

Determinants of Image Transfer in Sponsorship

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This study focuses on the effect of image transfer in sponsorship. The six determinants of image transfer are identified in this study. An empirical analysis is conducted using a dataset of consumer response to an event and its sponsor. The results show that six determinants have a positive impact on image transfer, mediated by strength, favorability, and uniqueness of sponsor associations.

1. Introduction

Today, the scale of sponsorship as business activity becomes larger. The range of sponsored objects becomes wider. Not only sport sponsorship, but also social or environmental sponsorship has gained importance (Walliser, 2003). According to *IEG Sponsorship Report*, global expenditures on sponsorship in 2007 hit 33.7 billion dollars, 11.7 percents increase over 2006 (see Figure 1).

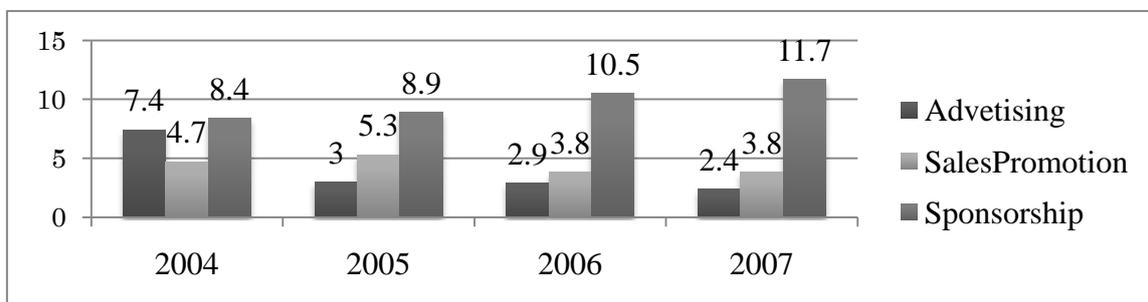


Figure 1 Annual Growth of Advertising, Sales Promotion, and Sponsorship

Sponsorship is defined as “the provision of assistance either financial or in-kind to an activity (e.g., sport, musical event, festival, fair, or within the broad definition of the arts) by a commercial organization for the purpose of achieving commercial objectives” (Meenaghan, 1983, p. 9). Several studies regarding sponsorship have been made in terms of image transfer. The term image transfer describes the transfer of such associations from sponsored activity to a brand or a company. Keller (1993) suggested that when a sponsor is associated with the event, some of the brand associations linked with the event may also link with the sponsor in consumer memory. The sponsor’s aim of transferring images is to evoke positive feelings and attitudes toward the sponsor by

closely linking the sponsor to an event which consumers esteem (Grohs and Reisinger, 2004). Sponsors, therefore, seek out an appropriate event to transfer desirable image from the event to their own brand.

What determines the successful image transfer? Gwinner (1997) is the first scholar who studied what determinants image transfer. He suggested three determinants of image transfer (see Figure 2). Meenaghan (2001) suggested that the image which transfers from a sponsored event to its sponsor depends on the category of the event (see Figure 3). However, they did not examine his hypotheses empirically.

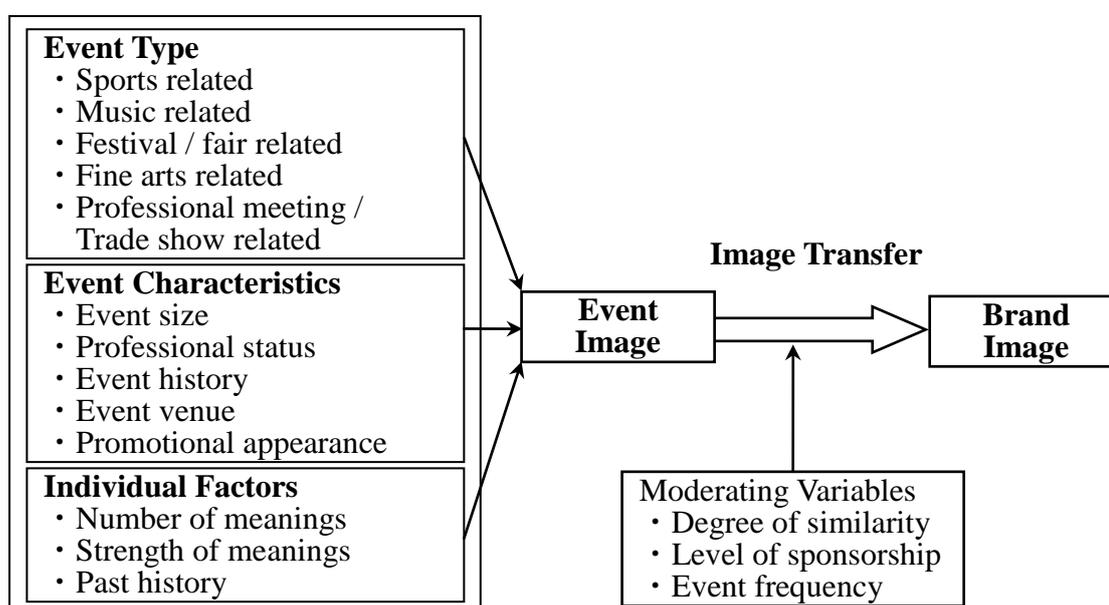


Figure 2 A Model of Image Creation and Image Transfer in Event Sponsorship
(Gwinner, 1997, p. 148)

Grohs, Wagner, and Vsetecka (2004) empirically tested the determinants of image transfer and found that “sponsor image before event”, “sponsor awareness”, and “event image” affect image transfer. This study was followed by Grohs and Reisinger (2005) implying that “fit between an event and its sponsor” and “event involvement” affect image transfer. Also, Gwinner and Eaton (2005) and Donahay and Rosenberger (2007) found that “similarity between an event and its sponsor” affects image transfer. More recently, Lee, Song, and Tingting (2008) suggested that “event exposure” and “event quality” affect image transfer.

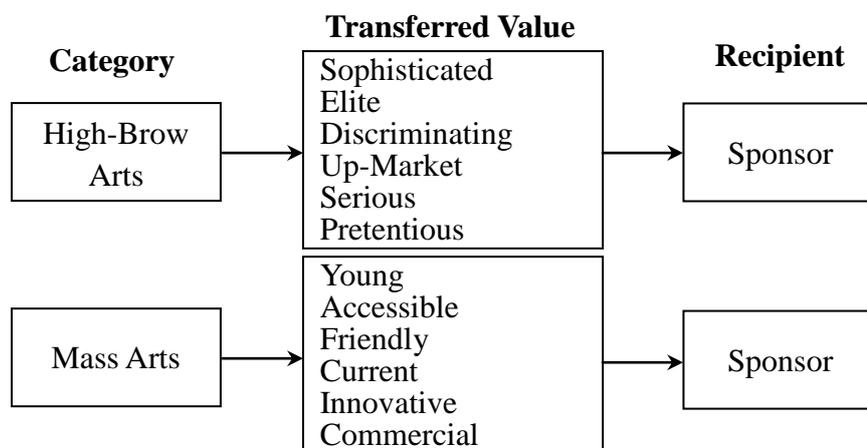


Figure 3 Image Values Derived from Various Categories of Sponsorship
(Meenaghan, 2001, p. 103)

Previous research mentioned above has two problems: First, they focused only on sport events and, therefore, it is needed to expand objects of research (Grohs and Reisinger, 2005). Second, they proposed different determinants from each other and, therefore, it is needed to construct a comprehensive model (Grohs, *et al*, 2005). This study aims to model all determinants of image transfer in sponsorship.

2. Hypotheses

Strength, Favorability, and Uniqueness of Sponsor Associations

Brand image is defined as “perception about a brand as reflected by the brand associations held in consumer memory” (Keller, 1993, p. 3). Brand managers try to build their own brand image because brand image helps them to differentiate their products or service from competitors (Meenaghan, 1983). Keller suggested that favorability, strength, and uniqueness of brand associations determine the brand image. As mentioned above, some of the brand associations linked with the event may link with the brand in consumer memory when the brand is associated with the event. Therefore, the favorability, strength, and uniqueness of sponsor associations may affect image transfer.

Event Exposure

“Event exposure” comprises the amount of time an individual is exposed to an event. Related to this construct, Lee, Song, and Tingting (2008) suggested that “event

exposure” is a determinant of image transfer. The amount of consumer knowledge about the link between an event and its sponsor increases with repeated exposure of the event. The close link between an event and its sponsor may result in the event image rubbing off on the sponsor (Grohs and Reisinger, 2004). On the other hand, according to mere exposure effect (Zajonc and Markus, 1982), consumer attitude toward a sponsor is more positive when an event is presented on repeated occasions. Thus, the following hypothesis is proposed:

H₁: “Event exposure” has positive effects on image transfer, mediated by strength and favorability of sponsor associations.

Event Involvement

Event involvement is a kind of genuine enthusiasm or strong interest in an event which comes from the importance of the event for an individual (Lardinoit and Derbaix, 2001). Related to this construct, Grohs and Reisinger (2005) suggested that “event involvement” is a determinant of image transfer. According to the balance theory (Heidi, 2007), consumer attitude toward a sponsor is more positive when an event is more excited and the fan has heavy involvement in the event. Thus, the following hypothesis is proposed:

H₂: “Event involvement” has positive effects on image transfer, mediated by favorability of sponsor associations.

Event Quality

“Event quality” is the degree of the quality of the event perceived by consumer. Related to this construct, Lee, *et al.* (2008) suggested that “perceived event quality” is a determinant of image transfer. Increased event quality leads to greater resources for the fan to process information about the event. With detailed processing of the event information, the fan learns more about the connection between the event and its sponsor. On the other hand, “professional status” is a determinant of event image (Gwinner, 1997). The sponsor of a high quality event may be recognized as more unique than the sponsor of a low quality event. Thus, the following hypothesis is proposed:

H₃: “Event quality” has positive effects on image transfer, mediated by strength and uniqueness of sponsor associations.

Sponsor Exposure

“Sponsor exposure” comprises the amount of time an individual is exposed to messages from a sponsor. Related to this construct, Grohs and Reisinger suggested that

“sponsor exposure” is a determinant of image transfer. Furthermore, Grohs, Wagner, and Vsetecka (2004) suggested that “sponsor awareness” is a determinant of image transfer. In the same way as exposure of an event, the amount of consumer knowledge about the link between an event and its sponsor increases with repeated exposure of the sponsor. On the other hand, consumer attitude toward a sponsor is more positive when the sponsor presented on repeated occasions. Thus, the following hypothesis is proposed:

H₄: “Sponsor exposure” has positive effects on image transfer, mediated by strength and favorability of sponsor associations.

Sponsor Prominence

“Sponsor prominence” comprises the amount of time an individual is exposed to a distinguished sponsor message. Related to this construct, Gwinner (1997) suggested that “the level of sponsorship” is a determinant of image transfer. In the same way as exposure of the event and its sponsor, the amount of knowledge of the connection between the event and its sponsor increases with the exclusive rights of sponsorship. On the other hand, consumer attitude toward the sponsor is more positive with exclusive rights of sponsorship. A dominant sponsor is also recognized as more unique than common sponsors. Thus, the following hypothesis is proposed:

H₅: “Sponsor prominence” has positive effects on image transfer, mediated by strength, favorability, and uniqueness of sponsor associations.

Fit between the Event and its Sponsor

“Fit between the Event and its Sponsor” comprises the degree of the fit between the event and its sponsor perceived by consumer. Related to this factor, Gwinner (1997) and Grohs and Reisinger (2004) suggested that “fit between the event and its sponsor” and “degree of similarity” are determinants of image transfer. In general, advertising with product endorsers may be more effective if the image of the product endorsers matches the image of the product. According to Match-up hypothesis (Zajonc and Markus, 1982), the amount of consumer knowledge of the connection between the event and its sponsor increases if the sponsor matches the event. Thus, the following hypothesis is proposed:

H₆: “Fit between the event and its sponsor” has positive effects on image transfer, mediated by strength of sponsor associations.

Finally the hypotheses mentioned above are summarized in Figure 5.

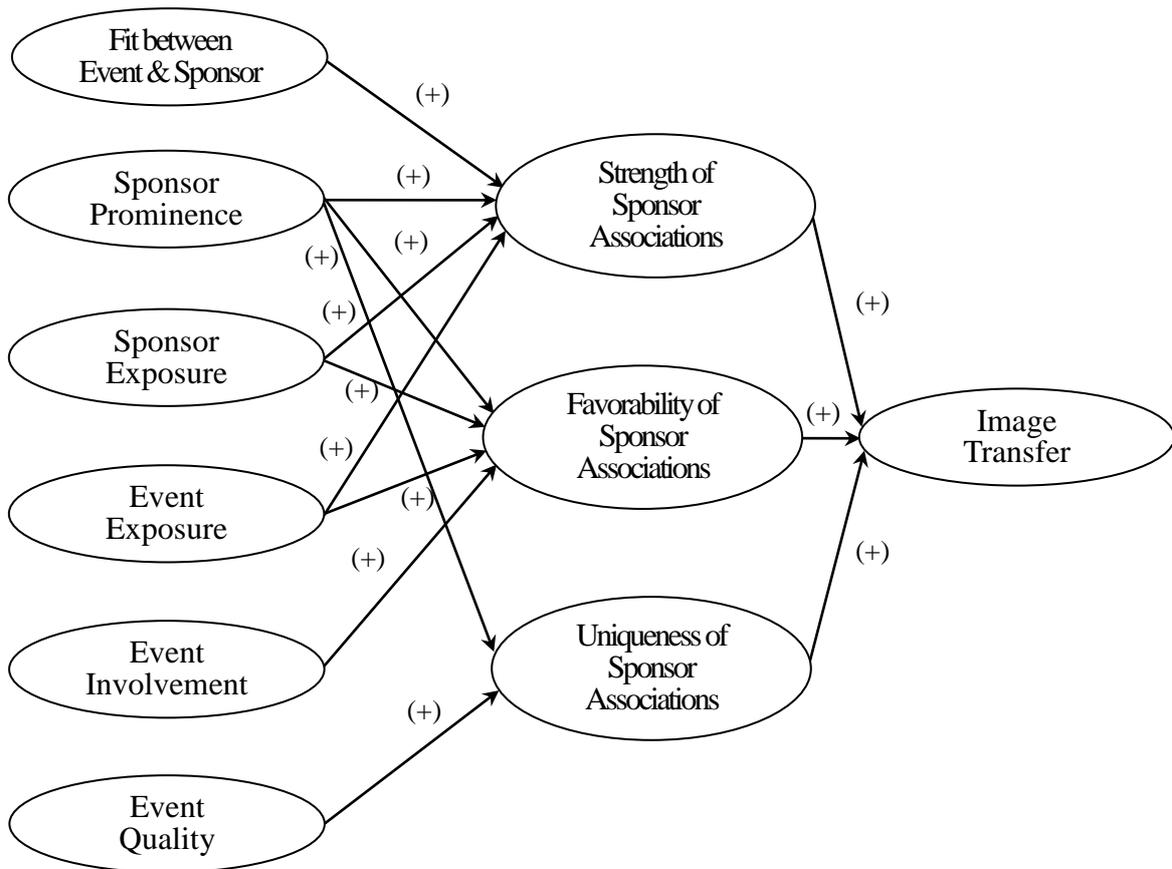


Figure 5 A Proposed Model

3. Methodology

Structural equation modeling (SEM) was used to analyze the proposed hypotheses (see Figure 5) since SEM fits the analysis of casual relationship representing psychological process of attendants in events. Generally, SEM is suitable for analyzing the hypothesized relationship among latent variables and confirmatory factors. SEM needs a multiple scale for each construct. We developed three scales for each construct. The scales were implemented on seven points Likert scale with 1=strongly disagree and 7=strongly agree. We sought consumer data pertaining to the experience of events, including not only sport, but also music and art. The target population consisted of college students, yielding a total of 291 completed responses, of which, 291 were deemed usable after list-wise deletion. The structural equation model was estimated with maximum likelihood criterion in CALIS procedure of SAS for Windows, Ver. 9.1.

4. Results

Preliminary analysis was conducted on the proposed model. The path between “Sponsor exposure” and “Strength of sponsor associations” was not significant in 5 % level. Therefore, a modification of the model which removes this path was made.

The resulting full model χ^2 was 723.22 ($p < .0001$) and the ratio of χ^2 to degree of freedom (3.68) is within the acceptable range (Bollen, 1989). Cronbach’ alphas for each construct were above .76. Confirmatory factor analysis was utilized to examine convergent validity. All the factor loadings and measurement errors were in acceptable ranges and significant in 1 % level. NFI (.93) is also within the acceptable range (Hair, Anderson, and Tatham, 1995). GFI and AGFI are .86 and .83, respectively. Although they are slightly lower than the recommended level (Bagozzi and Yi, 1988), this could be due to the small sample size and the large number of constructs. In this case, an useful index is RMSEA, a parsimony measure that accounts for potential artificial inflation due to the estimation of many parameters. RMSEA is .10, which indicates a close fit of the data to the model. As shown in table 1, all parameter estimates of the structural equations had adequate signs and were significant no more than in 5 %.

Hypotheses	Estimated value	t value
Strength of sponsor associations =>Image transfer	0.33 ^a	2.65
Favorability of sponsor associations =>Image transfer	0.32 ^a	2.98
Uniqueness of sponsor associations =>Image transfer	0.35 ^a	3.96
Event exposure =>Strength of sponsor associations	0.31 ^a	3.02
Event exposure =>Favorability of sponsor associations	0.20 ^a	2.35
Event involvement =>Favorability of sponsor associations	0.04 ^b	1.70
Quality of event =>Uniqueness of sponsor associations	0.20 ^a	2.86
Sponsor exposure =>Favorability of sponsor associations	0.49 ^a	7.93
Sponsor prominence =>Strength of sponsor associations	0.68 ^a	6.68
Sponsor prominence =>Favorability of sponsor associations	0.34 ^a	3.03
Sponsor prominence =>Uniqueness of sponsor associations	0.77 ^a	10.45
Fitness between the event and its sponsor =>Strength of sponsor associations	0.07 ^b	2.32

Note: ^a significant at 1% level and ^b significant 5 % level.

Table 1 Estimation Results

Regarding relationships between "Image transfer" and its direct determinants, the estimated value of β_{12} ("Strength of sponsor associations" => "Image transfer") is .33 ($t=2.65$, $p<.01$), while the value of β_{13} ("Favorability of sponsor associations" => "Image transfer") is .32 ($t=2.98$, $p<.01$) and β_{14} ("Uniqueness of sponsor associations" => "Image transfer") is .35 ($t=3.96$, $p<.01$). All paths have adequate signs and significant value. Thus, image transfer is likely to occur when associations of sponsor are strong, unique, and favorite in consumer mind.

Regarding relationships between "Strength of sponsor associations" and its direct determinants, the estimated value of γ_{21} ("Event exposure" => "Strength of sponsor associations") is .31 ($t=3.01$, $p<.01$), while the value of γ_{25} ("Sponsor prominence" => "Strength of sponsor associations") is .68. ($t=6.68$, $p<.01$). Both of them have adequate signs and significant value. Thus, the strength of sponsor associations is likely to be heightening when the sponsored event is more exposed and the sponsor is prominent. "Fit between the event and its sponsor" is also found to have significant, positive effects on "Strength of sponsor associations" ($\gamma_{26}=.07$ $t=2.68$, $p<.05$). Thus, the strength of sponsor associations is also likely to be heightening when fitness between the event and its sponsor is higher.

Regarding relationships between "Favorability of sponsor associations" and its direct determinants, the estimated value of γ_{31} ("Event exposure" => "Favorability of sponsor associations") is .20 ($t=2.35$, $p<.01$), while the value of γ_{32} ("Event involvement" => "Favorability of sponsor associations") is .04 ($t=1.70$, $p<.05$). Both of them have adequate signs and significant value. Thus, the favorability of sponsor associations is likely to be heightening when the event is more exposed and more excited. "Sponsor exposure" and "Sponsor prominence" are also found to have significant, positive effects on "Favorability of sponsor associations" ($\gamma_{34}=.34$, $t=3.03$, $p<.01$; $\gamma_{35}=.20$, $t=2.35$, $p<.01$). Thus, the favorability of sponsor associations is likely to be heightening when the sponsor is more exposed and prominent.

Regarding relationships between "Uniqueness of sponsor associations" and its direct determinants, the estimated value of γ_{43} ("Event quality" => "Uniqueness of sponsor associations") is .20 ($t=2.86$, $p<.01$), while the value of γ_{45} ("Sponsor prominence" => "Uniqueness of sponsor associations") is .77 ($t=10.45$, $p<.01$). Both of them have adequate signs and significant value. Thus, the uniqueness of sponsor associations likely to be heightening when the quality of event is high and its sponsor is prominent.

5. Conclusions

There has been a great discussion about sponsorship effects. Although many researchers have shown an interest in the effects of sponsorship, few studies have focused on the effect of image transfer in sponsorship. This study identified the determinants of image transfer in sponsorship. On the basis of review of the relevant literature, we identified six constructs that might influence image transfer. An empirical analysis was conducted using a dataset of consumer responses to an event and its sponsor.

The results showed that images transfer from an event to its sponsor when the associations of its sponsor become stronger, more favorite, and more unique in consumer memory. Therefore, sponsors should choose events which make the associations of the sponsor more strength, favorite, and unique in consumer memory. Second, we found that exposure of the event, involvement of the event, quality of the event, exposure of the sponsor, prominence of the sponsor, and fit between an event and its sponsor had a positive impact on image transfer, mediated by strength, favorability, and uniqueness of sponsor associations.

This study provides insights relevant to the success of the event sponsorship. More specially, the findings with respect to brand associations of the sponsor were new discoveries. In the future research, more determinants of image transfer should be taken, focusing on the impact on the brand associations of the sponsor. Additionally, subsequent empirical testing should replace the small data set and convenience sampling method used here with a larger data set and random sampling methodology. The incorporation of these recommendations in future research should result in an increased understanding of the determinants of image transfer in sponsorship.

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