regarding an array of sponsorship issues. Thus, the research is designed so as to enable the development of a profile of Australian residents. Second is the identification of differences in attitudes across a number of common demographic variables.

Methodology

The data collection instrument asked the respondents to indicate their level of agreement or disagreement regarding 20 sponsorship-specific statements. Without using any buzzwords that would create confusion (i.e. ambush marketing), the questionnaire did address issues relevant to the Australian sport sponsorship industry such as: ambush marketing, strategic linkages, impact on prices because of costs incurred, social responsibility, free-to-air TV broadcasts, category exclusivity, the power of sponsors, concerns about dominance by Northern Hemisphere multinational corporations, impact on small companies, emphasis on sports, ability to gain a sustainable competitive advantage via sponsorship, image, venue naming rights, sponsor motives, and effectiveness in comparison to advertising. Opinions were measured using a five-point Likert scale that was anchored by *strongly agree* and *strongly disagree*. The 21st item on the survey was a broad statement indicating that the overall impact of sports sponsorship in Australia has been positive. In an effort to assess the integrity of the responses, two alternatively worded statements about foreign sponsors were included as part of the 21 item set. The survey concluded with four questions that provided demographic information on each respondent. Specifically, the questions addressed country of birth, gender, income, and age.

The survey was personally administered to 452 Australian heads-of-household (HOH). A total of 440 respondents provided usable responses to the survey. This HOH segment is viewed as an important target market for the sports properties that are being sponsored and the marketers that have sought to align themselves with sports via some form of sponsorship in an effort to influence purchase decisions for their array of non-sport products.

To develop the Australian profile, the means for all 21 of the attitudinal statements were calculated. Additional meaningful results were attained by using a frequency (and percentage) distribution so as to determine the portion of the sample that responded in a positive manner (and a negative manner) for each of the

21 items. For determining the existence of statistically significant differences among the various demographic groups, either the standard t-test or One-Way Analysis of Variance (ANOVA) was applied. For the two data analysis techniques, an alpha of .05 served as the critical value for the rejection of the hypothesis of equal means for each of the 21 statements. When ANOVA identified differences where more than two groups were subjected to scrutiny (age & income), the Scheffé Method of Multiple Comparisons, again using an alpha of .05, allowed for the pair-wise comparison of group means and the identification of pairs of groups where statistically significant differences existed.

Results and Discussion

The analysis begins with a look at the item means. Because the survey included both positive and negative statements, those items where agreement represented a negative outcome were reverse-scored. Consequently, low means are always associated with positive outcomes. Since a balanced five-point scale was used, the point of demarcation between a positive and a negative perception is the scale's midpoint of 3.00. Using this criterion, the sample expressed a positive opinion in regard to ten of the items with the remaining 11 falling on the negative side. However, it should be noted that seven of the means fell exceedingly close to the 3.00 benchmark. In this case, close has been defined as +/- .2. Thus a reassessment of the means now allows us to focus on seven positive and seven negative attitudes held by Australian residents in regard to sports sponsorship.

The strongest positive opinion was associated with the belief that sports sponsorship represents a good way for a company to achieve a sustainable competitive advantage. It is worth noting that 80.8% of the respondents indicated some level of agreement with this assertion. Next on the list was the belief that sponsorship exhibits good community relations. Once more, the vast majority of the respondents (75.4%) agreed with that statement. Perhaps the most compelling result involved the general agreement to the statement that sponsorship has had an overall positive impact on sports in Australia (mean = 2.15; agreement = 75.2%). The remaining positive opinions (in descending order toward neutrality) involved

sponsorship's role in helping assure that popular events remain on free-to-air TV, that it is not executive egos that lead companies to sponsor sports properties, that sponsorship opportunities in Australia should be open to foreign marketers, and that venue naming rights for sports facilities are acceptable.

An examination of the seven negative opinions also provides some interesting insight. The item that is characterized by the strongest negative outcome is a bit paradoxical. Some readers of this report may well take issue with the assertion that this is indeed a negative outcome. With a mean of 3.79, only 8.6% of the respondents expressed a positive perspective regarding the effectiveness of sponsorships that feature products not germane to the sponsored property. In essence, they express a belief that Gilbert's sponsorship of Super 14 Rugby is more effective than is Ford's involvement with that same property. Such an assessment could serve as a deterrent to the use of strategic linkages. Since most of the sponsorships in sports today involve strategic linkages, any evidence to dissuade companies such as Ford, Coca-Cola, McDonald's, and Westpac Bank from investing in sports sponsorships must be viewed as negative. The remaining negative opinions are not as difficult to categorize. Second from the bottom is the opinion that sponsorship does not have a greater impact on their purchase behaviour than does traditional advertising. Only 13 percent indicated that sponsorship is a more compelling form of promotion. Next was the concern voiced about the cost of sponsorship driving up the prices of consumer products. Only 26.9% of the respondents disagreed. The remaining negative perceptions were as follow: there is little disagreement (15.5%) regarding the statement that sponsorship has given too much (Southern Hemisphere) power to US and European companies; only 23.9% disagree with the assertion that sponsorship has a detrimental impact on small businesses; fully 43.9% indicated that companies should spend less on sponsorship and more on social programs; and only 26.2% reject ambush marketing as a viable marketing strategy.

As noted earlier, the means of seven items hovered around the scale midpoint. There were two items that are characterized by slightly positive results:

that sponsorship does not show that we place too much emphasis on sports and that it is acceptable to foreign companies to sponsor Australian sports properties. Slightly to the negative side of the scale were the following outcomes: there was a slight opposition to category exclusivity; sponsorship was perceived to have a negative impact on the image of sport; respondents indicated that companies should spend less on sponsorship while paying their employees more; the respondents are not more likely to purchase a product from a sponsor of a property they like; and they slightly disagree with the potential practice of having sponsors for individual events at the Olympics.

Undoubtedly, one of the most commonly scrutinized demographic variables is that of gender. In this study, four statistically significant differences between the male and the female strata were documented. In each case, the female respondents expressed a higher level of concern. Alternatively stated, women were more critical of both items addressing foreign sponsors, category exclusivity, and the concept of spending money on sponsorships instead of activities that benefit society.

The sample was comprised of individuals born in 38 different countries, which reflects the strong multi-cultural diversity of the Australian population. For analytical reasons, the sample was split into two groups: those born in Australia and those born elsewhere. The differences were pronounced as eight statistically significant differences were uncovered. Perhaps not surprisingly, those born in Australia – and more familiar with the concept of sponsorship – were generally more positive in their assessments. However, the two biggest discrepancies in the group means were in evidence for the only two items for which those born in Australia were more critical than were their foreign-born counterparts. Those born in Australia disagreed with the idea of sponsors for individual Olympic events; they also rejected foreign sponsors for Australian sports properties. The foreign-born residents were amenable to both concepts. The six items for which the foreign-born residents were more critical were: spending on sponsorship instead of social benefits; that sponsorship is detrimental to small companies; that they spend money on sponsorships instead of employee compensation; and sports venues bearing

corporate names. Additionally, they were more accepting of ambush marketing, and they exhibited a lower level of agreement with the statement about sponsorship's overall positive impact on Australian sports.

The third demographic variable included in the analysis was age which included six categories ranging from *25 & under* to *over 65*. Significant differences were in evidence for six of the 21 items. They were (with the most critical group in parentheses): too much emphasis on sports (*over 65*); detrimental to small companies (*over 65*); more effective for self-evident linkages (*26-35*); should use money to pay employees more (*25 & under*); should not permit foreign companies to sponsor (*over 65*); and ambush marketing is an acceptable strategy (*26-35*).

The final demographic variable used was income. For this analysis, respondents were provided with five income categories ranging from *less than \$25,000* to *over \$100,000*. As was the case for age, significant differences were documented for six items; however, they were not the same six. Two of the items exhibited a relationship with income by which each successively higher income group had a more positive opinion of the issue under scrutiny. Perhaps not surprisingly, this pattern was in evidence for the issues of the need to divert sponsorship expenditures to social programs and that sponsorship is detrimental to small companies. In both cases, the *over \$100,000* group was the only one with a mean on the positive side of the scale. Though no group thought that sponsorship opportunities should be reserved for domestic companies, again the *over \$100,000* group was most adamantly opposed to that restriction. The two lowest income groups thought that employees should be paid more in lieu of sponsorship spending; again it was the highest income groups all expressing disagreement with that assertion. As for venue naming rights, the highest income group expressed the highest level of approval while the *\$25,000 - \$49,999* group was the only one to express disapproval. The final item to be related to age is the overall statement regarding the positive impact that sponsorship has had on Australian sports. All five groups agreed; however, the two top income groups indicated a higher level of support for this premise than did the three middle and lower income groups.

Conclusions

Australian attitudes regarding sports sponsorship are best characterized as situational. The mixed results discussed above highlight the fact that some issues are widely accepted whereas others are rejected. The most compelling results revolve around the findings that people see it as a way to gain a competitive advantage and to demonstrate community involvement. Despite the negative opinions associated with several of the sponsorship issues, the sample expressed a strong opinion that, overall, sponsorship has had a positive impact on sports in Australia. This serves as a reminder to sporting organizations and sport sponsors that the sporting industry and the sporting public in Australia have come of age and no longer offer the sort of sentimental resistance to commercialism that they were once famous for.

The heterogeneity of the population was documented by virtue of the numerous differences across demographic groups, especially when the groups were defined on the bases of age and income. This is an important issue for marketers using sport sponsorship as it highlights the need to fully understand the demographic and attitudinal profile of the target market when assessing the relative merits of using sponsorship as part of the overall IMC plan. The results of this study provide a meaningful glimpse of the Australian population. Additional research on this phenomenon is supported and encouraged.

References

- Cornwell, T. B. and I. Maignan (1998), "An International Review of Sponsorship Research," *Journal of Advertising*, 27(1), pp. 1-22.
- Fullerton, S. and D. Taylor (2004), "Sports Sponsorship: A Comparison of Attitudes Held by Australian and American University Students," *SMAANZ Proceedings*, pp. 35-37.
- IEG (2007), "Sponsorship Spending," www.sponsorship.com/resources/sponsorship-spending.aspx, (Accessed Jan. 9, 2008).
- Ivers, R., A. Castro, D. Parfitt, P. D'Abbs, and R. Richmond (2006), "Evaluation of a Multi-Component Community Tobacco Intervention in Three Remote

Australian Aboriginal Communities, *Australian and New Zealand Journal of Public Health*, 30 (2), p. 132.

Speed, R. and P. Thompson (2000), "Determinants of Sports Sponsorship Response," *Journal of the Academy of Marketing Science*, (Spring), 28 (2), pp. 226-238.

