

**SELECTED MARKETING AND HUMAN RESOURCES VARIABLES
INFLUENCING SPONSORSHIP INITIATIVES WITHIN CORPORATE
BUSINESSES: A SOUTH AFRICAN PERSPECTIVE**

by

ELDA KRUGER

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DECLARATION

I, **Elda Kruger**, declare that this dissertation is my own work, and that it has not previously been submitted by me for a degree at another university.

ELDA KRUGER

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TABLE OF CONTENTS

	<u>PAGE</u>
<u>ACKNOWLEDGEMENTS</u>	i
<u>DECLARATION</u>	ii
<u>TABLE OF CONTENTS</u>	iii
<u>LIST OF FIGURES</u>	xii
<u>LIST OF TABLES</u>	xiii
<u>EXECUTIVE SUMMARY</u>	xvi

CHAPTER ONE

INTRODUCTION AND SCOPE OF THE STUDY

1.1	<u>INTRODUCTION AND BACKGROUND TO THE RESEARCH</u>	1
1.2	<u>PROBLEM STATEMENT</u>	3
1.3	<u>RESEARCH OBJECTIVES</u>	6
1.4	<u>RESEARCH HYPOTHESES</u>	7
1.5	<u>CONCEPTUAL MODEL UNDERLYING THE RESEARCH</u>	7
1.6	<u>OPERASIONALISATION OF VARIABLES</u>	8
1.6.1	CONTEXTUALISATION OF INDEPENDENT VARIABLES	8
(a)	<u>Branding</u>	9
(b)	<u>Marketing ethics</u>	10
(c)	<u>Green marketing</u>	12
(d)	<u>Corporate culture</u>	13
(e)	<u>Values</u>	14
(f)	<u>Employee empowerment</u>	16

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>	
1.6.2	CONTEXTUALISATION OF INTERVENING VARIABLES	17
(a)	<u>Marketing</u>	17
(b)	<u>Human resources</u>	17
1.6.3	CONTEXTUALISATION OF DEPENDENT VARIABLE	18
1.7	<u>RESEARCH METHODOLOGY</u>	20
1.7.1	DATA COLLECTION	22
1.7.2	RESEARCH INSTRUMENT TO MEASURE VARIABLES PERTAINING TO THE HYPOTHETICAL MODEL	22
1.7.3	POPULATION, SAMPLING PROCEDURE AND SAMPLE SIZE	22
1.7.4	DATA ANALYSIS	23
1.8	<u>VALUE OF RESEARCH</u>	23
1.9	<u>PLAN OF THE RESEARCH</u>	23

CHAPTER TWO**SPONSORSHIP**

2.1	<u>INTRODUCTION</u>	25
2.2	<u>SPONROSHIP DEFINED</u>	26
2.3	<u>SPONSORSHIP AND RELATED CONCEPTS</u>	29
2.3.1	CORPORATE SOCIAL RESPONSIBILITY VERSUS SPONSORSHIP	29
2.3.2	PHILANTHROPY VERSUS SPONSORSHIP	29

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
2.4 <u>SPONSORSHIP VERSUS ADVERTISING</u>	30
2.5 <u>EMERGENCE OF SPONSORSHIP</u>	33
2.6 <u>TYPES OF SPONSORSHIP</u>	35
2.6.1 TELEVISION AND BROADCAST SPONSORSHIP	36
2.6.2 SPORT SPONOSORSHIP	37
2.6.3 ARTS AND CULTURE SPONSORSHIP	38
2.6.4 EDUCATIONAL SPONSORSHIP	39
2.6.5 SOCIAL AND ECOLOGICAL SPONSORSHIP	40
2.7 <u>SPONSORSHIP STRUCTURES</u>	41
2.8 <u>WHAT AND HOW TO SPONSOR</u>	42
2.9 <u>COST OF SPONSORSHIP</u>	44
2.10 <u>PURPOSE AND OBJECTIVES OF SPONSORSHIP</u>	45
2.11 <u>MEASURING THE EFFECT OF SPONSORSHIP</u>	49
2.12 <u>INGREDIENTS OF SPONSORSHIP SUCCESS</u>	52
2.12.1 CLEAR OBJECTIVES	52
2.12.2 INVEST TO LEVERAGE	53
2.12.3 CONSUMER, CONSUMERS EMOTIONS AND RESPONSES	53
2.12.4 SUPPORTING A GOOD CAUSE	54
2.12.5 WORK IN PARTNERSHIP, BE CREATIVE AND BE FAIR	55
2.12.6 CONGRUENCE OR FIT	55

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
2.13 <u>PROBLEMS ASSOCIATED WITH SPONSORSHIP</u>	57
2.14 <u>SUMMARY</u>	59

CHAPTER THREE**VARIABLES IMPACTING ON SPONSORSHIP**

3.1 <u>INTRODUCTION</u>	60
3.2 <u>INTERVENING VARIABLES</u>	61
3.2.1 MARKETING	61
3.2.2 HUMAN RESOURCES	63
3.3 <u>INDEPENDENT VARIABLES WITHIN THE MARKETING DISCIPLINE</u>	65
3.3.1 BRANDING	65
3.3.2 MARKETING ETHICS	69
3.3.3 GREEN MARKETING	71
3.4 <u>INDEPENDENT VARIABLES WITHIN THE HUMAN RESOURCES DISCIPLINE</u>	74
3.4.1 CORPORATE CULTURE	75
3.4.2 VALUES	79
3.4.3 EMPLOYEE EMPOWERMENT	82
3.5 <u>SUMMARY</u>	85

TABLE OF CONTENTS (CONTINUED)**PAGE****CHAPTER FOUR****RESEARCH DESIGN AND METHODOLOGY**

4.1	<u>INTRODUCTION</u>	86
4.2	<u>FOCUS OF THE STUDY</u>	86
4.3	<u>RESEARCH PARADIGMS</u>	88
4.4	<u>RESEARCH PURPOSES</u>	90
4.5	<u>DEDUCTIVE VERSUS INDUCTIVE RESEARCH</u>	91
4.6	<u>RESEARCH DESIGN OF THE STUDY</u>	92
4.6.1	POPULATION AND SAMPLE SELECTION	92
4.6.2	PILOT STUDY	93
4.6.3	DATA COLLECTION METHODS	94
(a)	<u>Secondary study for the literature overview</u>	94
(b)	<u>Primary study with measuring instrument</u>	94
(c)	<u>Administration of questionnaires</u>	96
4.7	<u>DATA ANALYSIS METHODS</u>	97
4.7.1	STRUCTURAL EQUATION MODELLING TO EVALUATE MODEL FIT	99
4.7.2	VALIDITY	100
4.7.3	RELIABILITY	101
4.7.4	TESTING OF HYPOTHESES	102
4.7.5	DESCRIPTIVE STATISTICS	103

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
4.8 <u>SUMMARY</u>	103
 <u>CHATER FIVE</u> EMPIRICAL FINDINGS	
5.1 <u>INTRODUCTION</u>	105
5.2 <u>SUMMARY OF THE EMPIRICAL INVESTIGATION</u> <u>OBJECTIVES</u>	105
5.3 <u>DATA ANALYSIS RESULTS</u>	107
5.3.1 VALIDITY OF THE MEASURING INSTRUMENT	110
5.3.2 RELIABILITY OF THE MEASURING INSTRUMENT	117
5.3.3 STRUCTURAL EQUATION MODELING	119
(a) <u>Sport and Broadcast sponsorship (Sp1)</u>	119
(b) <u>Education and Community sponsorship (Sp2)</u>	127
5.3.4 HYPOTHESED RELATIONSHIPS	138
(a) <u>Sport and Broadcast sponsorship (Sp1)</u>	139
(b) <u>Education and Community sponsorship (Sp2)</u>	143
(c) <u>ANOVA</u>	146
5.3.5 DESCRIPTIVE STATISTICS AND STATISTICS ON DEMOGRAPHIC CHARACTERISTICS OF SAMPLE	148
5.4 <u>SUMMARY</u>	154

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
<u>CHAPTER SIX</u>	
INTERPRETATION OF EMPIRICAL RESULTS	
6.1 <u>INTRODUCTION</u>	156
6.2 <u>OBJECTIVES OF THE STUDY</u>	156
6.3 <u>VALIDITY OF THE MEASURING INSTRUMENT</u>	156
6.4 <u>HYPOTHESES TESTING</u>	160
6.4.1 RELATIONSHIP BETWEEN MARKETING AND SPONSORSHIP	161
6.4.2 RELATIONSHIP BETWEEN BRANDING AND SPONSORSHIP VIA MARKETING	164
6.4.3 RELATIONSHIP BETWEEN MARKETING ETHICS AND SPONSORSHIP VIA MARKETING	166
6.4.4 RELATIONSHIP BETWEEN GREEN MARKETING AND SPONSORSHIP VIA MARKETING	167
6.4.5 RELATIONSHIP BETWEEN HUMAN RESOURCES AND SPONSORSHIP	168
6.4.6 RELATIONSHIP BETWEEN CORPORATE CULTURE AND VALUES AND SPONSORSHIP	169
6.4.7 RELATIONSHIP BETWEEN EMPLOYEE EMPOWERMENT AND SPONSORSHIP	172
6.5 <u>ANOVA</u>	176
6.6 <u>SUMMARY</u>	178

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
<u>CHAPTER 7</u>	
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	
7.1 <u>INTRODUCTION</u>	179
7.2 <u>SUMMARY OF THE STUDY</u>	179
7.3 <u>MAIN EMPIRICAL FINDINGS AND RECOMMENDATIONS</u>	181
7.3.1 FINDINGS AND RECOMMENDATIONS FROM THE VALIDITY AND RELIABILITY TESTING	181
7.3.2 FINDINGS AND RECOMMENDATIONS FROM THE STRUCTURAL EQUATION MODELING	182
7.3.3 FINDINGS AND RECOMMENDATIONS FROM THE HYPOTHESES TESTING	183
(a) <u>Hypotheses – failed to be rejected</u>	183
(b) <u>Hypothesis – rejected</u>	185
(c) <u>Hypotheses – not relevant</u>	186
7.3.4 FINDINGS AND RECOMMENDATIONS FROM THE ANOVA RESULTS	187
7.3.5 FINDINGS AND RECOMMENDATIONS FROM THE DESCRIPTIVE STATISTICS	188
7.4 <u>CONTRIBUTIONS OF THE STUDY</u>	188
7.5 <u>AREAS FOR FUTURE RESEARCH</u>	189
7.6 <u>FINAL CONCLUSION</u>	190

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
<u>LIST OF SOURCES</u>	192
<u>ANNEXURE A:</u> Questionnaire	218
<u>ANNEXURE B:</u> Model One (Complete model) SEM results for Sport and Broadcast sponsorship	223
<u>ANNEXURE C:</u> Model Two (Adapted model) SEM results for Sport and Broadcasting sponsorship	225
<u>ANNEXURE D:</u> Model One (Complete model) SEM results for Education and Community sponsorship	227
<u>ANNEXURE E:</u> Model Two (Adapted model) SEM results for Education and Community sponsorship	229
<u>ANNEXURE F:</u> Model Three (Adapted model Two) SEM results for Education and Community sponsorship	231

LIST OF FIGURES

	<u>PAGE</u>
Figure 1.1: Conceptual model	8
Figure 2.1: Stages in making sponsorship decisions	42
Figure 3.1: Levels of empowerment	84
Figure 4.1: Conceptual model	88
Figure 5.1: Conceptual model	107
Figure 5.2: Model One – Complete model for Sport and Broadcast sponsorship	120
Figure 5.3: Model Two – Adapted model for Sport and Broadcast sponsorship	124
Figure 5.4: Model One – Complete model for Education and Community sponsorship	128
Figure 5.5: Model Two – Adapted model for Education and Community sponsorship	131
Figure 5.6: Model Three – Adapted model for Education and Community sponsorship (2)	134
Figure 5.7: Adapted conceptual model	138
Figure 5.8: Adapted conceptual model (Sport and Broadcast sponsorship)	140
Figure 5.9: Adapted conceptual model (Education and Community sponsorship)	144
Figure 6.1: Final model for Sport and Broadcast sponsorship showing factor relationships	174
Figure 6.2: Final model for Education and Community sponsorship showing factor relationships	175

LIST OF TABLES

	<u>PAGE</u>
Table 1.1: Comparison of the phenomenological and positivistic paradigms	20
Table 2.1: Definitions of sponsorship	27
Table 3.1: Dominant cultures	77
Table 3.2: Sub-cultures	78
Table 4.1: Number of items per variable in the measuring instrument	96
Table 4.2: Goodness-of-fit indices for SEM	99
Table 5.1: Abbreviations of variables	109
Table 5.2: Factor loadings – Marketing factors	111
Table 5.3: Empirical factor structure of the marketing variables included in revised theoretical model	113
Table 5.4: Factor loadings – Human Resource factors	113
Table 5.5: Empirical factor structure of the human resources variables included in revised theoretical model	115
Table 5.6: Factor loadings – Sponsorship factors	116
Table 5.7: Empirical factor structure for the sponsorship variables included in revised theoretical model	117
Table 5.8: Cronbach Alpha Coefficient values of the measuring instrument	118
Table 5.9: Model One (Complete model) parameter estimates and p-values – Sport and Broadcast sponsorship	121
Table 5.10: Model One (Complete model) goodness-of-fit indices – Sport and Broadcast sponsorship	122
Table 5.11: Model Two (Adapted model) parameter estimates and p-values – Sport and Broadcast sponsorship	125

LIST OF TABLES (CONTINUED)

	<u>PAGE</u>
Table 5.12: Model Two (Adapted model) goodness-of-fit indices – Sport and Broadcast sponsorship	126
Table 5.13: Comparison of goodness-of-fit indices for Model One and Model Two for Sport and Broadcast sponsorship	127
Table 5.14: Model One (Complete model) parameter estimates and p-values – Education and Community sponsorship	129
Table 5.15: Model One (Complete model) goodness-of-fit indices – Education and Community sponsorship	130
Table 5.16: Model Two (Adapted model) parameter estimates and p-values – Education and Community sponsorship	132
Table 5.17: Model Two (Adapted model) goodness-of-fit indices – Education and Community sponsorship	133
Table 5.18: Model Three (Adapted model Two) parameter estimates and p-values – Education and Community sponsorship	135
Table 5.19: Model Three (Adapted model Two) goodness-of-fit indices – Education and Community sponsorship	136
Table 5.20: Comparison of goodness-of-fit indices for Model One, Two and Three for Education and Community sponsorship	136
Table 5.21: Parameter estimates and p-values to evaluate hypothesised relationships – Sport and Broadcast sponsorship	139
Table 5.22: Parameter estimates and p-values to evaluate hypothesised relationships – Education and Community sponsorship	143
Table 5.23: Ethnicity of respondents' influence on factors	147
Table 5.24: Gender of respondents	148
Table 5.25: Age of respondents	149
Table 5.26: Ethnicity of respondents	150
Table 5.27: Industry in which respondents are employed	151
Table 5.28: Mean scores and standard deviations of factors	153

LIST OF TABLES (CONTINUED)

	<u>PAGE</u>
Table 6.1: Summary of questionnaire items loading on specific factors	157
Table 6.2: Parameter estimates and p-values for Sport and Broadcast sponsorship	161
Table 6.3: Parameter estimates and p-values for Education and Community sponsorship	161
Table 6.4: Ethnicity of respondents' influence on independent factors	176
Table 7.1: Attainment of the study's objectives	180
Table 7.2: Valid variables after exploratory factor analysis	182

EXECUTIVE SUMMARY

In an ever changing world, consumers are less and less responsive to traditional advertising, which creates a challenge for marketers, as they need to constantly develop new marketing communication tools to make a lasting impression on current and potential consumers. Consumers of the twenty first century are described as emotionally acting individuals, and has led to a increase in creative and emotional marketing communication tools, for example sponsorship, which is an increasingly important element of an integrated marketing communication strategy. Because of the value sponsorship can have for a business, and the high costs involved in this marketing initiative, it is imperative to examine variables that might be influential, in order to apply this promotional activity to the business' advantage (Belch & Belch 2007:12; Hartland, Skinner & Griffiths 2005:164-173; Nicholis, Roslow & Dublish 1999:365-387; Pham & Vanheule 1997:407-417).

Because of the important effect of sponsorship, marketing managers seek clarity in respect of which events to support and to link their business' brand with or not. There is however little guidance in literature available on which events to sponsor and how to exploit resources efficiently and effectively (Crimmins & Horn 1996; Speed & Thompson 2000). Therefore, the objective of this study is to identify factors that might influence sponsorship initiatives within corporate businesses in South Africa. The variables that was identified for the study at hand was marketing related variables namely *branding*, *marketing ethics* and *green marketing*, and human resources related variables namely, *corporate culture*, *values* and *employee empowerment*.

In order to determine the influence of the predetermined variables on sponsorship, an empirical investigation was conducted. The positivistic (phenomenological) approach was used in this study as the aim was to determine whether a relationship exists between selected independent variables and the dependent variable, via the intervening variables, using statistical analysis. In order to gather primary data, self-administered questionnaires were issued to 182 respondents by means of

convenience and snowball sampling of which the results were analysed to arrive at conclusions regarding the research in question. The empirical analysis of the data followed the following statistical steps: exploratory factor analysis to test the validity of the measuring instrument, Cronbach Alpha correlation coefficients to confirm the reliability of the questionnaire, SEM goodness-of-fit, multiple regression analysis to test the hypothesised relationships between the independent, intervening and dependent variables, ANOVA and descriptive statistics. .

The main findings of this study suggest that *branding* and *green marketing* have a significantly positive relationship with sponsorship, indicating the importance of a business' brand and environmental awareness in terms of its emotional marketing initiatives. These relationships imply that, according to respondents, if these two aspects improve within the business, so could its sponsorship initiatives. Interestingly, it was established that *ethics* was insignificant in terms of a business' sponsorship initiatives. *Corporate culture and values* had a positive relationship with sponsorship, and *employee empowerment* proved to be negatively related to *Sport and Broadcast sponsorship*, with no significant relationship with *Education and Community sponsorship*. Additionally, the empirical investigation revealed that the ethnicity of respondents exerted an influence on the perception employees have regarding *ethics*, *employee empowerment* and *Sport and Broadcast sponsorship* within the businesses they are employed at.

As this study assisted in the development of sponsorship strategies for businesses to implement, it will have a direct benefit to marketers and businesses in general so that sponsorship initiatives can be directed in such a way to maximise the return on investment for a business. The implications of this study will be of great value to marketing managers as sponsorship is such an important marketing strategy and communications tool which impacts on the overall business objectives.

KEY WORDS

Sponsorship; marketing; human resources; branding; ethics; green marketing; corporate culture; values; and employee empowerment.

CHAPTER ONE

INTRODUCTION AND SCOPE OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND TO THE RESEARCH

In an ever changing world, consumers are less and less responsive to traditional advertising. This creates a challenge for marketers, as they need to constantly develop new marketing communication tools to make a lasting impact on current and potential consumers (Belch & Belch 2007:12).

In the twenty first century, consumers are described as emotionally acting individuals. For marketers, creating differential advantage through emotional benefits is a key factor to marketing success. This newly developed view of consumers led to a growth in creative and emotional marketing communication tools, a prime example of which is sponsorship - an increasingly important element of an integrated marketing communication strategy. With sponsorship, businesses have the opportunity to appeal to their target market's emotions, thus presenting sponsors with a back-door opportunity to promote their business and brand. Businesses not only reach consumers' brains, but also their hearts through sponsorship activities and create devotion and enthusiasm amongst consumers (Hartland, Skinner & Griffiths 2005:164-173; Nicholis, Roslow & Dublish 1999:365-387; Pham & Vanheule 1997:407-417).

Sponsorship is an emerging, significant field of study in Marketing Management, and has emerged as a high-profile centrepiece of many business and brand communications strategies. The growth of sponsorship in the business world demonstrates an overwhelming confidence amongst marketers in using sponsorship as a key marketing communication platform. Kolah (2006) reported that sponsorship is strengthening its position in the promotional mix and that it is becoming more sophisticated, professional and increasingly interwoven into the fabric of marketing activities. Due to its inherent benefits, sponsorship continues to be one of the fastest growing forms of marketing communication across the globe. Many businesses and marketing managers are displaying an increased interest in the effectiveness of

sponsorship initiatives in helping to achieve marketing communication goals and objectives (Dardis 2009:15:36-56).

Sponsorship relationships are extremely important in terms of the financial and strategic impact it has on business objectives. Therefore, it is vital that potential opportunities and threats of sponsorship be considered at all times and at all levels (Farrelly, Quester & Greyser 2005:339-348). Increasing media fragmentation, marketing clutter and the need to engage consumers have contributed significantly to sponsorships developing faster and more extensively than advertising over the past decade (Santomier 2008:20). Harvey (2002:59-65) was of the opinion that sponsorship of events, activities and the like generate more money than all media advertising combined (Chavanat, Martinet & Ferrand 2009:644-670; Meenaghan 1991:35-37). The value of sponsorship as a marketing strategy is well documented and research has provided support for the value of sponsorship in achieving the following objectives: media e.g. exposure, marketing e.g. brand awareness and penetration into new markets, corporate e.g. image enhancement, and socially e.g. corporate citizenship and involvement in the community (Crompton 2004:267-281).

Because of the positive value created by sponsorship activities, an increase in the cost thereof relative to other forms of communication is evident (Want 2003; Witcher, Craigen, Culligan & Harvey 1991:13-21). In South Africa, and across the globe, millions of rands are spent on sponsorships per annum. In 2009, sponsorship in the United States accounted for 25.4% of business' overall marketing, advertising and promotion spending. In June 2008, PriceWaterhouseCoopers estimated global sponsorship expenditure to be \$42.7 billion and predicted (prior to the credit crunch) that the market would escalate to nearly \$60 billion by 2012 (Aitchison 2009). In South Africa, arts sponsorship for example has more than doubled since 2001 when the arts market was estimated at around R136 million, growing to nearly R360 million in 2009. Growth in 2010 over 2009 was 9.3% taking into consideration the global economic and sponsorship landscape. In South Africa sports sponsorships alone, was worth R7 billion in 2010. There exist and ongoing debate whether the sponsorship market is overpriced, really worth it, and what the best sponsorship recipe is. There is thus a lack of knowledge about factors that might influence the

effectiveness of this expenditure. Because of the value of sponsorship to a business, and the high costs involved in this marketing initiative, it is imperative to examine variables that might have an influence on sponsorship, in order to apply this promotional activity to the business' advantage. The results of this study should be of great value to marketing managers, because of the fact that sponsorship is such an important marketing strategy and communication tool that impacts on the overall business objectives (Arts sponsorship more than doubled since 2001, 2010).

1.2 PROBLEM STATEMENT

At the start of the "sponsorship era" literature primarily focused upon legitimising the business value of its practice, causing later observers to note a lack of underlying theory in explaining sponsorship effects and what affects sponsorship. Although the popularity of sponsorship increased rapidly and sponsorship related marketing programs are broadly accepted in the corporate world, there is still a lack of a theoretical framework describing how it works and how to properly measure its business value (Crompton 2004:267-281).

The literature review undertaken by Cornwell, Weeks and Roy (2005:21-42) attempts to explore theoretical explanations of how sponsorship works and opens questions of research, bringing together variables such as individual (and group) factors, as well as market and management factors, with the aim of understanding its influence on sponsorship processing mechanisms and related outcomes. However, O'Reilly, Nadeau, Seguin and Harrison (2007:179-198) were of the opinion that theory and tools for sponsorship evaluation and influence on sponsorship needed to be further developed. They asserted that sophisticated, grounded theoretical models are required. There are some pressing sponsorship challenges, from developing packaging and sales strategies that dramatically increase revenue for properties, to determining the right sponsorship opportunities, management approaches and measurement metrics for sponsors.

Not doubting the promotional value of sponsorship, Cornwell and Maignan (1998:1-21) maintained that sponsorship has not received appropriate attention in the

marketing literature, and that there is a lack of theoretical development and basis for sponsorship, its impact, evaluation and effectiveness. Hoek, Gendall, Jeffcoat and Orsman (1997:22) stated that sponsorship theory still lacks an integrated and coherent body of empirical research, and that relatively little is known about how individuals process sponsorship information (Dolphin 2003:173-187; Hoek 1997:33-43; Meenaghan 1999:19-30; Olkkonen, Henrikki & Kimmo 2000:12-18; Pham & Vanheule 1997:407-417).

This lack of research led to a surge in more theoretically inclined studies aimed at investigating individual and environmental factors believed to influence sponsorship and the response to sponsorship stimuli. Notwithstanding these advances, however, the various strands of research examining the mechanics of sponsorship communications remain fragmented in spite of potential complementarities (Cornwell *et al.* 2005:21-42). The evidence cited in research is often subjective and tends to describe management practices without considering in detail their theoretical basis or how an evaluation of these might happen. This gap in research has often led marketers to rely on assumptions made by researchers on how sponsorship works (Arnett, German & Hunt 2003: 89-106; Harvey 2002:59-65).

Quester (1997:1-20) reported that only 30-50% of businesses evaluate sponsorship outcomes. Crompton (2004:267-281) found that 40% of the businesses did not evaluate their contracts. Furthermore, an additional 35% of these businesses spent 1% or less of their budget on sponsorship evaluation. Today evaluation remains a challenge, with 75% of sponsors showing very limited or no interest in evaluation. Earlier studies developed theoretical models to identify antecedents to sponsorship outcomes; however, these models need further empirical verification and expansion with the inclusion of more variables in order to better predict sponsorship outcomes (Alexandris, Tsaousi & James 2007:130-139).

Marketers face many decisions as to which events to sponsor or whether or not to invest in a specific event or cause. Even if an increasing number of businesses used sponsorship as a viable tool of persuasion, there is little guidance for them on which events to sponsor and how to exploit resources efficiently and effectively (Crimmins

& Horn 1996:11-20; Speed & Thompson 2000:226-238). Sponsorship relationships or involvement can affect many brand and business attributes among consumers, including attitude towards sponsor (Speed & Thompson 2000), image of sponsor (D'Astous & Blitz 1995:6-22), and purchase intentions (McDaniel 1999:163-184; Madrigal 2001:145-165). Because of the important effect of sponsorship marketing, marketing managers seek guidance to gain insight regarding which events to support and link the business' brand to, or which to avoid. Sponsorship managers rely on literature research that focuses on consumer reactions to sponsorship (Dardis 2009:36-56).

Most of the research conducted on sponsorship concerns the relationship between the sponsorship or event and the consumer, and the effects of sponsorship. Further research dealt with the selection of causes or initiatives to sponsor that will contribute to developing the overall sponsorship value for the business and the possible advantages to a business from those sponsorship activities. (Flemming, Halling & Christensen 2006:504-517; Hansen, Martensen & Christensen 2005:75-80) Because of the high costs involved in sponsorship (Witcher *et al.* 1991:13-21) it is important to take note of variables that might have a positive or negative effect on sponsorship. Little research has been undertaken that deals with the influence of marketing and human resources factors on sponsorship. This study seeks to close this gap by identifying possible marketing and human resources factors that might have an influence on sponsorship, and will develop strategies for businesses to implement.

The problem statement of this study can thus be stated in the form of a question, namely:

Which selected marketing and human resources variables will have an impact on sponsorship initiatives of corporate businesses in South Africa?

1.3 RESEARCH OBJECTIVES

The primary objective of this research is to empirically investigate which of the selected independent variables as hypothesised have an influence on the dependent variable, sponsorship.

More specifically, the aim of this study is to determine whether the selected variables (branding, marketing ethics, green marketing, corporate culture, values and employee empowerment) may have an effect on sponsorship, via the intervening variables (marketing and human resources).

The secondary research objectives can be defined as follows:

- To determine the appropriate research design for the study. More specifically, to investigate which research paradigms, methodologies and data collection methods and methods of analysis would be most appropriate to assess the impact of the selected independent variables on sponsorship initiatives in corporate businesses.
- To perform an in-depth analysis of secondary sources to investigate sponsorship in general, as well as the selected independent and intervening variables. This will guide the literature review as well as serving as a background against which the research instrument will be constructed. The research instrument (self-administered questionnaire) will be pilot tested for reliability and validity.
- To source primary data to determine the opinions of employees within corporate businesses about the selected variables and the possible influence on sponsorship. A structured questionnaire will be used to collect the data.
- To analyse the data, using relevant statistical procedures, to empirically test the conceptual model and hypotheses as depicted in Figure 1.1.
- To report the research findings.

- To conclude and make recommendations to corporate sponsors in South Africa regarding business strategies in the sponsorship of various events and causes.

1.4 RESEARCH HYPOTHESES

In order to construct the conceptual model, a number of independent variables have been selected from the literature after rigorous analysis thereof. The hypotheses were constructed on the basis of the selected variables. The following alternative hypotheses will be investigated:

H1¹: There is a positive relationship between branding and marketing.

H1²: There is a positive relationship between marketing ethics and marketing.

H1³: There is a positive relationship between green marketing and marketing.

H1⁴: There is a positive relationship between marketing and sponsorship.

H1⁵: There is a positive relationship between corporate culture and human resources.

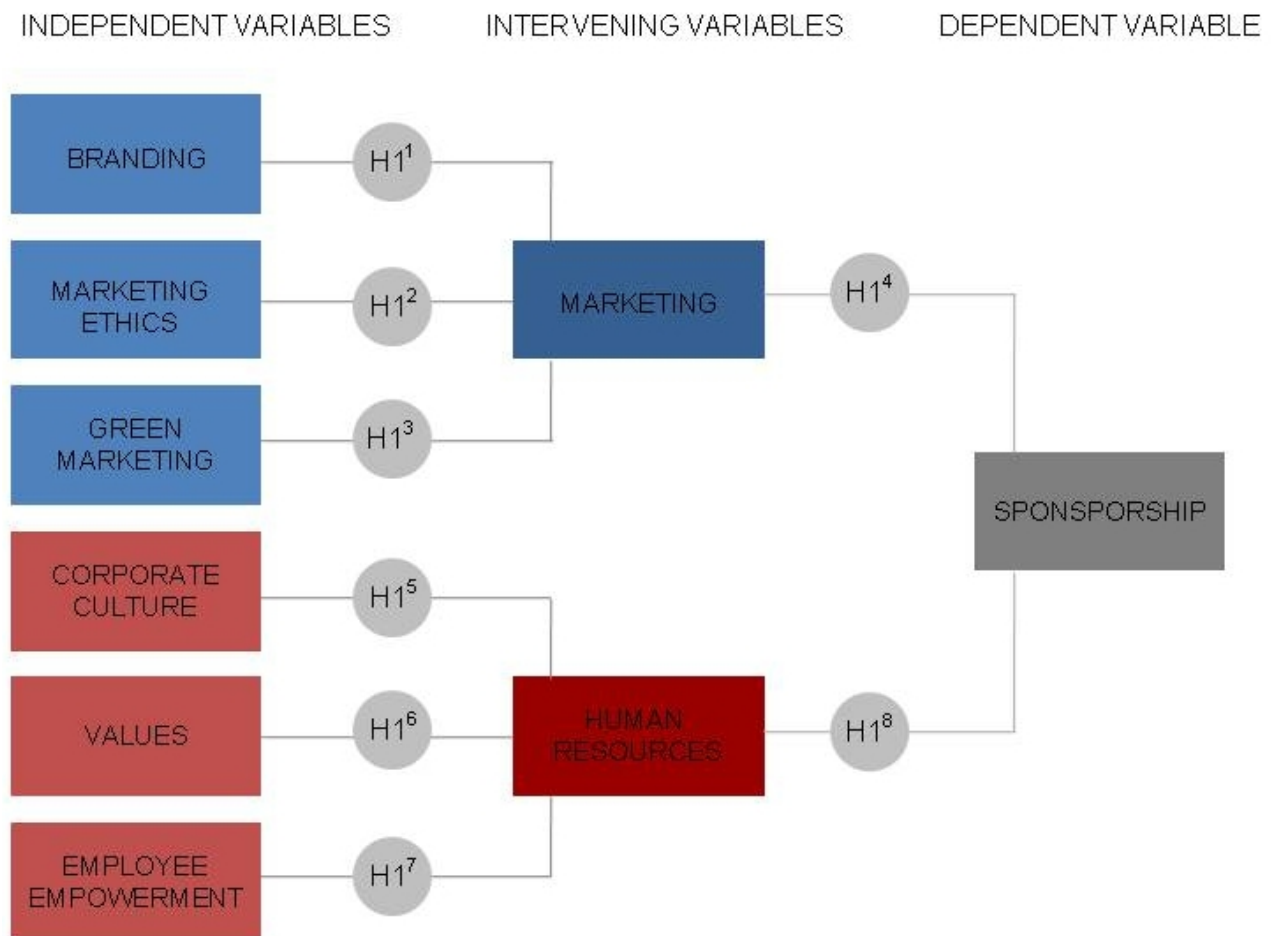
H1⁶: There is a positive relationship between values and human resources.

H1⁷: There is a positive relationship between employee empowerment and human resources.

H1⁸: There is a positive relationship between human resources and sponsorship.

1.5 CONCEPTUAL MODEL UNDERLYING THE RESEARCH

To analyse the impact of the selected independent variables, by means of the intervening variables, on the dependent variable, a conceptual model has been constructed and is graphically depicted in Figure 1.1.

Figure 1.1: Conceptual model

1.6 OPERASIONALISATION OF VARIABLES

By consulting previous research and literature sources, six variables that could have an influence on sponsorship, via two intervening variables (marketing and human resources) were identified and selected. The selected variables are discussed below.

1.6.1 CONTEXTUALISATION OF INDEPENDENT VARIABLES

The aim of this study is to examine how each of the independent variables, namely branding, marketing ethics, green marketing, corporate culture, values, and employee empowerment interacts with the dependent variable, sponsorship. The first three independent variables mentioned are labelled under the marketing

function, while the latter three are variables of the human resources function. Each of these independent variables is discussed below.

(a) Branding

A brand is considered an important asset. The business' reputation represented by the brand shares the same risk and returns as its financial situation. The complexity of the global business environment required businesses to strengthen their brands and to strive to convey a strong, consistent and appropriate message to consumers. Branding is one of the tools that marketing managers use through sponsorship to achieve various business objectives (Kahle 2007).

Brand managers are relying less on advertising and are now using multiple channels, such as sponsorship to engage and interact with consumers and sustain experience around its brand (Arvidsson 2006:188-192). Sponsorship is a powerful tool used by major businesses globally to build brand value (Stipp & Schiavone 1996:22-28). Brown (2002:188) noted that a favourable brand image is often an important business objective and that sponsorship helps define a brand personality through its inferred association with the sponsored property. Therefore the link to a partner through sponsorship has become a strategic issue (Keller 2003; Laforet & Saunders 2005:314-327).

According to Ye and Van Raaij (2004:95-114), the seed of building strong brands is to create brand awareness. A study done by Boshoff and Gerber (2008:1-8) confirmed that sponsorship has a positive effect on brand awareness, by significantly increasing unaided brand recall and brand recognition. In a competitive marketing environment, sponsorship can establish the businesses' brand and create awareness of a business and its products in the mind of a new set of customers (Duffy & Hooper 2003; Gwinner 1997:145; O'Guinn & Muniz 2001:412-432). Enhanced awareness of a business' brand is one of the key objectives sought by sponsors. The successes of individual brands therefore owe a great deal to the effectiveness of brand communications, of which sponsorship is one.

Researchers in marketing suggested that an event image could be linked with and transferred to a brand through sponsoring activities. Marketers focus on linking the business' brands with a sponsored event in which consumers are passionate and loyal (Gwinner & Swanson 2003:275-294; Madrigal 2001:145-165). It is their intention that sponsorship activities build its brand by linking sponsored events and sponsoring brands emotionally and cognitively. Businesses are thus concerned whether the sponsorship will generate favourable shifts in the business or brand image, purchase intention and purchases (Gwinner & Eaton 1999:47-57; Madrigal 2001:145-165). If and when sponsorship helps the business to develop a strong emotional connection with consumers, the business is able to pursue and reach brand objectives. There is a transfer of values and symbols from the sponsorship to the business, a process known as image transfer, which could nurture the brand equity of the respective business (Dardis 2009:36).

In recent years, research focused a great deal on the role that sponsorship plays in the branding strategy. It is of essence to understand what a potential party to be sponsored contributes to the perception of a brand or a business (Flemming *et al.* 2006:504-517). As per the literature discussions above, branding was identified as one of the variables that could have an effect on sponsorship.

(b) Marketing ethics

Practicing ethics in marketing means deliberately applying standards of fairness and making the morally right decisions in terms of marketing behaviour, and practice in the business (Sandler & Shani 1989:9-14).

As sponsorship can be an expensive and uncertain marketing activity, many businesses turn to ambush marketing strategies (Barros & Silvestre 2006:192-212). Ambush marketing is a "planned effort by a business to associate themselves indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor" - without paying fees. Crow and Hoek (2003:1-14) confirm the escalation of ambush marketing, reporting that it has rapidly increased with the increase in sponsorship activities. The aim of ambush marketing is to create miscomprehension in the consumer's mind about who the

sponsor is (Sandler & Shani 1989:9-14). Ambush marketing covers many activities, which Meenaghan (2001:109) stated are “bounded by legal and illegal, and ethical and unethical parameters”, with interpretations of boundaries differing by stakeholders’ perspective. Surprisingly, ambush marketing is not necessarily as dangerous to sponsors as it has been in the past, and it can be used to the official sponsors’ advantage. This can be done by drawing attention to issues of legitimacy, by enhancing brand or corporate authenticity, and by appealing to consumers increasingly wary of disingenuous brands. Sometimes attacks from ambushers provide a great opportunity for brand building as it is possible to gain consumers’ support and goodwill in the face of “fake” and fraudulent ambushers. (Farrelly & Quester 2005:339-348) Ambush marketing can however produce negative outcomes for official sponsors as it reduces their ability to capture fully the benefit of associating their brand with that of the event in which they have invested. Some marketers and sponsors argue that ambush marketing is indeed unethical, while others view it as “inevitable”, and they feel that competitors have no ethical obligation to ensure official sponsorship is successful (Payne 1998:323-331; Welsh 2002).

Another unethical marketing initiative is when there is a lack of interest in justifying the reason for undertaking sponsorship activities, and in many cases, the sponsorship opportunities were based on personal connections. Often sponsorship initiatives are not part of a business’ official communication strategy, and the ethics of such a sponsorship can also be questioned (Thjomoe, Olson & Brown 2002:6-15; Witcher *et al.* 1991 13-21).

Often employees who are responsible for sponsorship do not take the time to evaluate the sponsorship initiatives due to career risks, especially if expenditures increase. In such a case managers are not concerned about the effectiveness of sponsorship because they have not given it much thought or because the sponsorship fulfils personal goals or objectives, which are outside the conventional communications objectives (Javalgi, Traylor, Gross & Lampman 1994:47-59). This is often labelled the “chairman’s choice syndrome”, “hobby motive” or “spouse-driven project”. Although commercial justification plays a greater part than in the past, personal agendas drive many sponsorship decisions (Butler 2000:343-364; LeClair

& Gordon 2000: 225-241; Meenaghan 1983:5-10). The extraordinary intangible benefits associated with for example a stadium sponsorship suggest that there is a decidedly non-trivial probability that many managers may be unethically tempted to overstate the importance of such sponsorships to a business' "bottom line" in order to indulge their personal preferences at virtually no cost to themselves (Clark, Cornwell & Pruitt 2002:16-32).

For this study marketing ethics was identified as a possible variable that could influence sponsorship decisions, as it is deemed necessary that sponsorship decisions need to be morally right and fair.

(c) Green marketing

Green marketing refers to the process of selling products and/or services based on their environmental benefits. The obvious assumption of green marketing is that potential consumers will view a product's "greenness" as a benefit and exercise their buying decision accordingly. On the other hand, businesses can severely damage their brands and sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Presenting a product or service as green when it is not is called greenwashing (Ward 2010).

Many businesses are only implementing green as a new or seasonal marketing and promotional tactic. By becoming green, adopting sustainable business practices is a core strategic move, and should be seen as part of the brand values, personality and image. The entire being of the business – including its sponsorship initiatives - should support, reinforce and communicate the commitment made to going green. Green practices can create strategic and competitive advantage across a globe of interconnected markets with fleeting brand loyalty and changing regulatory methods (Hanft 2010).

More and more businesses are identifying ways in which to conduct business in an environmentally friendly way. This is the norm because of growing consumer awareness and support for green products and practices (Mawson 2007). Businesses must aim at taking the ethical route and practice green in their

operations, as well as in their sponsorship initiatives. Green marketing was also selected a variable that might have an influence on sponsorship initiatives within a business.

(d) Corporate culture

The ability of a business to use its human capital as a core competency depends in part on the corporate culture that is operating. It is not only in society, but also in business, that there are major differences in culture and cultural values. Culture is the history, beliefs, habits, values and social behaviour of a group of people. It is culture that determines the way individuals respond to the world around them. Businesses and brands are part of that world, and therefore culture must be an important consideration in the way that brands are developed and marketed (Hollis & Fitch 2009:206-214).

Depending on the corporate culture, a decision might have to be taken whether the business wants an association with certain events or activities (Haywood 1984:189). For example: Discovery might want to have an association with the healthy aspects of outdoor sports; The Virgin Group might want to have an association with the youth element of rugby; and Polo might want to have an association with the up-market appeal of golfing. The personality traits associated with ballet or classical music events are “sophisticated, elite, discriminating, upmarket, serious and pretentious”, whereas the personality associated with mass arts are “young, accessible, friendly, current, innovative, and commercial” (Meenaghan 2001:95-122). Each sponsored event has its own distinct personality characteristics, and the image of the sponsored event is transferred to the sponsoring brand. Sponsorship might thus be influenced by the type of activity that the business would want to associate itself with.

Cultural differences in countries may have a great effect on the way a business goes about sponsoring events. Countries are divided by cultural reference groups, values, humour and the specific meaning of words. International brands may have difficulty in establishing relationships with consumers in some countries because of cultural issues. The same marketing campaign may not work as effectively in one country or business as it would in another. In China, for example, consumers ‘are among the

most fickle on earth". When their teams lose, they stay home, so they don't make a lasting connection with the players – and their sponsors. One of the ways that sponsors have been able to compensate for this is by focusing on associations between brands and individual athletes, rather than brands and teams. Nike and Pepsi have been able to secure global sponsorship deals with megastars...such as David Beckham into greater awareness in China. (Balfour 2003) Although using the same campaign everywhere might be cost efficient, the saving may not outweigh the benefits offered by local engagement. It may be difficult to apply sponsorship initiatives to global audiences or various target markets as culture and values differ amongst groups. The need to be mindful of local preferences can have important implications when it comes to new media and sponsorship. Communication is integrally bound up with culture, in fact, it is often culturally specific. Communication that uses many new forms of media, particularly internet advertising and websites, can be seen by anyone, anywhere. Sponsorship on the other hand, offers the opportunity to truly engage customers or potential at a local level. (Hollis & Fitch 2009:206-214)

Taking the above into consideration, corporate culture may influence sponsorship initiatives in terms of its history, beliefs, habits, values and social behaviour and were therefore labelled as a variable that might influence sponsorship decisions.

(e) Values

According to Myers and Myers (1985:95-109) values are "conceptions of the nature of good and bad, of the relative worth you attribute to the things, people, and events of your lives." Values define for employees of a business the parameters of their action. Values guide individuals in choosing the "right" alternative when there are several options. It may thus be possible that business' values guide sponsorship decisions. (Flemming *et al.* 2006:504-517; Myers & Myers 1985:95-109)

Sponsorship within corporate social responsibility (CSR) is about how businesses manage its processes to produce an overall positive impact on society (Corporate Social Responsibility – what does it mean? 2010). Some earlier researchers were of the opinion that increasing profit is a business' only social responsibility. This

doctrine viewed specifically art sponsorship as “corporate theft” and businesses have no reason to engage in this activity. Yet, since the mid- 1960’s, businesses have steadily increased their funding to the artistic community in the belief that “cultural businesses influence the economy, serve as a catalyst for economic development, enhance the aesthetics of a community, and develop a well-educated public” (Alexander 1996:87-129; Martorella 1996:1-14; Want 2003). Sponsorship has the capacity to achieve a range of goals, including CSR objectives and effects such as goodwill generation of attitude change (Meenaghan 2005:243-264).

McDonald (1991:31-38) explored the benefits to society resulting from sponsorship, particularly for events whose survival is perceived to be dependent upon sponsorship. He stated that the main differentiation of sponsorship from other forms of marketing is the “social aspect of sponsorship that helps those who lack resources”. For businesses to be seen as supporting the community and contributing to its economic development is extremely powerful and creates a substantial degree of goodwill. It is logical that consumers will view a business more favourably if it supports social causes, and surveys suggest that this is true. A survey done by Reilly (2000:46) reported that social sponsorship creates a more favourable impression of the business; two thirds of respondents also report that they would be more likely to buy the products or services of a business that supports social causes. (Simmons & Becker-Olsen 2006:154-169) The integration of CSR activities with sponsorship has become an obvious extension, particularly as the importance of communicating CSR activities are recognised by most businesses. This has led to a greater degree of CSR content being included in sponsorship activation and particularly in sponsorships which target particular communities. It is assumed that a business’ feeling towards CSR would thus have an impact on the type of sponsorship it engages in (Watt 2008:258-266).

In order to succeed, businesses have to demonstrate and prove their trustworthiness. Brand communication is important to gain the trust of consumers, and it creates various opportunities for non-traditional promotional strategies such as sponsorship. Sponsorship, as a collaborative marketing platform, can create such a climate of trust and confidence with the target audience (Kolah 2006:6).

Some product categories, such as alcohol, tobacco and gambling use sponsorship of events to obtain media visibility that is denied by advertising regulators. When businesses consider sponsorship, there might be some marketing restrictions in sponsoring of such industries. The promotion of tobacco products is not conducive to family health and wellbeing of the community events and therefore should not be allowed (Clark, *et al.* 2002:16-32). The same may be concluded for sponsorship of gambling events. When considering sponsorship, it must be kept in mind what the impact of such a sponsorship may be on communities, and the health and wellbeing of the community.

As shown by Clark *et al.* (2002:16-32), sponsorship preferences differ from business to business due to several reasons. For the purposes of this study, values will be included as an independent variable, as the researcher aims to determine the influence of values on sponsorship. The research could also indicate whether the ten year old research of Clark *et al.* (2002:16-32) is still appropriate.

(f) Employee empowerment

Employee empowerment means giving discretion to front-line employees to meet the needs of consumers creatively. It is a form of decentralisation that involves giving subordinates substantial authority to make business decisions. Managers express confidence in the ability of employees to perform at high levels. Employees are also encouraged to accept personal responsibility for their work. Empowering employees tends to increase loyalty and fosters ownership (Hoffman, Bateson, Wood & Kenyon 2009:229-314; Lloyd & Leslie 2004:10).

Empowering employees present them with the opportunity to build a relationship with customers and other external reference groups. A number of social activities involving employees, customers, potential customers and other stakeholders of the business will be linked with the sponsorship. The effect expected here is more than a mere change in attitude towards the business. The opportunity of having personal contact with important clients in a relaxed setting is highly valued, and may have an effect on sponsorship. Furthermore, the advantages of the people employed with the business being linked to successful local or national sports idols or teams are

important too. The employee's support is also important for the overall effects of the sponsorship (Flemming *et al.* 2006:504-517).

Taking the above findings into considerations, it may be that the extent to which employees are empowered to make decisions, and the degree to which they take ownership of their work, can influence sponsorship initiatives of a business.

1.6.2 CONTEXTUALISATION OF INTERVENING VARIABLES

In this section the intervening variables, namely marketing and human resources will be briefly discussed.

(a) Marketing

The growth and recognition of the marketing concept were stimulated by the rise in consumer demand, the increase in disposable income, as well as the means of mass communication. Marketing has also moved from the initial focus of gaining new customers, to the now more appropriate view of retaining existing customers. Marketing has two facets according to Lamb, Hair and McDaniel (2009:23). Firstly it can be considered a philosophy, an attitude, perspective or a management orientation that will emphasise the customer's ultimate satisfaction. Secondly, marketing can be viewed as a set of activities that will be used to implement the above-mentioned philosophy. Marketing is therefore the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy organisational objectives. Marketing encompasses many activities, of which promotion is one. Sponsorship can be classified as a promotional tool, and for this purpose it is anticipated that the marketing related independent variables (branding, marketing ethics and green marketing) that will be discussed below, will exert an influence on sponsorship, via the independent variable, marketing.

(b) Human resources

Human resources within a business should not be underestimated and can create value and impact organisational results. (Mathis & Jackson 2010:7). In this study only three aspects of human resources were identified that might exert an influence

on sponsorship. These variables are corporate culture, values and employee empowerment. Sponsorship can be a subjective issue to businesses as well as its employees, especially those directly involved in strategy, design and the execution of sponsorship matters. What is close to one's heart might influence the decisions taken regarding sponsorship matters within a business, especially if the employees are empowered to make such strategic decisions. This study anticipates that employee empowerment, the culture within a business, the values of employees and in turn the business, will exert an influence on the sponsorship initiatives that the business invests in.

1.6.3 CONTEXTUALISATION OF THE DEPENDENT VARIABLE

The focus of this study is sponsorship (dependent variable), and whether the selected independent variables as discussed in the previous section, exert an influence on the dependent variable. Sponsorship will be briefly discussed below.

Businesses have used sponsorships for decades, resulting in the increase of its importance in the marketing mix. Sponsorship has developed from humble beginnings to a sophisticated marketing communications tool. What was once a little more than an opportunity for advertising and corporate hospitality in the 1970's is now a way of achieving a number of marketing and corporate communication objectives (Masterman 2007:27).

The basic function of sponsorship lies in achieving the communication objectives of the business. Sponsorships are described as the element within the communication mix in which a business provides financial support to an entity, individual or group, in order to allow the sponsored party to pursue its activities and simultaneously benefit from the association with the image and consumer awareness of the business' marketing offering. Sponsorship initiatives have the ability to reach all major target markets in a single campaign. It does this by bringing the message from the sender (the business) to its target market by using a variety of entities and activities which the business chooses to sponsor, such as sport, art, community activities, teams, fairs, individual personalities, and the like (Masterman 2007:27).

It is desirable that sponsorship should form part of the overall marketing communication and not function independently from the other forms of communication. In order to establish the most cost effective marketing communication mix, all the various elements of communication must be combined to complement one another and contribute to the achievement of the overall marketing communication objectives of the business. The versatility of sponsorship enables it to fulfil many of the basic functions of the other marketing communication tools of the marketing communication mix. One of the advantages offered by sponsorships as part of the marketing communication mix is the opportunity to become the theme which can be incorporated into the overall advertising, public relations, sales promotion and personal selling campaigns of the organisation. Sponsorships have the potential to communicate strategic elements, such as being caring and trustworthy, that are difficult to communicate in traditional advertising. Sponsorships enable businesses to achieve awareness effects on the consumers generated by the event, as well as benefiting from image terms by being associated with the sponsored activities (Meenaghan 1999:19-30).

The impact of sponsorship is perceived to not only have an influence on those who attend the event, but also have an impact on the community at large. Sponsorships as a marketing tool becomes more effective when long-term trustworthy relationships with the sport or event or community at large are established. Sponsorship should be seen as a mutually beneficial arrangement that consists of the provision of resources of funds, goods or services by an individual or body (the sponsor) to an individual or body in return for a set of rights that can be used in the communication activity for the achievement of objectives for commercial gain (Masterman 2007:27).

Sponsorships have become an effective marketing communication strategy, as well as an equally effective revenue producer for businesses. Increased competition has created a need for businesses to find ways to differentiate their products and services from the growing number of advertisers that they compete against in the marketplace. Sponsorship offers the means for such differentiation. Through increased visibility via a sponsorship, a business should be able to succeed in increasing consumption of its products and services.

As a relatively young marketing discipline, sponsorship lacks the body of knowledge required to ensure best practice and the implementation of policies and processes that result in satisfactory outcomes. It is with this in mind, and the fact that sponsorship is such a popular tool to reach the target market, that the study at hand aims to determine which marketing and human resources variables will have an influence on sponsorship initiatives in corporate business. It is envisaged that management should directly benefit from these findings.

1.7 RESEARCH METHODOLOGY

Distinction must be drawn between paradigms that govern the methods of investigation of a research study (Collis & Hussey 2003:47). In scientific research, reference is made to two research paradigms, namely the positivistic (quantitative) paradigm and the phenomenological (qualitative) paradigm. The basic differences between the two paradigms can be summarised as follows:

Table 1.1: Comparison of the phenomenological and positivistic paradigms

QUESTION	PHENOMENOLOGICAL/ QUALITATIVE	POSITIVISTIC/ QUANTITATIVE
What is the purpose of the research?	<ul style="list-style-type: none"> • Describe and explain • Explore and interpret • Theory building/generation 	<ul style="list-style-type: none"> • Explain and predict • Confirm and validate • Theory testing
What is the nature of the research process?	<ul style="list-style-type: none"> • Holistic • Unknown variables • Flexible guidelines • Emergent methods • Context-bound • Personal view 	<ul style="list-style-type: none"> • Focused • Known variables • Established guidelines • Predetermined methods • Somewhat context-free • Detached view

QUESTION	PHENOMENOLOGICAL/ QUALITATIVE	POSITIVISTIC/ QUANTITATIVE
What is the data like and how is it collected?	<ul style="list-style-type: none"> • Textual/image-based data • Small sample size • Loosely structured/non-standardised observations and interviews 	<ul style="list-style-type: none"> • Numeric data • Large sample size • Standardised instruments
How is data analysed to determine its meaning?	<ul style="list-style-type: none"> • Search for themes and categories • Acknowledgement that analysis is subjective and potentially biased • Inductive reasoning 	<ul style="list-style-type: none"> • Statistical analysis • Stress on objectivity • Deductive reasoning
How are the findings communicated?	<ul style="list-style-type: none"> • Words • Narratives, individual quotes • Personal voice, literary style 	<ul style="list-style-type: none"> • Numbers • Statistics, aggregated data • Formal voice, scientific style
What are the validity and reliability levels?	<ul style="list-style-type: none"> • Validity high • Reliability low 	<ul style="list-style-type: none"> • Validity low • Reliability high

(Source: Adapted from Leedy & Ormrod (2005:96); (Wisker 2001:123))

After consideration of the differences tabled above, the positivistic approach will be used in this particular study as the aim is to identify whether relationships exist between selected independent variables, namely branding, marketing ethics, green marketing, corporate culture, values, employee empowerment and the dependent variable, namely sponsorship, via the intervening variables (marketing and human resources) using statistical analysis.

1.7.1 DATA COLLECTION

Primary and secondary data will be used to gather information related to the study at hand. In order to gather primary data, questionnaires will be issued to respondents of which the results will be analysed to arrive at conclusions regarding the research in question. Secondary sources will be used to conduct a literature study. In this instance, various books and journals will be used extensively along with sources found through internet based search engines. The secondary data will assist in the explanation of the selected variables.

1.7.2 RESEARCH INSTRUMENT TO MEASURE VARIABLES PERTAINING TO THE HYPOTHETICAL MODEL

The study will be undertaken with the use of a self-administered, structured questionnaire designed to incorporate the problem statement, research objectives and hypotheses. The questionnaire comprises four sections. Sections one to three take the form of a seven-point Likert-type scale with response options ranging from “strongly agree” to “strongly disagree”. These sections deal with items focused on the independent, intervening and dependent variables. The fourth section of the questionnaire comprises the biographical data of the respondents. The questionnaires will be distributed electronically to employees accessible to the researcher and by means of referrals. The respondents will be given a month to respond, upon which follow up will be done.

1.7.3 POPULATION, SAMPLING PROCEDURE AND SAMPLE SIZE

When respondents are simply selected because they are accessible and available, it can be referred to as convenience sampling (Burns & Burns 2008:203). With this research proposal, a pilot study, amongst eleven employees from a bank in Jeffreys Bay, will be conducted to test the validity of the preliminary questionnaire after which convenience sampling will be used in order to distribute questionnaires to employee within corporate businesses in South Africa. The businesses to which the respondents belong will represent various industries of the South African corporate sector.

1.7.4 DATA ANALYSIS

Data analysis of the study will be done by testing the validity, reliability and generalisability of the questionnaire. Validity refers to the accuracy or truthfulness of a measurement (Collis & Hussey 2003:173; Spector 1981). The validity of the questionnaire will be determined through the application of exploratory factor analysis. Reliability refers to the internal consistency of the research instrument (Leedy & Ormrod 2005:26-27). The reliability will be assessed by means of Cronbach alpha (CA) reliability coefficients. Generalisability describes the extent to which research findings can be applied to settings other than that in which they were originally tested. Generalisability of the study will be ensured by using broad inclusion criteria and by maximising the sample size to include various sectors of the corporate industry.

1.8 VALUE OF RESEARCH

As evident from literature and marketers' opinion, sponsorship initiatives can be extremely valuable to a business. This fast growing marketing activity, however, also comes at a cost to businesses. Taking the benefits and the costs into consideration, it is important to determine which variables might influence a business' sponsorship strategy so that the initiatives can be directed in such a way to maximise the return on investment for the business. This study focuses on identifying possible marketing and human resources variables that might influence sponsorship initiatives as a marketing and communication tool of corporate business in South Africa. As this study will assist with the development of sponsorship strategies for businesses to implement, it will have a direct benefit to marketers and businesses in general.

1.9 PLAN OF THE RESEARCH

The first Chapter provided background information on the research, research problem, research objectives, hypotheses, and the scope of the research. The second Chapter will focus on literature around the dependent variable, namely sponsorship. Chapter Three will deal with the literature overview of the selected independent variables, and a short discussion on the intervening variables. In Chapter Four the research design and methodology will be discussed in detail. In

Chapter Five the empirical results will be conveyed, while Chapter Six will provide an analysis and discussion of the empirical results. Chapter Seven will comprise the conclusion to the study with recommendations for managerial implementation. As the focus of the study is sponsorship as a marketing tool, the following Chapter will discuss the theoretical aspects surrounding this particular business strategy.

CHAPTER TWO

SPONSORSHIP

2.1 INTRODUCTION

Given the incompatible forces of the growing importance of marketing communications on the one hand and the threat of “information overload” on the other hand, marketers are constantly looking for new, innovative ways to cut through the media clutter, and communicate with the target market. In addition, advertising costs and consumer cynicism contributed to the search for alternative promotional mediums (Boshoff & Gerber 2008:1-8).

An approach that marketers use to create new communication opportunities is through sponsorship. Sponsorship is one of the most rapidly growing activities and most prominent mediums of marketing communication. Sponsorship growth from 2009 to 2010 was a significant 9.3 percent. Sponsorship increasingly is becoming a valuable form of marketing communication for many businesses and brands worldwide (Arts sponsorship more than doubled since 2001 2010; Farrelly, Quester & Mavondo 2003:128-138).

Sponsorship is used by management to improve the image and awareness of a business' services and products, by associating themselves with the positive attributes of the sponsored and to directly reach more potential customers in order to increase sales (Soderman & Dolles 2008:95-110). Fahy, Farrelly and Quester (2004:1013-1030) noted that sponsorship is seen as a strategic element of a marketing program and a potential source of competitive advantage.

The reasoning behind sponsorship has changed over recent years. It used to be seen as pure charity whereas today it is seen more as a strategic marketing tool where the sponsor receives something in exchange and where mutually beneficial relationships are formed. Sponsorship can be characterised as a promotional practice that has moved from being a tool for corporate donations to a highly developed marketing discipline where both the sponsors and the parties being sponsored benefit in a *quid pro quo* relationship (Polonsky & Speed 2001:1361-1385; Webb & Carter 2001:168-179).

This Chapter discusses in more detail what sponsorship entails, how the concept has developed over the years, different types of sponsorships and the difference between sponsorship and advertising. Also discussed are the objectives, costs and effectiveness of sponsorship, pointers on determining what to sponsor, success factors and possible problems related to sponsorship.

2.2 SPONSORSHIP DEFINED

There are many definitions of sponsorship. In Table 2.1 below, a few definitions obtained from literature, are tabulated:

Table 2.1: Definitions of sponsorship

DEFINITION	AUTHOR
“...the provision of assistance either financial or in-kind to an activity by a commercial business for the purpose of achieving commercial objectives.”	Meegahan (1983:5-10)
“...an investment, in cash or in-kind, in an activity, in return for access to the exploitable, commercial potential associated with that property.”	Meenaghan (1991:35-37)
“...a means of persuasion that is fundamentally different from traditional communication instruments as it attempts to persuade consumers indirectly.”	Crimmins and Horn (1996:11-20)
“...a distinct media vehicle that complements a business’ marketing communication program.”	Cornwell and Maignan (1998:1-21)
“...a promotional tactic where a business creates a link with an outside issue or event, hoping to influence the audience by the connection.”	Rifon, Choi, Trimble and Li (2004:29-42)
“...a two-way commercial exchange, which is beneficial to both the sponsor and the organisers of the sponsored activities. For the donor, sponsorship provides publicity and for the receiving party, sponsorship raises essential funds to achieve its mission.”	Sylvestre and Moutinho (2007:281-303)
“...an agreement which links a business to an event or institution.”	Soderman and Dolles (2008:95-110)
“...a communications tool to relay a message about brands, products, or services with prospects.”	Gwimmer and Benett (2008:410-426)
“...a promotional activity that represents a significant part of the marketing mix, and has grown remarkably over the years.”	Chavanat <i>et al.</i> (2009:644-670)

A short synopsis of how a business defines sponsorship and what a business seeks from it can be summarised as follows:

- To borrow equity: This is the most powerful definition of sponsorship, for it demonstrates that the association is what the sponsor seeks, and demands that the property has a crystallised equity or brand promise to share with sponsors.
- To tell stories: Storytelling is the key to marketing and all sponsors need to create a role for their business within the sponsorship that communicates the contribution to the cause they are undertaking.
- To engage consumers: All key target groups need to be engaged in an activation campaign with an impact that significant that the consumer would have been ready to pay for it.
- To see proof: Sponsor fulfillment reports need to evolve beyond a photo album of signage and web banners to comprise periodic reports throughout the campaign, which are capped with a critical evaluation after completion, and include not only the positive results but the key areas for improvement across every dimension of the project.
- To be serviced: The first deliverable, after the contract is executed, should be a robust project management plan which clearly communicates how the sponsorship will be operationalised, what resources will be provided to the sponsor and what milestones they should be planning against (Harrison 2009).

There are various concepts pertaining to sponsorship within every business. Individuals have a different understanding of sponsorship, corporate social responsibility and philanthropy. In Section 2.3 the concepts sponsorship and other related concepts will be discussed and explained briefly.

2.3 SPONSORSHIP AND RELATED CONCEPTS

The two main concepts that will be discussed in relation to sponsorship are corporate social responsibility (CSR) and philanthropy. These two concepts are explained below.

2.3.1 CORPORATE SOCIAL RESPONSIBILITY VERSUS SPONSORSHIP

CSR is a means of displaying the inter-dependent relationships that exist between businesses and economic systems, and the communities within which they are based. CSR is a means of communicating the extent of any obligations a business has to its immediate society; a way of proposing policy ideas on how those obligations can be met; as well as a tool by which the benefits to a business for meeting those obligations can be identified. In other words, it is the deliberate inclusion of public interest into corporate decision making and the honouring of a triple bottom line – people, profit and planet. It is a business' role to contribute to society, but making a profit as a result of some investment is also expected. Specifically in recent years, CSR has become a vehicle for brand building among businesses. In some cases it has created tensions with NGOs as businesses always want to fly their flag next to the project in expectation of the marketing spin. Within CSR, sponsorship is, together with employee involvement a community service and cause marketing, one of the methods businesses use to express social investment back into their communities. Sponsorship is a business tool used by managers as part of their communication, advertising or public relations budget to associate the business' products and services with dynamic images for their customers' consumption. Sponsorship usually requires a service, or action, in return for financial support, so this frequently has clear marketing benefits and is therefore directly linked to a business' bottom line (Hopkins 2007:115).

2.3.2 PHILANTHROPY VERUS SPONSORSHIP

The basic purpose of sponsorship, as distinct from philanthropy, is that the business expects some kind of marketing opportunity as a result of their support; generally in the form of advertising or publicity in connection with the sponsored event. A seemingly

mere altruistic act like spending substantial amounts of money on community projects and donating to certain programmes such as music and arts is often a rewarding venture as customers tend to view such a sponsor positively. Some authors might dismiss this as pure philanthropy, there are others that view it as legitimate CSR or sponsorship as it can enhance the reputation of a business and strengthen its brand (Asongu 2007:28). Sponsorship might thus also be directed towards good social causes. Philanthropy does not necessarily ask for a definite service or action in return and it certainly is not usually based on a business relationship or partnership. Yet the line between philanthropy and sponsorship is difficult to draw and there are many grey areas. As it exists today, philanthropy has become, in many ways, a compromise or a hybrid of the two. During the past decade, the majority of corporate money allocated to nonprofit groups has come from marketing rather than philanthropic budgets. The relationship is moving from “grantor-grantee” to one in which projects are set up to benefit both the business and the partnering organisation (Hopkins 2007:89).

From the above it is evident that there are various views of sponsorship compared to CSR and philanthropy. For the purpose of this study, the dependent variable will be sponsorship as per the definitions presented in Section one of this Chapter. In the literature there is also an ongoing debate about the differences and similarities between sponsorship and advertising. This will be the focus of the following section.

2.4 SPONSORSHIP VERSUS ADVERTISING

Brand managers are relying less on advertising and are now using multiple channels, such as product placement, sponsorship and events marketing, in order to engage and interact with consumers and sustain experience around the brand (Arvidsson 2006:188-192). Although print media plays an important role in building strong brands, other communication methods, such as sponsorship, are now increasingly used to overcome media clutter (Kotler 2003:434; Cornwell & Maignan 1998:18). Factors such as clutter, audience fragmentation and increasing media costs have led to the dilution of the

effectiveness of traditional forms of advertising. This contributed to an increased consideration of, reliance on and usage of alternative media coverage, such as sponsorship (Meenaghan 1999:19-30).

Sponsorship and advertising cannot be labeled under the same umbrella. Although there are many similarities and although sponsorship is also, as is advertising, an integral part of the marketing strategy, it differs from advertising with respect to objectives, messages and control (Engel, Warshaw & Kinnear 1994:32).

Sponsorship enables businesses to reach targets by methods other than through image-cluttered television or computer screens. Traditional advertising involves clever design, bright colors and expensive film shoots by pricy advertising agencies. During the course of this advertising, the marketer makes claims about their business' product. To substantiate or validate this claim, marketers turn to sponsorship (Harrison 2009). Advertising changes the consumer's perception of a specific product, while sponsorship changes the consumer's perception of a specific sponsor, which can rub off on the product. In other words, sponsorship differs from other forms of advertising in that its aim is to benefit the business as a whole rather than specific products or services. Sponsorship is thus not an economical alternative to advertising (Harvey 2002:59-65).

The strength of conventional advertising is in its propensity to send a direct and specific message. Sponsorship of an event, on the other hand, facilitates an opportunity to indirectly deliver a message, for example by increasing brand awareness and enhancing brand image, which could lead to increased sales. The sponsor normally aims at strengthening its brand equity or strives for a reciprocal strengthening (Smolianov & Shilbury 2005:239-250).

Sponsorship also enjoys a greater amount of attention because of the cognitive defenses of the receiver, watching a program or attending an event that he or she likes,

are weak. Sponsorship also appears to be more effective when the consumer is in a positive emotional state (Tripodi 2001:1-20; Dolphin 2003:173-187).

The link or association with a specific property or event is the key in differentiating sponsorship from other promotional strategies, as it enables the investor (sponsor) to not only receive the related promotional benefits (TV or print exposure, branding opportunity and so on) but to be associated, in the minds of consumers, with the event or property being sponsored (Rifon *et al.* 2004:29-42).

According to certain authors (Harvey 2002:59-65; Meenaghan 1991:35-37) the advantage of sponsorship over all other media is that it is the only medium that gives brands the opportunity to create, enrich and facilitate engaging experiences, emotions and ideas. It has been argued that it is the audience's reaction that sets sponsorship apart from advertising, claiming that consumers recognise the beneficial effects of the sponsorship and respond by transferring goodwill to the sponsor. Meenaghan (2001:95-122) distinguishes sponsorship from other forms of marketing in terms of the effect it has on the consumer. He states that sponsorship "engages the consumer differently by bestowing benefit on an activity (for example sports or arts) with which the consumer has an intense emotional relationship". The perceived benefit bestowed upon the activity builds goodwill among the target market, who in turn views the sponsoring brand more favourable.

Although there are differences between sponsorship and advertising, the one marketing tool should not be used without taking cognisance of the other. Sponsorship requires additional investment in collateral advertising and other forms of marketing communication to establish an association between the sponsor and the event in consumers' minds. Successful marketers and event managers integrate sponsorship and advertising to cross-promote the two media and multiply the effect of the marketing investment. Quester and Thompson (2001:33-47) added that sponsorship effectiveness

is directly related to the degree to which sponsors are willing to leverage their investment with additional advertising, promotional activities and expenditure. Grohs, Wagner and Vsetecka (2004:119-138) concluded that the highest degree of leverage was obtained by sponsors who communicated their sponsorship by advertising on national television and on their websites. The general conclusion is that increased leverage leads to increased image transfer. Sponsors that use complementary marketing communications such as advertising, sales promotion, and public relations increase the effectiveness of their sponsorship. Elements in the marketing mix need to be coordinated such as press, public relations, advertising, internal communications, media liaison, and hospitality marketing. It is important to leverage these activities to achieve sponsorship goals. Roy and Cornwell (1999:345-360) made a strong case for the orchestration of all elements of the marketing communication mix to achieve the objectives of a coherent message (Crimmins & Horn 1996:11-20; Gilbert 1988:6-9; Soderman & Dolles 2008:95-110).

2.5 EMERGENCE OF SPONSORSHIP

The major growth in corporate sponsorship has occurred since the early 1970s. Sponsorship has emerged beyond the definition as mere charity or ad hoc donations. Sponsorship is no longer, as discussed previously, philanthropic. Philanthropy refers to any fundraising effort that seeks donations (i.e. a gift or a contribution where the donor requires nothing in return). Sponsorship supported primarily by financial resources will not contribute to a competitive advantage. In contemporary business practice, businesses invest in sponsorship; they no longer have the excess marketing funds or open leeway to simply undertake goodwill gestures. This evolution and maturation of sponsorship into a key strategic element of the marketing mix resulted in sponsorship's greatest objective to engage audiences and communicate more relevant messages personally to more targeted audiences. Contemporary sponsorship initiatives are mutually beneficial relationships – a partnership – in its true sense (Fahy, *et al.* 2004:1013-1030; O'Reilly 2006; Porter & Kramer 2002:5-16; Watt 2008:258-266).

The causes of the emergence and development of sponsorship that are noted as follows in the literature:

- Changing circumstances of the larger marketing communication industry. Corporate disillusionment with traditional media advertising, due to escalating costs and reduced efficiency caused by factors such as clutter has fuelled growth in this medium.
- Government policy, restricting the advertising of alcohol and tobacco products, provided the initial impetus to expenditure in the medium. However, on-going development can be attributed to changes in society at large and in corporate perceptions regarding media efficiencies.
- The increased availability of leisure time and the consequent development of sports, arts and other activities in response to this availability made more sponsorship opportunities available.
- Technological development, while increasing the potential media audience for such activities, has also created additional sponsorable opportunities such as interactive games and the Internet.
- Globalisation also contributed to the development of sponsorship in the sense that it has opened many more marketing doors and presented multiple opportunities (Kolah 2006; Meenaghan 1999:19-30).

According to O'Reilly (2006:179-198) there are three noticeable shifts in management's approach to sponsorship:

- They are emphasising the selling of sponsorship inventory on a more consultative packaging approach. This refers to the fact that the sponsorship exchange is becoming more sophisticated and both sponsors and parties being sponsored are providing and demanding more than just cash, product or promotional value in the relationship. They are interested in brand associations and long-term effects.
- They are exhibiting significant advancements in their in-house sponsorship expertise and the professionalism and specific-skill-sets of the personnel in their sponsorship departments.
- They are providing more opportunities to both their agents and their sponsored parties to integrate the sponsor's activation with event programming and marketing (i.e. additional leveraging activities).

There are several ways in which businesses can be involved in sponsorship. Which route they choose will be dependent on the individual business and its objectives, and focus or mandate of its marketing campaign. The main types of sponsorships are explained in the next section.

2.6 TYPES OF SPONSORSHIP

There are many types and forms of sponsorship and, at the planning stage it is helpful to appreciate the basic differences (Haywood 1984). Various events present sponsorship opportunities (for example sporting, cultural and social events), or an activity (for example soccer, golf, classical music and arts) or an entity (team, star, and

the like). Each sponsored activity possesses its own personality, imparting a unique set of attributes or values to the perceptions of the consumers. Some categories of sponsorship are identified below (Hansen, Martensen & Christensen 2005:75-80).

2.6.1 TELEVISION AND BROADCAST SPONSORSHIP

In today's digital world, there are many opportunities for television and broadcast sponsorship. Businesses reach millions of viewers through their support of public television programmes. This type of sponsorship is the closest to advertising, with the only difference being the closer link that is established between the programme and the brand. Brands need to become part of the emotional relationship between the viewer and the programme for television sponsorship to have an increased impact. The stronger the relationship the viewer has with the programme, the more effective the sponsorship will be at driving these emotions towards the brand. Fans of programmes are more likely to also like the sponsor than normal viewers (Benefits of TV sponsorship for brands revealed 2008; Kitchen & De Pelsmacker 2004:92).

Television and radio programmes are often sponsored by businesses that believe they will benefit from such an association. Recently Virgin Active was a sponsor of Radio Five FM's weather update programme. The most obvious form of broadcast sponsorship is programme sponsorship or billboarding. Other typical broadcast sponsorship packages could include on-screen logo displays and classical advertising during commercial breaks. An example of programme sponsorship might be when an insert is presented before a television programme reading: "Brought to you by Investec". Broadcast sponsorship is appealing to marketers because of the perceived benefits of communicating to consumers via the media, seen as an independent third party. Broadcast sponsorship can apply to all genres of television and radio programming, although most commonly sport, music and entertainment (Tassiopoulos 2010:282).

2.6.2 SPORTS SPONSORSHIP

Sport is inextricably part of the South African culture and fabric. The defeats and triumphs of our national teams and athletes affect our national mood and self-perception. Sport touches our emotional core like no other activity. In many ways athletes shoulder the hopes, aspirations, dreams and self-esteem of supporters. Their performances and actions on the field have a profound impact on fans; on the relationships they, as consumers of the sport, have with the sport, the players and those who are associated with the sport – for example the sponsors. Marketers who want to focus their communication and capitalise on a captive and attentive market at a point in time - sports fans - have incorporated sport sponsorship into their integrated marketing mix.

Sport sponsorship is the most widespread form of sponsorship and has attracted the majority of the available sponsorship budgets. One reason for the increase in sports sponsorship expenditure is that sponsorship can contribute to reaching large and diverse audiences. Major sporting events are generally watched by large numbers of people, and attract significant media coverage. With sport sponsorship, the broadest form in consumer marketing is printing logos on player jerseys or along the perimeter of the arena. According to a recent survey, a second reason driving investment in sports sponsorship is that nearly three-quarters of corporate sponsors of sport have generally been satisfied with their relationship with sports leagues, teams and organisations. There are several applications of sport sponsorship, such as an association with tournaments or other events (championships, trophies and so on) or a sport personality endorsement as a spokesperson for the brand (such as Pierre Spies for Outurance). Sport sponsorship opportunities have tended to be dominant in sponsorships because of their broad audience appeal and partly because of the more commercial nature of the organisers of most of these activities. It creates a public image and motivates the members of the distribution channel. Major sporting events have become dependent on sponsorship. A leading example of sport sponsorship at University level is the FNB Varsity Rugby Cup (Lardinois & Derbaix 2001:167-190;

Liberman 2003:1-34; Speed & Thompson 2000:226-238; Thwaites, Arguilar-Manjarrez & Kidd 1998).

Because of the very personal nature of the relationship between sports and its consumers, the benefits of strategic sport sponsorship far outweigh the impact on the brand than other elements of the marketing mix. Although sponsorship generally occurs at a point in time and a specific place, the leverage from media exposure and word-of-mouth communication often contribute to a substantial return in investment (Tobar 2006:243-252)

2.6.3 ARTS AND CULTURE SPONSORSHIP

Around the world, arts and culture initiatives have always been popular avenues for sponsorship, as arts play a crucial role in developing individuals, in fostering a cultural identity, and in cataloguing collective history (De Wet 2009:54). Arts and culture sponsorship aims to develop the arts and break down cultural barriers amongst individuals. Cultural sponsorship refers to a mutually beneficial agreement between a business and a cultural organisation, through which the latter obtains financial resources and the sponsor achieves to promote the social image of the business or the social aspect of its products. The success of this sponsorship depends to a large extent on the respect of the arts or cultural project (Quester & Thompson 2001:33-47).

It is often said that arts and cultural sponsorship “emotionalises” a brand. This type of sponsorship is seen as an investment to help sustain and grow a business, whilst having the opportunity to connect with customers in the local communities in which they serve. Most arts and culture sponsorships seek to increase understanding and interaction among cultures around the world through the exploration of culture in all its varied forms – including fine art, cuisine, music, language and literature. Communities

take notice and support sponsors that are investing in projects of value to them, as well as sponsors uplifting and support of communities (Quester & Thompson 2001:33-47).

Arts events or organisations are not as well attended as sports events but are often regarded as more “worthy” and more in keeping with the image of certain businesses and brands. An example of art sponsorship is evident in the major Anglo American sponsorship of the Business and Arts South Africa (BASA) Awards. Another example might be Standard Bank showcasing a variety of South African and international artists on an ongoing basis, for example jazz festivals.

2.6.4 EDUCATIONAL SPONSORSHIP

Educational sponsorship in current times is very popular, mainly because of the poor state of South Africa’s public education system. Clearly this is an area that demands developmental priority, since education is the foundation stone underpinning socio-economic development and it is the key to moving people out of poverty, and equipping them with skills to participate in the economy (De Wet 2009:34). Educational sponsorship aims to assist students from families with low income with the challenging costs of the education system. Educational sponsorship can range from supporting pupils, students and adults, as well as pre-school children's development. Education sponsors are, for example, those individuals or businesses who sponsor funds, equipment and other essentials for the promotion of education. Education sponsors promote access to learning and also the ability to receive education in environments where turmoil or poverty prohibits learning. Sponsors for education seek to educate those affected by adverse conditions and promote education to decrease negative conditions and improve lives.

Educational sponsorship can take several forms, from the sponsoring of educational grants to individual students at University, through to the provision of books and computers nationwide using the redemption of product or store-related vouchers, or a

massive pool of projects within Universities and schools. Some examples might be research funding or the support from Chevron towards the Govan Mbeki Maths and Science Development Unit at Nelson Mandela Metropolitan University. Colleges may also receive funding from corporate sponsors for education to help with the financial burdens of modern campus buildings, equipment for research, libraries with updated literature, and facilities for research in many areas such as medicine and science. Another example that can be cited is Old Mutual, who, through its Personal Economics Programme, is supporting financial capabilities and literacy among young people in collaboration with its London based charity 'Young Enterprise London'. The programme enables volunteers from Old Mutual to deliver a full day programme of classes to secondary school students that will have a lasting effect on their financial capability. The training provides understanding of personal finance, credit and debit, savings and investments and budgets (Haywood 1984; Sponsorships 2011).

2.6.5 SOCIAL AND ECOLOGICAL SPONSORSHIP

Businesses are no longer shaped solely by their primary objectives to maximise profits for shareholders, with virtually unfettered powers to do so without taking responsibility for its impact on society and the environment. Currently, businesses are viewed as an integral part of society: its development, its wellbeing, and its continuing stability and prosperity. Support of social causes is therefore a popular element of the promotional mix. The logic is that consumers will view a business more favourably if it sponsors social causes. Social sponsorship is about supporting and uplifting the social community in and around the areas of business operation. This is goodwill sponsorship and an example might be a business supporting and assisting Aid Haven's or Orphan homes (Becker-Olson & Simmons 2002:287-289).

Sponsorship of ecological issues is currently fashionable and on the increase. It portrays the sponsor as caring. An avenue for a business to promote its ecological concern is to affiliate itself with groups or projects engaged with environmental

improvements. In its simplest form, businesses contribute funds directly to an environmental organisation to further the organisation's objectives. Another approach is to "adopt" a particular environmental cause, for example a community recycling program, demonstrating the company's willingness to put its money and its reputation on the line. Sponsoring educational programs, wildlife shelters, and clean-up efforts communicates a business' commitment to finding environmental solutions. Partnerships with environmental organisations can open lines of communication with its target market. Meenaghan and Shipley (1999) found that of all the different types of sponsorship, social causes are most likely to be viewed as philanthropic (DuBrey 1991; Walliser 2003:5-12).

Besides the areas of interest mentioned above, sponsorship can be even further categorised into three types of sponsorship structures, explained in the section below.

2.7 SPONSORSHIP STRUCTURES

In addition to the various types of sponsorships mentioned in Section 2.6, sponsorship initiatives can be structured differently. The main sponsorship structures are discussed below.

- Sponsorship can entail either single or multiple sponsorships. It can either represent an interactive system between one sponsor and a given party being sponsored. On the other hand, multiple sponsorships can take one of two forms: when one business is a partner of several sponsored parties or when one sponsored partner has several partners in the same initiative. While sponsorship can be exclusive or shared by several brands, it is generally recognised and evident that an event is most profitable to the major sponsors or the prominent brand (Dambron 1993).

- When a business takes a decision to sponsor an activity or event, they often have a choice as to whether to sponsor an event that is already in existence or whether they would like to create a new event (Pham & Johar 2001:123-143).
- Sponsorship can also occur on a micro or macro level. In practice, repeated exposure to sponsorship messages can occur on two levels. One level entails a micro scenario, in which consumers are bombarded with brand messages at or near a sponsored event (logos, signage, booths, programs, banners, brochures and the like) and through heightened media advertising that promotes the event. Sponsorship communication also occurs on the macro level when sponsors pursue longer term associative strategies that parallel traditional advertising campaigns (Dardis 2009:36-56).

2.8 WHAT AND HOW TO SPONSOR

Sponsorship is not just a quick and instant decision to be made. It has long term consequences for any business, and the application of this marketing strategy should be carefully analysed, strategised and aligned with the broader marketing picture of the business. Some authors suggest a six-stage process to decide what and how to sponsor:

Figure 2.1: Stages in making sponsorship decisions



- **Analyse the current situation**

It is advisable to look at which other businesses are sponsoring in the target area. Sponsorship managers should determine whether competitors are already active in the identified sponsorship initiative, and if they are, whether the sponsorship is advantageous to them.

- **Define the sponsorship objectives**

Clear objectives of the sponsorship initiative need to be set. This might be raising awareness of the brand, build an image or promote a new product.

- **Agree the strategy**

To make the most out of a sponsorship initiative, it should be leveraged with other marketing and promotional activities.

- **Develop the tactics**

The finer detail of the sponsorship should be agreed upon – what to sponsor, the monetary values involved, timing, resources that are needed to make the sponsorship a success, and so on.

- **Define the target audience**

It should be determined who the target audience is – which market does the sponsorship attempt to access and influence (Lainson 1997).

One of the tactics that has to be developed when considering sponsorship is the monetary values or the cost thereof. This will determine to a great extent which sponsorship activities a business should get involved with. The cost versus return must also be a top priority on a sponsorship manager's list as it has to ultimately contribute to the business' bottom line. The cost and return of sponsorships are briefly discussed below.

2.9 COST OF SPONSORSHIP

The high and increasing costs of television advertising have prompted marketers to seek other methods to reach their targets more effectively. Comparing the cost of sponsorship with advertising is complicated because sponsorship spend includes rights acquisition and activation costs, while advertising spend is considered a direct marketing expense (Kolah 2006; Witcher *et al.* 1991:13-21).

The fees involved in sponsorship vary from sponsorship to sponsorship and can range from a few hundred rand to millions of rands, depending on the scale of the event and the level of the sponsor's involvement. In addition to the cost of staging the event itself, there are also associated advertising, publicity, and administrative costs to consider. Many small businesses choose to begin as a co-sponsor of an existing event, which allows them to take advantage of the other sponsors' experience. It may also be possible for a small business to underwrite a new event and share advertising costs with a co-sponsor (DuBrey 1991).

As with all financial investments, a potential sponsorship investment has to offer a viable return to justify the sponsor's involvement. Sponsorship decisions are increasingly being made at strategic level within marketing departments, with directors accountable for investment decisions and the concomitant returns. A corporate sponsor is accountable for investment decisions to four major stakeholders: its staff, its clients, its shareholders and the community. It is essential that a sponsor is able to justify corporate sponsorship expenditure and ultimately report a positive return on investment. Sponsorship brings massive exposure of a chosen name at equally massive cost. But the exposure is so wide that it is worth it in most cases (Friedmann 2011). This worth of sponsorship is noted in detail below.

2.10 PURPOSE AND OBJECTIVES OF SPONSORSHIP

The value of sponsorship as a marketing strategy is well documented. Sponsorship is emotional communication that must create adhesion and enthusiasm. This marketing tool enables the brand to reach consumers through their hearts and their brains. Harvey (2002:59-65) was of the opinion that sponsorship of events, activities and the like “generate more money than all media advertising combined”. The use of sport, art, social and environmental sponsorship has extremely important, with total sponsorship expenditure increasing significantly. Sponsorships often serve as the cornerstone of an integrated communications program - some brands now use event sponsorship as the brand’s primary marketing communication strategy. This intense reliance on sponsorship is referred to as sponsorship –linked marketing. An example in the South African context would be ABSA bank. This institution is investing vast amounts on sponsorship of festivals (for example KKNK, Kirkwood Wildlife Festival, and The Biltong festival), music programmes like Noot vir Noot, and Currie Cup Rugby – just to name a few (Cornwell 1995:13-24; Nicholis *et al.* 1999:365-387; Santomier 2008:15-28).

The development of sponsorship is a result of several factors and businesses are using this growing marketing communication method to achieve various business objectives. Some sponsors focus on only one of these objectives, some prefer them all, whilst others enlist a combination of these elements.

Research generally place sponsorship objectives into four categories: media objectives (such as achieving cost effectiveness, reaching target markets and exposure), marketing objectives (such as brand promotion and awareness, generating purchase intention, or generating a sales increase), broader corporate objectives, which are principally image based and social objectives (such as social responsibility, corporate citizenship and involvement in the community). Sponsorship has become a ‘versatile’ communication tool that can be used to achieve different objectives: cognitive, affective

and behavioural (Apostolopoulou & Papadimitriou 2004:180-192; Crompton 2004:267-281; Quester 1997:1-20; Sandler & Shani 1993:38-43; Walliser 2003:5-44).

In a recent survey of sponsorship activities by both service and product businesses, Roy and Cornwell (1999) found that business or brand image enhancement, breaking free from traditional media clutter, and increasing brand awareness ranked as the top three intended objectives mentioned by business managers. Sponsorship initiatives have grown, according to Gwinner (1997:145), because of the benefit that it provides numerous opportunities for building a brand. This is the corporate motivation of sponsorship that seeks to increase public awareness of the business, change public perceptions of the business, suggest a particular image and build goodwill among opinion-formers and decision-makers. It is said that sponsorship changes the consumers' perception of a specific sponsor – which can rub off positively on brands of that sponsor in terms of willingness to purchase those brands. Engel *et al.* (1994) were of the opinion that sponsorship “encapsulates a range of activities of which the purpose is two-fold: building corporate name recognition and establishing favourable public image”. One of the motives for engaging in sponsorship is to alter public perception and enhance business and product (product motivation) image among viewers and attendees (Lough & Irwin 2001:202-211). Publicity is only one criterion when assessing the potential value of sponsorship, and frequently one of the main reasons why businesses undertake sponsorships (Cornwell & Maignan 1998:1-21; Cornwell, Roy & Steinhard 2001:41-51; Haywood 1984; Marcenac, Milon & Saint-Michel 2002; Meenaghan 1983:5-10; Meenaghan 1991:35-37; Speed & Thompson 2000:226-238; Walliser 2003:5-44).

Sponsorship offers a valuable platform for marketing communication between a business and its target market - reaching a specific target audience and/or positioning the brand within this audience. Sponsorship at international events can offer brands with true global presence and a efficient marketing communications platform

independent of cultural or language barriers and consequently establishing a competitive presence globally. The many businesses that engage in sponsoring do so because they know or assume that these activities are a way in which to communicate with the consumer in order to build brand equity, and they expect this effort to materialise in sales and boost sales – the sales motivation for sponsorship. In a study done on corporate stadium sponsorship it was found that the average stadium sponsor's stock prices increased by 1.65 percent at the time of announcement of the programs. It is thus evident that sponsorship can add direct financial value to the business and help to differentiate the brand or business from its competitors. The mere act of sponsoring an event, especially an exclusive sponsorship, is a significant way to create competitor differentiation. Sponsorship allows smaller companies to compete with their industry giants (Clark, *et al.* 2002:16-32; Dean 2002:77-87; Hansen *et al.* 2005; O'Sullivan & Murphy 1998:349-366; Pope & Voges 2000:17-28; Ruth & Simonin 2003:19-30).

Successful involvement in sponsorship shows that a business and its brand are part of a wide beneficial involvement in society of which the consumer is a participating member and in such a way building community relations. Sponsorship allows businesses to be viewed as a good neighbour. To be seen supporting the community and contributing to its economic development is extremely powerful and creates enormous goodwill, establish a favourable reputation, and increase sales. Therefore the strategic marketing rewards of a successful sponsorship in terms of exposure, awareness and positive image building are immense. Although exposure to a brand through such vehicles as on-site signage may increase awareness, awareness alone may not achieve the full potential of sponsorship effectiveness (McGreer 2003:81; Sylvestre & Moutinho 2007:281-303).

Beyond simply raising awareness of a brand, one of the key reasons for engaging in sponsorship is the desire to see a transfer of brand image from the initiative being

sponsored to the business paying to sponsor (Meenaghan & Shipley 1999:328-347). Businesses get involved in sponsorship for favourable associations between sponsors and sponsored properties. Events usually attract sponsors because of the promise of easy, wide-reaching promotion of their brands through association with the event (Barros & Silvestre 2006:192-212; Cornwell, Weeks & Roy 2005:21-42).

Sponsorship that offers hospitality opportunities is always very attractive to businesses. Guest hospitality is principally motivated by such internal business requirements as projecting prestigious status, showing appreciation of valued clients and partners, and using the opportunity by creating entertainment opportunities to build positive relations with potential clients. It can be said then that sponsorship is also a way to target consumers through their lifestyles and interests (Abratt, Clayton & Pitt 1987:299-311; Bennett & Lachowetz 2004:239-243; Friedmann 2011).

Personnel motivation is related to providing incentives for personnel in order to aid staff recruitment and retention. Good community relations programs give employees a reason to be proud of the business, which increases loyalty and may help to reduce labour and production costs. Furthermore, a business with contented employees and a good reputation in the community is likely to attract suitably qualified new employees (Wilber 1988:8-10).

From the above it is evident that through sponsorship, the nation's sporting, cultural, environmental, artistic, media, humanitarian and educational heritage is nurtured, enhanced and spectator choice widened. All parties to sponsorship - the sponsor, the sponsored event or activity, the media, the participant(s), the viewers and spectators - benefit from their involvement.

It is important for a business to be aware of the effect sponsorship has on potential or current consumer. This effectiveness measurement is briefly discussed in the following section.

2.11 MEASURING THE EFFECT OF SPONSORSHIP

In the past sponsors did little or no research to determine whether event sponsorship yielded effective results. As sponsorships grew in popularity and became more expensive, sponsors began looking for ways to quantify the value of event marketing. It is still unclear for many businesses how the effect of an event can be measured and many scholars have attempted to evaluate sponsorship effectiveness. Determining the value and influence of sponsorship is a complicated task, and the factors that lead to a high return on sponsorship investment are not well understood. In light of the phenomenal growth of sponsorship, understanding sponsorship effectiveness has become increasingly important. To date, researchers and practitioners have developed and implemented various sponsorship management frameworks that include systematic selection of sponsors, event properties and evaluation methods. Sponsorship is a widely used and expensive tool, so managers seek to identify in detail what influence sponsorship has, in order to judge its value (Tripodi 2001:1-20).

The effectiveness of sponsorship must be measured differently to the effectiveness of advertising, and must be conducted in the context of each individual business. The human mind processes sponsorship information differently from advertising information. Sponsorship and advertising are used to achieve different objectives and their measurement should be tailored accordingly. Advertising is generally used to get a unique selling proposition into the minds of consumers, whereas sponsorship is generally used to enhance the image and increase the awareness of a brand (Copeland, Frisby & McCarville 1996:3-48; Hasting 1984:171-176; Sneath, Rinney & Close 2005:373-381; Walliser 2003:5-44).

Each objective of sponsorship can be evaluated separately. Publicity (in terms of name or brand exposure) can be measured in the same way as other media. Entertainment costs and opportunities can be calculated. Even the favourable aura or association that reflects on the sponsor with some activities can be evaluated fairly accurately. The potential sponsor needs to be disciplined in deciding objectives and preparing sponsorship requirements before becoming enthused by one of the hundreds of opportunities that always exist. If publicity is the objective, it needs to be certain that the media coverage will reach those audiences that are relevant (Haywood 1984).

It has been noted that liking, awareness and inclination to behave on behalf of the sponsorship are important indicators of sponsorship effectiveness. Most studies measuring the effects of sponsorship have chosen awareness as a dependent variable. Research specialists propose two types of measurement on the impact of sponsorship in terms of awareness: the test of memorisation (recall test) and the test of recognition (recognition test). Looking for a more sophisticated evaluation tool, some sponsors turned to businesses conducting pre- and post-event surveys, primarily used to assess consumer awareness or attitude change. A variety of research techniques have been employed, including focus groups, on-site surveys, and follow-up phone interviews. The survey type chosen usually depends on how much the sponsor is willing to spend on research, how quickly it wants results, and whether it wants to reach event attendees or television viewers Walliser (2003:5-12).

According to previous research, emotional responses towards sponsorships explain awareness variations to a very large degree. This means that in evaluating the different effects of different sponsoring arrangements, it will be very useful to look at the emotional responses generated by the sponsored party. As one of the consequences of different parties to be sponsored, different sponsoring arrangements may have different values for the different sponsors. For the sponsor, it becomes important to choose the mix of sponsorships that best fits her or his profile. On the whole the social

aid organisations seem to be very good as parties to be sponsored, even though the sport-related ones come out first in terms of arousal and attention. The cultural ones generate positive emotions but also some uncertainty and finally the TV-programmes seem to be the least favourable type of party to be sponsored (Crimmons & Horn 1996:11-20).

An approach was developed to measure sponsorship effectiveness with the measurement of attitudinal equity at its core. It was suggested that consumer-brand relationships lie at the heart of how sponsorship information is being processed and ultimately how effective it is. Attitudinal equity is the intangible asset that represents the value of a brand's name. Measuring the strength of a brand in terms of its attitudinal equity gives a point in time snap-shot of a brand's strength relative to other sponsoring brands. The model used to measure attitudinal equity takes into account aspects such as: the importance of brands in general in a respondent's life; the impact of specific brands in their life; and, how well those brands meet their needs. If brands are generally important to a respondent and a particular brand is relevant in their life and meets their needs better than any other brand in the sponsorship environment, that brand will receive a high attitudinal equity score. This measure of attitudinal equity is used because it correlates well with consumer behavior (Jones 2008).

The most convenient measurement of sponsorship effectiveness is the escalation of sales – the return on investment in sponsorship initiatives. Sponsorship that is recalled ensures sales, which is the main aim of sponsorship policy. Event status does not exert a direct driving force on sales, but ensures the recalling of sponsor and, by this means, does achieve sales. Sponsors have developed in-house methods to evaluate sales linked to sponsorship spending. For example, those sponsoring regional events may compare sales in a region with a sponsored event to sales in a region without one. Companies sponsoring national events may compare sales before, during, and after

events. Or they might compare monthly or quarterly sales from year to year, noting which sales periods featured sponsorships and which did not (Barros & Silvestre 2006:192-212; Lainson 1997).

In order to maximise the effectiveness of sponsorship, guidelines on how to generate success from sponsorship initiatives is essential for any sponsorship manager. Some of the ingredients of sponsorship success are discussed below.

2.12 INGREDIENTS OF SPONSORSHIP SUCCESS

There are some elements that are worth mentioning that can contribute to the success of a business' investment in sponsorship. These elements are discussed below.

2.12.1 CLEAR OBJECTIVES

The starting point for any sponsorship opportunity is to first set clear objectives. Sponsorship initiatives should be directed towards the business' main objectives and marketing strategies, and should be communicated throughout the business. Sponsorship objectives need to be set so that they relate to the event and should also focus on defining the appropriate target market. Once the business' objectives are determined, sponsorship needs to be aligned in order to meet these objectives. There are three main groups of sponsorship objectives. The most widely recognised objectives are focused around brand building, from creating brand awareness to promoting brand advocacy. The second group of objectives are defined as those where the primary purpose is engagement with particular audiences and includes everything from government lobbying to reputation management and community relations. The last set of objects is of commercial nature, ranging from sales increase, market share increase and new marketing penetration. Clear objectives will help in sponsorship selection; facilitate the development of original concepts; provide easier ties with

advertising and public relations activities; and lead to easier measurement of results (Santomier 2008:15-28).

2.12.2 INVEST TO LEVERAGE

Sponsoring an event, team or other property is about more than getting your logo on a programme or a jersey, or just writing a cheque. Leveraged effectively, sponsorship can provide significant communications opportunities for a business or brand beyond the event itself, with evident quantifiable return. A common rule of thumb is to match the financial amount of the sponsorship with an equivalent amount of expenditure on leverage activities and advertising. In order for marketing strategy to be more effective, sponsorship should be integrated with other channels as well – not only advertising but also sales promotion, the Web and word-of-mouth communication. Sponsorship should be used to create more excitement for existing activities such as advertising, merchandising, product packaging, trade and retail promotions, loyalty programs, employee involvement and Web-based promotions. The selected event should therefore create leverage and cross impact opportunities with the business' other marketing communication variables. Leverage within the marketing of sponsorship will influence the success of the relationships within the sponsorship (Soderman & Dolles 2008:95-110).

2.12.3 CONSUMER, CONSUMER EMOTIONS AND RESPONSES

The third aspect is the selection of the appropriate target market that the business wants to reach, and this needs to match the intended target market to every sponsorship objective that has been set. Sponsorship objectives can address a variety of target markets, such as the buying public, and the non-consumer target markets (for example the media, potential investors or stockholders). To ensure greater success with a sponsorship relationship, the needs, wants and demands of the potential target market and those of the sponsoring business' products or services, need to be merged to create the synergistic effect (Grohs & Reisinger 2005:42-48).

Recent sponsorship effectiveness studies have concluded that the key determinants of sponsorship success are factors such as spectators' attitudes and beliefs towards the event and the sponsorship, event involvement and prior brand awareness. In a study done by Flemming *et al.* (2006) they indicated how emotional responses and attitudes towards the parties to be sponsored may be useful indicators of the effects of sponsoring (Alexandris, Douka, Bakaoumi & Tsasousi 2008:1-12; Cornwell & Maignan 1998:1-21; Pope & Voges 2000:17-28; Quester & Thompson 2001:33-47).

Attitudes towards the event have been documented and measured using two distinct constructs: personal liking for the event and the perceived status of the sponsored event. Respondents who perceived the event to be attractive and interesting believed it would have a stronger impact on the sponsor's image. Respondents regard high-status events favourably, regardless of whether they like them or not (Carrillat, Lafferty & Harris 2005:50-64; Speed & Thompson 2000:226-238).

It was established that the type of audience has an effect on sponsor recall. In a study done on the Nascar sponsorship, it was proven that brand recall is a function of respondent education, age and gender (Dekhil 2010:158-176; Kinney, McDaniel & DeGaris 2008:169-179).

2.12.4 SUPPORTING A GOOD CAUSE

Attitudes towards the sponsor have been measured using three construct: attitude towards the sponsor, sincerity of the sponsor, and the ubiquity of the sponsor. Sponsors with a positive image receive a more positive response. Sponsors who are perceived to be sincere in their sponsorships and motivated by philanthropy will achieve better responses to their sponsorship. Ubiquity of the sponsor is based on the event that sponsors who support a large number of events receive a minimal response from the respondents, compared to those who choose to sponsor a small number of events. Sponsorship allows a business to create goodwill by associating the business name

with a charitable organisation or event. The purpose of sponsoring a good cause is to convince the consumer that by using the business' product or service, they are participating in supporting the charity or event being sponsored, and thereby creating a feeling of goodwill amongst consumers, and in turn the consumer will view the sponsor as a good and caring corporate citizen. As a result, the consumer will view the business as doing its bit in giving back to the community, and in turn this will create a more favorable attitude towards the sponsor (Speed & Thompson 2000:226-238).

2.12.5 WORK IN PARTNERSHIP, BE CREATIVE AND BE FAIR

A sponsorship relationship should be based on due diligence and trust. Credibility requires being able to establish a trust relationship where the result is of a win-win nature for both parties involved in the sponsorship process. The relationship should thus be mutually beneficial, without the one party attempting to misuse the other. A trustworthy relationship does not just happen, and it takes time to develop such a relationship between two parties. Through relationship building, trust and ties are developed that, even in the worst of times, will be difficult to break. In a study conducted by Buhler, Heffernan and Hewson (2007:291-309) on the importance of a relationship between the party being sponsored and the sponsor, the findings suggested that commitment to the relationship, cooperation, and satisfaction in the relationship are key components for successful sponsorship. Farrelly and Quester (2005:339-348) analysed the effect of trust and commitment on the economic and non-economic satisfaction of sponsors of the Australian Football League. They concluded that the trust of sponsors has a direct effect on their satisfaction with the relationship and that it is conditional to their decision to commit to the relationship.

2.12.6 CONGRUENCE OR FIT

The most frequently investigated theoretical concept related to improving the response to sponsorship information has been the notion that higher congruence, or fit, between sponsor and event leads to favourable sponsorship outcomes. Fit is defined as the

“synergy between what the business does and the detail of the sponsorship” (McDonald 1991:31-38). Sponsor-event fit evaluates the suitable match between the sponsor and the event, based on functional characteristics and symbolic characteristics. Fit plays a central role in several theoretical approaches within the extant sponsorship literature, including attribution, image or meaning transfer, and matching or congruence based perspectives. The need to establish an association between a sponsor and the event is important because many sponsors do not have logical or obvious connections with the event. Perception of the congruence between the sponsor and the event is considered to be a main driver of sponsorship awareness. That is, consumers are more likely to identify a brand as a sponsor of an event if there is some relationship between the product and the event (for example a tennis racquet brand sponsoring a tennis tournament) than if there is no relationship (a farm implement company sponsoring a tennis tournament). Theoretical explanations for such effects typically involve a foundation in associative or image-transference principles. Under this rationale, a communicated affiliation between a sponsor and the party being sponsored creates “associative links” within an individual’s cognitive framework, which are influenced by the correspondence or ease of transference between the sponsor and the sponsored property. When the match is deemed congruent, the associative link becomes stronger through spreading activation within one’s memory. This process makes the attitude towards the sponsor more accessible. Because highly accessible attitudes are more likely to affect brand evaluations and because stronger associative links are more persuasive than weaker ones, the attitude generated by a congruent sponsor will result in more positive evaluations when compared to an incongruent sponsor, all else being equal. However, a sponsorship affiliation is perceived as more congruent after repeated exposure to the message, but consumers also should indicate more favourable evaluations of the initially incongruent sponsor. Thus, compared to a sponsorship affiliation perceived as incongruent, one perceived as congruent will produce a more positive attitude towards the sponsor, higher perceptions of the sponsor’s credibility, altruism, and involvement in business community relations, and increased purchase intent of the sponsor’s products, and as individuals are increasingly exposed to

messages about an initially incongruent brand linkage, the linkage will be perceived as more congruent while perceptions of the brand will become more positive. Thus perceived congruence in sponsorship is not an inherent, static property, but one that can be influenced by marketing communication factors – in this case, repeated exposure to sponsorship messages. Managers responsible for establishing brand-building priorities should use multiple tools, including sponsorship and brand/event fit suggest that sponsorship managers should focus on communicating the added value their sponsorship provides to event properties. Informing target audiences of the benefits of sponsorships could influence the development of mental association formed about the sponsor and event (Dardis 2009:36-56; Deitz, Myers & Markley 2009:75-87; Grohs & Reisinger 2005:42-48; Pham & Johar 2001:123-143; Rogers 2003:67-76; Roy & Cornwell 2004:184-207; Roy & Graeff 2003:355-375).

Only some on the success factors of sponsorship are mentioned above. The high financial implications of sponsorship should force managers to assess possible consumer responses to sponsorship prior to making such a large financial commitment. As with all aspects of business, there are certain pitfalls or problems that might occur and must be attended to. Some problems that are experienced in sponsorship will be discussed next.

2.13 PROBLEMS ASSOCIATED WITH SPONSORSHIP

Sponsorship is often misunderstood and ineffectively utilised as a marketing tool by businesses. As a result, sponsorships become little more than donations, creating no benefit and no measurable return to the sponsor. If sponsorship is carefully selected and controlled, it can be a most powerful promotional technique. It is a myth that all publicity is good publicity, and if sponsorship is not carefully monitored and controlled, it is a waste of funds and a diversion of scarce management resources from more important communications areas (McAlexander, Schouten & Koenig 2002:31-38).

With sponsorship comes risk, and something – or someone – can always cause problems. A sponsored athlete, or team can fall from grace due to unethical behaviour while under the umbrella of a brand's sponsorship, causing detrimental damage to such an association. The case of Tiger Woods (US) and the Caster Semenya saga (SA) are perfect examples of sponsors breaking up their partnerships (De Mesa 2011).

A challenge for a new sponsor that could create significant initial problems could be when taking over the sponsorship of an event that is already closely associated with another commercial name. Additional promotional efforts may be needed to establish the new sponsor's name (Haywood 1984).

Another problem associated with sponsorship is ambush marketing, as discussed earlier in this Chapter. Ambush marketing aims to suggest to consumers that the ambushing brands are official sponsors, thereby capturing event association benefits without paying rights or fees. Ambush marketing historically aimed at confusing consumers into thinking that ambushing brands are official sponsors. In so doing they aim to benefit from event associations, predominantly in terms of increased brand recognition, without paying sponsorship rights (Portlock & Rose 2009:279-286).

Consideration needs to be given whether the business' identity is to be strongly established with an event – some of the best opportunities require a commitment over several years and cannot be viewed as a once off donation. Supporting a sponsorship is an ongoing process that needs to be supported even after the conclusion of the sponsorship agreement and can result in high financial commitments (Sylvestre & Moutinho 2007:281-303).

Another problem faced by sponsorship, is that the footprint of an individual event is often quite small. A few blockbuster opportunities such as Formula One, the World Cup or the Olympics do have international reach and can have a measurable effect on a

brand's image and sales, but most sponsorship opportunities do not. Therefore, sponsorship must be integrated into an overall communications strategy if they are to have any significant effect (Hollis & Fitch 2009:206-214).

From the above it is evident that sponsorship can sometimes cause harm to a business' name and can present some challenges for a business. Too often a sponsorship is agreed upon and then a strategy of sorts is formed around it. For the advantages of sponsorship to outweigh the possible negative aspects thereof, sponsorship should be entered into as part of a wider business strategy, aligned with the business' objectives and goals.

2.14 SUMMARY

In the preceding literature review it is evident that sponsorship was previously one of the many marketing communication tools available. Currently, sponsorship has become pivotal within business' marketing campaigns. It has become as important, if not more, as traditional marketing strategies. Sponsorship is a powerful tool used by major businesses globally to build brand value, and is central to the strategic goals of a business.

The following Chapter will discuss the selected independent variables as identified in Chapter One. These include the selected marketing related variables (branding, marketing ethics and green marketing) and variables within the human resources discipline (corporate culture, values and employee empowerment). The intervening variables, marketing and human resources, will also be discussed briefly.

CHAPTER THREE

VARIABLES IMPACTING ON SPONSORSHIP

3.1 INTRODUCTION

As mentioned in Chapter One, selected marketing and human resources variables will be examined to determine whether it has any influence on sponsorship in a business context. In order to relate these variables to sponsorship, it is important to review each variable in order to gain a broad understanding of the meaning of each selected variable. This Chapter provides a theoretical overview of the selected independent variables. The two intervening variables of the study will be also be discussed briefly. The variables will be discussed in terms of the specific disciplines under which they are categorised, namely marketing and human resources variables.

As mentioned in Chapter One there is still a major gap in the theory pertaining to influential factors in and around sponsorship. There was no substantial research done on the influence of marketing and human resources factors *per se* on sponsorship initiatives. The selected marketing variables was chosen as all the marketing initiatives within a business should be leveraged and focused on one common business goal, and thus interact or influence one another. Human resources variables were selected as it is anticipated that individuals' subjectivities and human behaviour might exert an influence on sponsorship decisions.

In the following sections, the selected independent variables will be discussed in greater detail, as well as a brief introduction of the intervening variables, namely marketing and human resources.

3.2 INTERVENING VARIABLES

In this section, the two intervening variables of the study will be introduced briefly, as the focus of the study is on the relationship that the various independent variables (within the two disciplines marketing and human resources) have on sponsorship.

3.2.1 MARKETING

Marketing is the process of creating, distributing, promoting and pricing goods, services, and ideas to facilitate satisfying exchange relationships with customers and develop and maintain favourable relationships with stakeholders in a dynamic environment. Marketing is an important aspect in business since it contributes greatly to the success thereof. Financial success of a business often depends on its efficient marketing strategies. Finance, operations, accounting, and other business functions will become stymied if there is not sufficient demand for products and services for the business to make a profit. The core drivers of marketing are needs, wants and demands which directly affect the identification and selection of relevant customer values reflected in products, services and ideas that the business provides, communicates and delivers in the form of exchanges to build long-term satisfactory relationships with customers (Norris 2010).

One of the goals of marketing communication is to bridge the information gap between businesses and potential consumers. Sponsorship is a medium which can bridge the information gap. As mentioned in previous Chapters, sponsorship is a popular form of marketing communication. In fact, sponsorship is the fastest growing form of marketing, and is still in its infancy (Pride & Ferrell 2010:17).

The marketing concept provides a customer satisfaction perspective that can be used to run a business successfully. The consumer must be recognised and accepted as the focal point for all business activities, and the acknowledgement that the customer's needs and wants should be the starting point for all major business decisions. The marketing concept is intended to help marketers to coordinate and organise their

thoughts concerning specific marketing questions. The definition of marketing is built on the core concepts of (Pride & Ferrell 2010:17):

- Needs, wants and demands
- Products (goods and services)
- Value, cost and satisfaction
- Exchange and transaction
- Relationships and networks
- Markets
- Marketers and prospects

All of these core concepts, by definition, have an influence on the relationship between producers (sponsoring businesses) and consumers. Marketing therefore concentrates on the exchange of value between producers and consumers for the purpose to satisfy human needs and wants. The communication task within marketing involves the desire to build a relationship with a number of audiences such as the customers, suppliers, shareholders, legislators and employees alike. One of the most popular means to communicate to the target market and build relationships with the consumers is sponsorship (Pride & Ferrell 2010:17).

In contemporary society marketing connects production and consumption. From the societal point of view, marketing is a philosophy which shows how to create effective production systems and consequently prosperity. Business is a subsystem of society, which has both a social and an economic role. Thus, a business must operate in a way that will make possible the production of benefits for society and, at the same time, produce profits for the business itself. The role of marketing in society also means responsibilities. In addition to economic and social responsibility, ecological responsibility is important in current times. A business therefore has a role to play in terms of the social, economic and environmental wellbeing of the community (Functions

of marketing 2010). Sponsorship initiatives are a means through which this role can be fulfilled.

3.2.2. HUMAN RESOURCES

At the heart of any business are the employees involved in carrying out the day-to-day tasks. Human resources are the people that staff and operate the business. All the aspects in and around the business derive from and is driven by its human resources. Without employees a business would be non-existent. Most managers acknowledge the importance of their employees in creating and building a successful business (Christopher, Payne & Ballantyne 2002:112).

Besides the fact that human resources are the hands, brains and livelihood of a business, the employees also play a key role in helping businesses deal with the rapidly changing competitive environment. Human resources are the most valuable asset that any business possesses and it must therefore ensure that this potential is optimally to contribute positively towards the growth of the business. A business' human resources could be the main means to obtain a competitive advantage over its competitors. Businesses are recognising the importance of investing in their employees, and are beginning to understand that to remain on top of the global economy they need to place more emphasis on developing and retaining their employees. Irrespective of size, the presence of well-trained and highly motivated staff will enable businesses to meet the fresh challenges that come from the rapidly changing business environment (Christopher, Payne & Ballantyne 2002:112).

Businesses that appreciate the financial impact of efficient and effective employees often refer to them as human capital. The collective attitude, skills and abilities of employees contribute towards the business' performance and productivity. It was because of this importance and impact that employees have on a business' performance, that it was deemed probable that various aspects around human

resources may influence sponsorship initiatives (Christopher, Payne & Ballantyne 2002:112).

In literature, there is also a strong argument for Human Resource Management and Marketing Management to be much more closely integrated, and this study focuses on variables within these two disciplines.

Essentially, the purpose of Human Resource Management is to maximise the productivity of a business by optimising the effectiveness of its employees. Human Resource Management is a way of managing that links people-related activities to the strategy of a business. The main goals of Human Resource Management can be summarised as follows:

- To meet the needs of the business and management (rather than just serve the interests of employees);
- To link human resource strategies and policies to the business goals and objectives;
- To find ways for human resources to "add value" to a business;
- To help a business gain the commitment of employees to its values, goals and objectives (Renckly 2010:24).

Human Resource Management practices are the key drivers available to senior management for creating the type of business that can be a source of sustainable competitive advantage (Hoffman *et al.* 2009:309). Therefore, this study aims to confirm that the specifically selected human resources variables influence sponsorship decisions which in turn influence the success in reaching business objectives.

3.3 INDEPENDENT VARIABLES WITHIN THE MARKETING DISCIPLINE

In this study, it will be investigated whether selected factors within the marketing discipline have an influence on sponsorship. The three selected variables are branding, marketing ethics and green marketing.

Branding was selected as it is proven that sponsorship relationships and involvement can affect brand and business attributes amongst consumers (Speed & Thompson 2000:226-238). As a business' brand must convey an appropriate message to consumers (Kahle 2007), it is anticipated that this variable can have an influence on the type of sponsorship a business would associate itself with. As marketers use branding to achieve certain business objectives, this variable is more than likely to influence sponsorship in some way or the other. Marketing ethics was also deemed an important variable that might have an influence on sponsorship initiatives. As discussed in Chapter One, individuals involved in sponsorship decisions of a business might deviate from the bottom line objectives of sponsorship because of personal gains or might get involved in irregular sponsorship initiatives. According to Kahle (2007) marketing ethics might thus exert an influence on sponsorship. Green marketing was selected as a possible variable that could influence sponsorship decisions, as businesses in current times are intensely focused on the issue of carbon footprint. It is suggested that this focus of business might exert an influence on sponsorship initiatives.

The marketing variables mentioned above are each discussed in detail in the following section.

3.3.1 BRANDING

Branding started during the Middle Ages – when craft guilds and merchant guilds were formed to control the quantity and quality of production. More recently, brands have been used mainly for identification and helps consumers recognise the business' products and advertising. In many businesses today, brand is considered one of the most valuable assets. This has led to brand building and brand management being

increasingly considered as a strategic tool and top priority for management (Kotler, Filiatrault & Turner 2000).

Branding can be defined as the use of a name, word, sign, term, symbol, drawing or design – or a combination of these. Some businesses additionally use colors as part of their brand, while a number of brands are currently thought to be working on brand smells e.g. Mercedes Benz (Keller 2003; Rowe & McGuirk 1999:125-141).

There is a difference between brand image and brand identity and can be explained as follows (Randall 2000:7):

- *Brand image*: What exists in the mind of consumers – the totality of information they have received about the brand. This is influenced by selective perception, previous beliefs, social norms and forgetting.
- *Brand identity*: What is transmitted to the marketplace – this is under the business' control provided that the essence and expression of the brand is understood.

A brand is a promise a business makes to its customers. This promise is built on the coherence and continuity of the brand's products. Coherence is essential and influences customers' expectations of the brand and what they could experience when they are in contact with it. Branding involves the process of endowing products and services with the advantages associated with the brand – increased trust and loyalty, price premiums and so on. Successful brands establish a strong emotional and personal relationship with the customer and as a result trigger trust and loyalty towards the brand. Marketing communications represent the voice of the brand and are a means by which the brand can establish a dialogue with the target market and build relationships with customers. High levels of brand awareness as well as a positive brand image increase the probability of brand choice, generate higher consumer loyalty

and reduce vulnerability to competitive marketing actions (Aaker 1997; Chadwick & Burton 2008:307-317; Keller & Lehmann 2005:5; Kotler *et al.* 2000; Kotler 2003:238; Lewis 2005; Smith 2006).

According to some authors (Randall 2000:12; Van Osselaer & Janiszewski 2001:395-404) five main functions of branding can be identified that justifies branding activities:

- Identity: The brand must identify itself clearly and unambiguously. To make the brand instantly recognisable to potential and actual consumers such that they become automatic purchase choices
- Shorthand summary: The identity should act as a summary of all the information the consumer holds about the brand.
- Security: Buying a familiar brand should be reassuring. The brand should guarantee to provide the benefits expected.
- Differentiation: The brand must clearly identify itself from competitors, and show buyers its uniqueness.
- Added value: The brand must offer more than the generic product and persuade and reassure consumers that a particular purchase choice is an appropriate one that will confer certain benefits upon them.

The value of the brand is measured as brand equity. It is defined by Kotler (2002:470) as being “based on the extent to which it has a high brand loyalty, name awareness, perceived quality, strong brand associations and other assets such as trademarks”. Brand equity is a set of assets (and liabilities) linked to a brand’s name and symbol that adds to (or subtracts from) the value provided by a product or service to a business and

its customers. Globally, strong brand equity is the essence of successful brand strategy development and has an impact on purchase intentions, sales, price premiums and brand loyalty (Aaker 1996; Barros, De Barros, Santos & Chadwick 2007:261; Bauer, Sauer & Schmitt 2005:496-513; Gladden, Irvin & Sutton 2001:297-317; Keller 2003:595-600).

According to Desbordes, Ohl and Tribou (2001) the power of a brand often determines how corporate sponsors will pay to associate themselves with the brand if it fits their positioning. Rather than creating brand awareness, building brand equity is commonly the most important sponsorship objective because as brands mature, creating an understanding of what the brand means is the primary objective. In the case of sponsorship, brand building involves an effort to assess the relevance of such an association, which must be part of an overall strategy, far beyond sole financial objectives. Branding can thus be increasingly associated with sponsorship initiatives (Dardis 2009:36).

Whether there is a good fit between the brand and a sponsored event is decisive in relation to the participants' responsiveness toward the message as well as the activation of the emotional moods which is the purpose of the event. As discussed in Chapter Two, a good fit is therefore central for the total effect of the event. The assumption is that a good fit between event and brand creates the conditions for a value transfer from event to brand. In the study of some authors the fit between event and brand has a significant positive impact on the positive event emotions. It was confirmed that a value transfer from event to brand occurs that leads to a higher buying intention towards the brand, which is precisely the purpose of the event (Martensen, Gronholdt, Bendtsen & Jensen 2007:283-301).

The second variable that is expected to have an influence on sponsorship is marketing ethics, and is discussed below.

3.3.2 MARKETING ETHICS

The best and most successful businesses recognise that they will only prosper in the long term if they satisfy the aspirations of their stakeholders; including customers, suppliers, employees, local communities, investors, governments, public interest and environment groups. To satisfy this intense scrutiny and the demands for greater accountability in society, businesses are increasingly recognising the need to measure, track and report on their social and ethical performance (Hoffman *et al.* 2009:567).

Marketing ethics are a collection of principles of right conduct that shapes the decisions people or businesses make. It is a dimension of social responsibility that defines the way moral standards are applied to marketing decisions, behaviours and business. As our economic system has become more successful at providing for needs and wants, there has been a greater focus on businesses adhering to ethical values rather than simply providing products. This focus has come about for two reasons. First, when a business behaves ethically, customers develop more positive attitudes about the business, its products and services. When marketing practices deviate from standards that society considers acceptable, the market process becomes less efficient—sometimes it is even interrupted. Not employing ethical marketing practices may lead to dissatisfied customers, bad publicity, a lack of trust, lost business, or, sometimes, legal action. It is for these reasons that most businesses are very sensitive to the needs and opinions of their customers and look for ways to protect their long-term interests (Baker & Saren 2010:83; Koehn 1999:38).

Ethical abuses frequently lead to pressure (social or government) for businesses to assume greater responsibility for their actions. Since abuses do occur, some people believe that questionable business practices are happening all the time. As a result, consumer interest groups, professional associations, and self-regulatory groups exert considerable influence on marketing. Calls for social responsibility have also subjected

marketing practices to a wide range of federal and state regulations designed to either protect consumer rights or to stimulate trade (Russell & Lane 1999).

One recurring example of applying ethics in marketing is with tobacco and alcohol sponsorship. Tobacco sponsors sometimes inappropriately target young people. The main attendees at a sponsored event might be adults, but there might be individuals under the age of 18. Several studies have shown a link between tobacco sponsorship and increased smoking rates in children. To cite an example of tobacco sponsorship of sports increases smoking rates by creating a positive association between sports and smoking is the following: “Smoking rates amongst adolescents aged 13-17 years increased from 2.4 percent to 11.1 percent after viewing a 1996 cricket series in India that was sponsored by Wills cigarettes” (Clark *et al.* 2002:16-32).

Another example of unethical marketing is when a marketer fails to disclose risks associated with a product or information regarding the function, use, or value of a product. Ethical issues also arise when marketers fail to inform customers about existing conditions or changes in product quality. Promotion can create ethical issues in a variety of ways, amongst them false or misleading advertising and manipulative or deceptive sales promotions.

Some of the factors that influence ethical decision making is as follow (Ferrell 2008:85):

- Individual factors: When people need to resolve ethical conflicts in their daily lives, they often base their decision on their own values and principles of right or wrong.
- Organisational relationships: Although people can and do make ethical choices pertaining to marketing decisions, no one operates in a vacuum. Marketing

employees resolve ethical issues based on not only what they have learned from their own backgrounds, but also from what they have learned from others in the business. Superiors, peers and subordinates influence the ethical decision making process in the business. Although people outside the business, such as family and friends, also influence decision makers, business culture and structure operate through business relationships to influence ethical decisions.

- **Opportunity:** Conditions that limit barriers or provide rewards might also shape ethical decisions. A marketing employee who takes advantage of an opportunity to act unethically and is rewarded or suffers no penalty may repeat such an act as another opportunity arises.

Marketing ethics goes beyond legal issues. Marketing decisions based on ethical considerations foster mutual trust in marketing relationships. One problem associated with marketing ethics is that ethical standards typically vary from one business environment to the next, which makes the universal application of a set of ethical marketing codes problematic. Complications also emerge from differing perspectives on ethics. To promote socially responsible and ethical behaviour while achieving business goals, marketers must monitor changes and trends in society's values (Parsons & MacLaren 2009:122).

The last variable to be tested for influencing the dependent variable is green marketing, and is discussed below.

3.3.3 GREEN MARKETING

Over the past decade few marketing concepts have been more dynamic than that of "green" or "sustainability". In a few short years there was a consumer shift from being highly skeptical about the performance of green products to the commoditisation of green in many categories. Sometimes called "natural branding", the whole concept is

based upon the notion that being environmentally friendly might be part of the successful marketing strategy of a product or service (Porrit 1986).

Green marketing refers to the process of selling products and services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and packaged in an environmentally friendly way. Hence green marketing incorporates a broad range of activities like product modification, changes to the production process, packaging changes and promotional changes. Green marketing thus refers to the holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non biodegradable solid waste, and so forth. Green business could mean that a business needs to do the following (Friend 2009:3; Ward 2010):

- reduce negative environmental impact;
- comply with environmental regulations;
- activate a green marketing campaign;
- publish a Corporate Social Responsibility (CSR) report; and
- has good environmental management systems.

The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than they would for less-green comparable alternative products. One characteristic of the green movement is the Generation Y's, who now in their twenties, are taking centre stage in the arena of consumerism. This generations' formative years were in the nineties where they had so many choices that values often became the brand differentiator (Ottman 2011:1-15).

Consumer demands for greener products and services create opportunities for businesses to promote their greener offerings and introduce profitable new ones, all the while building their top line sales, enhancing their image and bolstering the morale of employees newly engaged in a higher purpose. Green marketing cannot remain separate from a business' operations, and as a result the role of the marketing team and its internal influence will evolve as well. At the heart of green marketing is the mission bigger than a business' own brand – its planet and the fear that the planet is losing its ability to sustain human life. It is about a higher purpose that will require marketers to change their role in businesses to one that influences the business' actions and accurately reflects its true environmental impact. Today, leading businesses are not only committed to addressing the green interest of their consumers, they are greening themselves, dedicated to making business management practices of the media industry more transparent and responsible (Ward 2010).

The rationale for green marketing can be broken down as follows (MacDonald 2008:70):

- Reducing operational costs: Using less energy and fewer materials will ultimately save money;
- Competing in global markets: When shipping products to other countries, there are often rules and regulations pertaining to green marketing;
- Decrease liability: Businesses proven to value money above the health and wellbeing of their customers can be sued and taken to court under certain circumstances;
- Employee morale: People like working for businesses they can believe in. Sales employees will find it easier to sell products they themselves can truthfully

endorse without having to choose between their moral principles and a paycheck; and

- Doing the right thing: A business owner needs to feel good about his or her business. By successfully marketing a business' product or service as environmentally friendly, one can achieve both positive financial results and an environmentally friendly brand.

While green marketing is growing rapidly as increasing numbers of consumers are willing to back their environmental consciences with their rands, it can be dangerous. Businesses can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a business' other products or practices. This unethical conduct is called "greenwashing". This is a serious offence that must be guarded against (Ward 2010). "Going green" is one of the global "hot topics" at this point in time and businesses all over the world are striving to reduce the impact of products and services on the climate and other environmental parameters. Marketers have taken the cue and are going green with their promotional activities.

Against the background of the preceding literature review, it will be investigated whether the selected marketing variables identified have an influence on sponsorship initiatives. In the following section, the human resources variables that were selected will be further discussed.

3.4 INDEPENDENT VARIABLES WITHIN THE HUMAN RESOURCES DISCIPLINE

Three variables pertaining to human resources (HR) have been selected and will be tested to determine whether they have an influence on sponsorship. Corporate culture was selected as this phenomenon that determines the way individuals think about and do things within the business. It might then influence the manner they conduct business and more specifically, guide the individuals in sponsorship decision-making positions as to which events or initiatives the business would want to get involved with, taking into

account its reigning corporate culture. Similarly, values were selected as a variable that might influence sponsorship. It could be that the values of the employees involved in sponsorship decision-making, influence the type of sponsorship decisions being made. The dominant values within a business might ascertain whether it invests in pure social initiatives or in initiatives with more visible and tangible benefits and branding opportunities. It is suggested that employee empowerment also have an influence on sponsorship, as employees that are given authority to make their own decisions might have to go about sponsorship initiatives differently than those without decision making power. These selected human resources variables are discussed in more detail below.

3.4.1 CORPORATE CULTURE

Corporate culture refers to the common characteristics that exist within a business that express the traditions, customs, and practices that characterise the people who work there. It controls the way employees interact with each other and with stakeholders outside the business. Corporate culture is an observable, powerful force in any business and can be seen from the norms and behaviour that are exhibited and the symbols and symbolic values that are reflected within the business (Brink & Berndt 2008; Mosley 2007:123).

The purpose of the business' culture is to bring together a group of diverse people and bind them together so that they can strive towards achieving common goals. Some authors (Christopher *et al.* 2002:11-12; Hardy 2009) stated that businesses where everyone is pursuing the same goals are likely to be the most successful. The corporate culture guides individual decisions and actions at the unconscious level. As a result, the culture within a business can have a potent effect on a business' well being and success. Some consider culture to be the glue that holds everyone together while others compare it to a compass providing direction. Corporate culture creates a common ground for team work and reduces uncertainty by offering a language for interpreting events and issues. Corporate culture effectively provides a sense of order and contributes to a sense of continuity and unity.

Just as the culture of a nation is shaped and sustained by deeply held values and beliefs, so too is the world of business. Changing the culture of a particular business is a task of great subtleness. It is possible for example to change surface appearances without changing the culture at all, by changing the marketing artefacts such as logo, signage and mission statements. Giving a business a superficial change of identity will have no significant or lasting cultural impact. Corporate values should be congruent with corporate aspirations. It is a businesses' culture – its deep-seated, unwritten system of shared values and norms – that has the greatest impact on employees, their behaviour and attitudes. The culture of a business in turn dictates its 'climate' – the policies and practices that characterise it and reflect its cultural beliefs (Christopher *et al.* 2002:11-12).

The culture of the business is determined by management, specifically top management, and can either be an obstacle or a catalyst in the process of strategy implementation. If the culture is supportive, it will make the implementation of the strategy more successful and easier, while if the strategy is an obstacle, changes in the culture will be needed if the strategy is to be implemented successfully. The ideal situation comes about when the strategy and the culture are in agreement, which means that the culture is supportive of the strategy selected. This means that there are no underlying impediments to the implementation process (Brink & Berndt 2008).

Within any business, there is usually a dominant culture that forms the basis for the overall corporate culture. The main dominant cultures, as summarised in literature, are discussed in Table 3.1 below.

Table 3.1: Dominant cultures

CULTURE	DESCRIPTION
Clan culture	An open and friendly place, like an extended family, to work where people share a lot of themselves. Leaders are considered to be mentors or even parental figures. Group loyalty and a sense of tradition are strong. There is a strong concern for people and the business places a premium on teamwork, participation and consensus.
Adhocracy culture	A dynamic, entrepreneurial and creative place to work in. Innovation and risk-taking are embraced and there is a commitment to experimentation and thinking differently. Long term emphasis is on growth and acquiring new resources, new products and services. Being an industry leader is important and individual initiatives and freedom is encouraged.
Hierarchy culture	A highly structured and formal place to work. Rules and procedures govern behaviour and leaders strive to be good coordinators and organisers who are efficiency minded. Running a smooth operation is critical and formal policy is what holds the group together. Success means dependable delivery, smooth scheduling and low cost.
Market culture	A results-driven business focused on job completion. Employees are competent and goal orientated and leaders are demanding, hard-driving and productive. The emphasis is on winning which unites the group. The long-term focus is on competitive action and achievement of measurable goals and targets. Success means market share and penetration.

(Source: Hardy 2009)

Apart from the dominant cultures mentioned above, a business usually contains a number of subcultures, differing from department to department. Subcultures or even differing cultures to the dominant culture is not a negative aspect. It allows businesses

to perform effectively in different environments based on function, product, market and location (Hardy 2009).

Some sub - cultures include the following:

Table 3.2: Sub – cultures

CULTURE	DESCRIPTION
Power culture	Emanates from centralised power. Power cultures are demanding of people. Generally motivation is not a problem as expectations are clear and loyalty is recognised and rewarded.
Role culture	Highly structured environment where clear objectives, goals and procedures exist. Employees are judged almost solely on how well they meet these objectives and goals. The culture rewards dependability and consistency.
Achievement culture	People work hard to achieve goals and better the group as a whole. The culture consists of highly motivated people who need little supervision. Rules and procedures are limited and the best procedure is used.
Support culture	Acts like a small community where people support and trust each other. Members of this culture will cooperate, make sure everyone is together on an idea and they will do all they can to resolve conflict. This culture supports good communication and excellent service both internally and externally. It is a nurturing environment where people like to spend time together, both professionally and personally

(Source: Hardy 2009)

The next variable that the researcher predicts to have an influence on sponsorship is values within a business, discussed below.

3.4.2 VALUES

Values are those aspects in life that really matter to humans and can be defined as the ideas and beliefs we hold as special. These values are fairly enduring conceptions of the nature of good and bad, of the relative worth one attributes to the things, people, and events of one's lives. It is usually embodied in complex moral or religious systems that are found in all cultures and societies and define for people the parameters of their action and indicate to those who share them what is desirable, to what degree it is desirable, and therefore what one should strive for. These ideas and beliefs also provide people with a guidance system which is supposed to enable them to choose the 'right' alternative when several courses of action are possible (Myers & Myers 1985).

Values are fairly enduring and resistant to change because they are learned very early in life. However, many values that are held by a given group of people can be, and others are, conflicting. People's choices to do or not to do certain things, as well as other people's reactions, are heavily influenced by how a person defines the social situations which they encounter. These definitions in turn come from the values and beliefs one shares with people. Moral decisions affect how one defines social situations, what is expected from other people, what one thinks they expect of you, and finally how one chooses to act (Myers & Myers 1985).

In a business context, values are the operating philosophies or principles that guide a business' internal conduct as well as its relationship with customers, partners, and shareholders. It is a belief, or a mission that is really meaningful to the business. Another way of saying it, is that a value is a statement of the business' intention and commitment to achieve a high level of performance on a specific qualitative factor. Every business has one or more values, whether they are consciously aware of it or not (Poster 2009).

Values that are dominating in businesses can be cited as follows (Poster 2009):

- continuous improvement - the desire and ability of the business to develop and incorporate ways to improve;
- customer delight - the positive emotional response and joy that the customer feels from interaction with the business' people, products and services;
- developing people - the desire and ability of the business to improve and develop its employees;
- innovation - the desire and ability of the business to venture into new, breakthrough areas of opportunity;
- maximum utilisation of resources - the desire and ability of the business to improve its performance by full utilisation of its current resources; and
- commitment to society – the commitment of the business to focus on the social needs and aspirations of the society.

Values are only as good as they are implemented into the business at all levels. Just to describe a value in a mission statement or values statement is futile unless it is implemented at all levels of the business. A value is thus institutionalised when it permeates all aspects of the business, eventually without encouragement or enforcement, and when it systematically operates on its own through all activities and job positions. When this is done, the value has an enormous potential to energise the business, which leads to substantially increased revenues and profits.

There are certain steps that need to occur in a business to fully implement and institutionalise values (Poster 2009):

- selection - it must be determined which values must be implemented in the business;
- commitment - there needs to be a full commitment to implement the chosen values. Senior and middle management, and other employees need to fully commit to those values and to improving performance on those values;
- standards – a set of standards for each activity in the business needs to be implemented for each value;
- structure - the business needs to have the right structure (job positions, divisions, departments) to implement the values;
- jobs, activities and systems - the business must have clearly defined job positions, activities, and streamlined systems to facilitate and implement the values. Values need to be incorporated into every job position, activity and system. Standard operating procedures and even individual job position tasks need to be linked to these values;
- employee responsibility - the responsibility of each person to implement each value must be clearly defined and understood; and
- skills - all employees must have the skills to achieve high performance on the values and must have the skills to fulfill their responsibilities for the value.

The last variable falling under the Human Resource Management discipline that is anticipated to have an influence on sponsorship is employee empowerment which is discussed next.

3.4.3 EMPLOYEE EMPOWERMENT

Empowerment of employees is a specific managerial approach that has a significant impact on today's human resource managers. Empowerment theories and practices are amongst the most popular and influential concepts in the field of business development and management of our time. It is a form of decentralisation that involves giving employees substantial authority to make decisions that influence their working lives. Managers express confidence in the ability of employees to perform at high levels and employees are encouraged to accept personal responsibility for their work. This management technique centres around achieving business goals by involving all employees in the success realisation of a business. According to some authors (Byars & Rue 2004:10; Potterfield 1999:1), empowered businesses will gain commercial advantage and will be more competitive.

Empowerment practices purportedly help create more democratic workplaces and increases the freedom and autonomy of employees by giving them greater influence over their own work lives and future. This management concept is about providing employees the power to use more judgment and discretion in their work. It places the employee at the locus of the business' functioning and seeks to empower them to take actions best suited for meeting the business' goals. It attempts to instill into employees' work life the same values of individual freedom, dignity, and self governance that are embraced by society (Hoffman *et al.* 2009:309; Potterfield 1999:4).

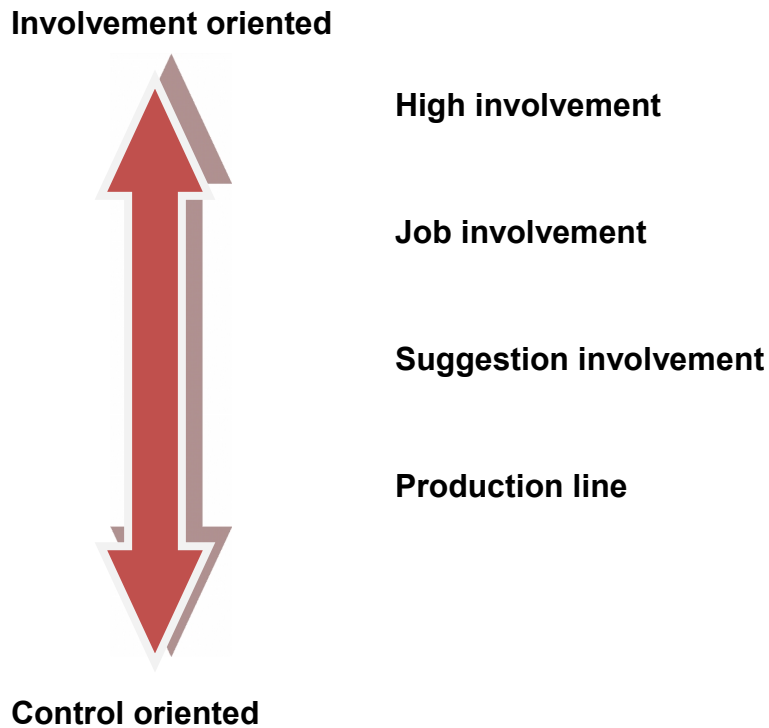
That employee empowerment benefit the businesses which implement it effectively is widely acknowledged in the literature. At heart, most of the claims for the benefits of empowerment are centered on enhancing business effectiveness, and the need to win greater commitment from employees. Employees gain greater job satisfaction through

the use of a wider range of skills and abilities together with an increased sense of worth, while employers gain a better informed and more focused workforce. Employees gain a greater sense of ownership through the added sense of authority and responsibility. Employers gain by increased productivity, better quality and reduced labour turnover. Empowered employees are engaged by the business on an emotional level and have a sense of belonging and excitement in their job (Lashley 2001:6-11; Potterfield 1999:4).

Empowerment approaches vary by degree and include the following levels (Hoffman *et al.* 2009:312):

- Suggestion involvement: Low level empowerment that allows employees to recommend suggestions for improving the business' operations. Employees are not empowered to implement suggestions themselves but are encouraged to suggest improvements for formal review.
- Job involvement: Employees are allowed to examine the content of their own jobs and to define their role within the business.
- High involvement: Allow employees to eventually learn to manage themselves, utilising extensive training and employee control of the reward allocation decisions.

Each of the three levels of empowerment fall along a continuum that ranges from control-orientated to involvement oriented approaches, as illustrated below.

Figure 3.1: Levels of empowerment

(Source: Hoffman *et al.* 2009:312)

There are various stages in employee empowerment. Stage one involves consideration of those aspects in the business and its operations that causes employees to feel disempowered. This might include a range of bureaucratic procedures, overly tall business structures or a command and control culture. Management might be too autocratic, and employee opportunities might be limited. Stage two involves a range of managerial techniques that will assist the employee to enhance his or her feelings of efficacy. This might include the introduction of more participatory management techniques, setting new goals and reward systems, and designing jobs that takes into account employee discretion. Stage three provides self-efficacy information to employees from a variety of sources. Information on personal efficacy comes from the

personal evaluations of their own development, from watching others, from verbal feedback and through a supportive emotional environment that stresses trust and builds confidence. This in turn leads to stage four in which empowered employees strengthen their efforts and develop an expectancy of personal efficacy, which in turn leads to behavioural change resulting in continued efforts to achieve business goals (Stage five) (Lashley 2001:26).

3.5 SUMMARY

This study aims at establishing whether certain selected marketing and human resources factors have an influence on sponsorship. In this Chapter, these variables were discussed in detail, and the intervening variables were also defined. In the next Chapter the research methodology will be outlined, which will include the sample and measuring instruments. Analysis of the methods involved in capturing, analysing and interpretation of the primary data will be examined in order to determine and validate the methods of research used for this study.

CHAPTER FOUR

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

In the previous Chapters it was suggested that certain marketing (branding, ethics and green marketing) and human resources (corporate culture, value and employee empowerment) factors may influence sponsorship initiatives within businesses. In order to test the hypotheses of this study as depicted in the conceptual model, an empirical investigation was conducted among a sample of employees within corporate businesses in South Africa.

Research methodology is an important and integral part of any credible scientific research. It is a systematic way to solve a problem. It outlines the procedures by which researchers go about their work of describing, explaining and predicting phenomena. Thus, it serves as a framework or plan for a study that guides the collection and analysis of data (Zikmund 2003:741).

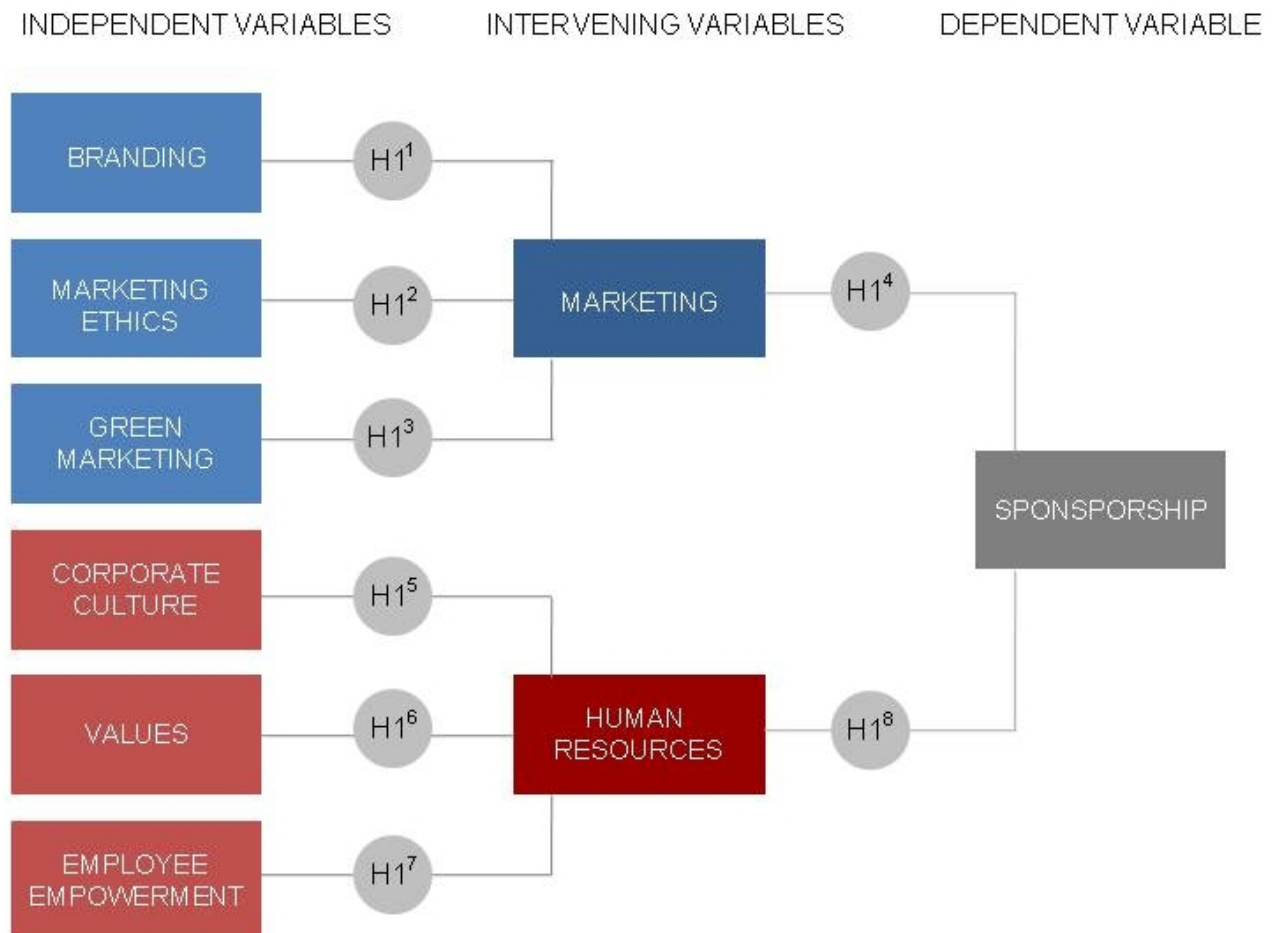
The methodology used to test the conceptual model of this study will be discussed in this Chapter, as a continuation of the methodology introduced in Chapter One. These include the overall type of research, the research design, what methods were used in data collection, the sampling techniques, and how the data will be analysed.

4.2 FOCUS OF THE STUDY

The objectives of any research study form the basis thereof. The objectives of this research revolve around the investigation of variables within the marketing and human resources disciplines that influences sponsorship within corporate businesses. In order to achieve the research objective, a hypothetical model was developed in which a dependent variable, two intervening variables, and six independent variables were

developed. The conceptual model was illustrated in Chapter One, and for ease of reference reproduced in Figure 4.1.

As can be seen from the conceptual model, the dependent variable of this study is sponsorship and the independent variables are branding, marketing ethics and green marketing, corporate culture, values and employee empowerment. The intervening variables are marketing and human resources. The probability of a relationship between the dependent and the selected independent variables was discussed in Chapters Two and Three that dealt with secondary sources. The interpretation of the secondary sources led to the formulation of the conceptual model, displayed below. This conceptual model will be tested in the empirical investigation, and an analysis of hypotheses which will be rejected or failed to be rejected in terms of the relationship between the dependent and independent variables.

Figure 4.1: Conceptual model

In the following section, the various research types of scientific research will be discussed, and the research type used in the current study will be identified.

4.3 RESEARCH PARADIGMS

In order to achieve the objectives of the study, various research methods must be analysed to determine the best suitable for the research at hand. In scientific studies, two main approaches to research are distinguished, namely the quantitative (positivistic) and qualitative (phenomenological) paradigm.

Quantitative and qualitative research methodologies differ in the philosophy that underpins their mode of inquiry as well as, to some extent, its methods, models and procedures. Though the research process in broad terms is the same, it differentiates in terms of the methods of data collection, the procedures adopted for data processing and analysis, and the style of communicating of the findings (Cooper & Schindler 2006:197; Wimmer & Dominick 2006:113).

A qualitative (phenomenological) study is defined as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting. Qualitative research is the precise count of some behaviour, knowledge, opinion or attitude, and aims to achieve an in-depth understanding of a situation. It aims to understand meanings, describe and understand experiences, beliefs, ideas and values (Wisker 2001:138). Qualitative data is often considered limited, unreliable and subjective, and without mathematical analysis. Mostly methods such as in-depth interviews, focus groups, observation techniques as well as personal learning logs are used in this type of research (Cooper & Schindler 2006:197).

The quantitative (positivistic) paradigm is the oldest and still the most widely used method in mass media research and in the natural sciences. Quantitative research is an inquiry into a social or human phenomenon, based on testing a theory composed of variables, measured with numbers, and analysed with statistical procedures, in order to determine whether the predictive generalisations of the theory hold true. To put it somewhat differently, clearly constructed hypotheses are formulated about the relationship between two or more variables, after which the relationships are measured by means of statistical methods. Quantitative research is typically obtained through strict procedure, in which certain research vehicles and questions are used, mainly by means of a questionnaire. Other methods of data collection include focus groups, interviews, case studies and experiments (Collis & Hussey 2003; Kumar 2005:13; Struwig & Stead 2001; Wimmer & Dominick 2006:113; Wisker 2001:142).

The objective of this study is to investigate the influence of selected marketing and human resources variables on business' sponsorship initiatives. To achieve this objective, the two research paradigms were considered. As the aim was to quantify the significance of the relationships among the stated variables, and to test and prove hypotheses that were constructed, the quantitative or positivistic research approach was chosen.

In the next section, the research design will be discussed. This section will cover the population and sample selection, the pilot study that was conducted, and the data collection methods.

4.4 RESEARCH PURPOSES

The purpose of research, as opposed to the process, can be summarised as follows: "to review and synthesise existing knowledge, to investigate existing situations or problems, to provide solutions to a problem, to explore and analyse more general issues, to construct or create a new procedure or system, to explain a new phenomenon or to generate new knowledge". Research purpose has four main classifications, namely exploratory, descriptive, analytical and predictive (Sarantakos 1993:31-35).

Exploratory research is conducted into an issue or problem where there are few or no earlier studies to refer to. The focus is on gaining insights and familiarity for later investigation. Welman and Kruger (1999:19) stated that exploratory research aims to explain the reasons for a specific situation, and to determine whether or not a phenomenon exists and to gain familiarity about such a phenomenon. To a certain extent, this study will include certain elements of exploratory research, as there is a lack of previous research on variables influencing sponsorship (Cooper & Schindler 2003:10).

Secondly, descriptive research describes phenomena as they exist. This research is the most commonly used and the basic reason for carrying out descriptive research is to identify the cause of something that is happening. Data is often quantitative and statistics is applied. It is used to identify and obtain information on a particular problem or issue concerning the current status of the phenomena to describe “what exists” with respect to variables or conditions in that situation. In this study, the description of the current situation of sponsorship and the variables influencing this marketing tool can be classified as descriptive research (Babbie & Mouton 2001:81; Sekaran 2000:123).

Thirdly, analytical research does more than merely describing phenomena and attempts to analyse and explain why or how they occurred. In this type of research existing theories or hypotheses are used to identify the existence of certain relationships between variables. This research can be classified as analytical as the study focuses on the influence of selected variables on sponsorship, via the intervening variables, namely marketing and human resources (Collis & Hussey 2003:11).

Finally predictive research (an extension of analytical research) seeks to explain what is happening in a particular situation. It aims to generalise from an analysis by predicting certain phenomena on the basis of hypothesised general relationships (Blumberg, Cooper & Schindler 2005:12).

4.5 DEDUCTIVE VERSUS INDUCTIVE RESEARCH

Deductive reasoning works from the more general to the more specific, and is conducted when a theoretical structure or conceptual model is developed and evaluated through empirical investigations. In inductive research, reasoning moves from specific observations to broader generalisations and theories. Inductive reasoning begins with specific observations and measures, detect patterns and regularities, formulate some

tentative hypotheses to explore, and finally develops some general conclusions or theories. Inductive research therefore reflects a mental reasoning process through which a general proposition or inference is established on the basis of the observation of particular facts. Inductive research reflects qualitative research and is usually related to phenomenological research methodologies (Burns & Burns 2008:23; Lancaster 2005:22 and Zikmund 2003:47).

The study at hand can be classified as following the deductive research process as theoretical knowledge from literature sources was used to construct hypotheses and depict a conceptual model that was tested in the empirical investigation.

4.6 RESEARCH DESIGN OF THE STUDY

Following the discussion above regarding the quantitative and qualitative research, it was established that the quantitative approach will be used for the study at hand. Central to this approach is the testing of the hypotheses regarding the predetermined marketing and human resources factors and sponsorship as presented in the conceptual model. The following sub-sections will provide details regarding the design of the research study.

4.6.1 POPULATION AND SAMPLE SELECTION

A research population is generally a large collection of individuals or objects that is the main focus of a scientific study. A population is also known as a well-defined collection of individuals or objects known to have similar characteristics. The population of this study was very broad and consisted of all employees working in South African businesses (Burns & Burns 2008:180; Lind, Marchal & Wathen 2008:7 and Russell & Purcell 2009:174).

However, due to the large size of the populations, researchers cannot test every individual in the population because it is too expensive and time-consuming, and sometimes even impossible. As a result, researchers rely on sampling techniques. A sample is simply a subset of the population. The main function of the sample is to allow the researcher to conduct the study amongst individuals from the population so that the results of their study can be used to derive conclusions that will apply to the entire population. For the purpose of this study, a non-probability sampling method was used, namely convenience sampling. This type of sampling is used when the sample respondents for a study are selected due to accessibility or availability (Burns & Burns 2008:203; Hair, Babin, Money & Samouel 2003:217 and Sekaran 2000:277). In addition to convenience sampling, snowball sampling was used, as the researcher used initial respondents to provide their network of additional contacts (Burns & Burns 2008:206). The snowball sampling method was very valuable as many respondents were obtained through referrals from previous respondents. The sample size was 182 respondents from various businesses within South Africa. There was a hundred percent response rate and all the questionnaires were useable.

4.6.2 PILOT STUDY

The term 'pilot study' refers to a smaller version of a full-scale research study, as well as the specific pre-testing of a particular research instrument such as a questionnaire. Pilot studies are a crucial element of a good study design and one of the advantages of conducting a pilot study is that it might give advance warning about possible areas where the research could fail, or whether proposed methods or instruments are inappropriate or too complicated. In other words, the measuring instrument was tested to determine whether the items on the questionnaire reflect the same underlying variables as depicted in the conceptual model (Cooper & Schindler 2006:76 and Welman & Kruger 1999:146).

A preliminary questionnaire was constructed by means of consulting secondary sources. Before the questionnaire for the research at hand was finalised, a pilot study was conducted. Eleven respondents within First National Bank in Jeffreys Bay were requested to complete the questionnaire in order to test the adequacy of the questionnaire. Following the preliminary reliability assessment, some minor changes were made to the questionnaire as a result of the pilot study. After the changes were made to the questionnaire, it was distributed electronically via the Nelson Mandela Metropolitan University (NMMU) website and via social networks on the internet, for example, Facebook.

4.6.3 DATA COLLECTION METHODS

In the section below, the methods used for the collection of data for the study at hand will be discussed.

(a) Secondary study for the literature overview

Secondary sources for the literature review were obtained through data searches conducted at the library of the Nelson Mandela Metropolitan University (NMMU). The conceptual model of this study is based on the information obtained from secondary sources, and the questionnaire was constructed based on the information obtained from these sources.

(b) Primary study with measuring instrument

Primary research data was extracted by means of a measuring instrument in the form of a self-administered questionnaire, which tested the opinions, beliefs and practices of respondents. A questionnaire is a structured list of carefully chosen questions with the purpose of obtaining reliable responses from a chosen sample (Collis and Hussey 2003:173). Based on the literature, a questionnaire was constructed. The questionnaire was distributed to the respondents by means of an electronic questionnaire link, as this is the least time consuming and most cost effective means of responding (Burns & Burns 2008:495 and Sekaran 2000:249). Burns and Burns

(2008:497) also proved that electronic questionnaires are advantageous as the types of respondents vary, and in this way increase the generalisability. The questionnaire also obtained ethics approval from the Human Ethics Committee at NMMU. The questionnaire was introduced to the respondent by means of a preamble explaining the purpose and objectives of the study. The questionnaire consisted of 4 sections. The first 3 sections (Section A, B and C) each represented a selected variable and were in the format of a 7-point Likert-type scale. Section A consisted of 22 items, section B of 21 items, and section C of 10 items. Items in Section A related to the intervening variable, human resources, and the independent variables related to human resources namely corporate culture, values and employee empowerment. Items in Section B dealt with the intervening variable, marketing and the marketing related independent variables, namely branding, ethics and green marketing. Section C focused on sponsorship-related items, being the dependent variable. In the first three sections, the response continuum ranged from 1 to 7, where 1 = strongly disagree; 2 = disagree; 3 = weak disagree; 4 = neutral; 5 = weak agree; 6 = agree and 7 = strongly agree. Section D was devoted towards obtaining biographical information of respondents, of which the itemised data included job title, gender, ethnicity, age and branch of industry. This section consisted of both open- and closed-ended items. The closed-ended items had drop-down options (menus) as responses on the electronic questionnaire in order for the respondents to conveniently select the relevant options in answering the questions. Table 4.1 presents the composition and number of questionnaire items per predetermined variable in the measuring instrument. To examine the questionnaire in its final form, please refer to Annexure A.

Table 4.1: Number of items per variable in the measuring instrument

VARIABLE	NUMBER OF ITEMS
Human Resource Management	7
Corporate Culture	4
Values	5
Employee Empowerment	6
Marketing	5
Branding	5
Ethics	6
Green Marketing	5
Sponsorship	10

All possible precautions were taken to ensure the validity, reliability and generalisability of the research instrument. A number of experts evaluated the questionnaire and made recommendations which were implemented to ensure the face and content validity. Nunally (1978) indicated that the use of experts to ensure face validity is sufficient. Face validity evaluates whether the content of the variables in a measuring instrument corresponds with the relevant conceptual definitions (Sekaran 2000:207-208). A positivistic paradigm focuses on the precision of measurement and the ability to be able to repeat the experiment consistently. With this paradigm there is always a danger that validity will be low, however reliability is usually high (Collins & Hussey 2003:58).

(c) Administration of questionnaires

The data collection took place in August and September 2011 by means of the convenience and snowball sampling techniques, as explained previously. An email

letter containing the questionnaire link was sent to all possible respondents requesting the recipients to complete the questionnaires. In addition, the electronic link was posted on Facebook, a social network site. Once the respondents opened the link to the questionnaire, a cover letter explained the purpose of the questionnaire; respondents were also given the choice of receiving the results of the study once research was completed. The electronic questionnaires showed respondents the link of the study to the Unit of Applied Management Sciences at the NMMU, which might have increased the perceived credibility of the study.

4.7 DATA ANALYSIS METHODS

The data gathered from the sample was subjected to thorough analysis to determine the empirical results of the hypothesised relationships amongst the factors investigated. This study is based on a model which includes independent, intervening and dependent variables. The dependent variable refers to a variable that is measured, predicted, or otherwise monitored, and is expected to be affected by manipulation of an independent variable. An intervening variable acts as a link between an independent and dependent variable. It defines the manner in which the independent variable produces the effect on the dependent variable (Sekaran 2000:99). An independent variable is manipulated by the researcher, and the manipulation causes an effect on the intervening and dependent variables (Cooper & Schlinder 2006:40). The conceptual model of this study includes 6 independent variables, 2 intervening variables and 1 dependent variable.

The raw data that was gathered must be transformed into a format that is easy for the reader to understand and interpret. After the data cleaning, the statistical analysis of quantitative data is carried out in several steps.

In order to confirm the validity of the questionnaire, the data will also be subjected to an exploratory factor analysis (Norušis 2006, 2007 and Schumacker & Lomax 2004). Included in the first data analysis phase, where the validity of the measuring instrument

will be considered, is the evaluation of its construct validity (Hair, Black, Babin & Anderson 2010:721; Norušis 2007; Schumacker & Lomax 2004 and Hair *et al.* 1998).

During the second step, the reliability or internal consistency of the measuring instrument will be assessed by means of the Cronbach Alpha (CA) reliability coefficients (Leedy & Ormrod 2005:26-27 and Cooper & Schindler 2003:227-228).

The third step entails Structural Equation Modelling (SEM) to measure the goodness-of-fit of the data to the model. Four indices will be used to evaluate the goodness-of-fit of the data to the model, namely the normed chi-square (χ^2/df), comparative fit index (CFI), Tucker-Lewis Index (TLI) and Root mean square error of approximation (RMSEA). SEM is a statistical technique for testing and estimating causal relations using a combination of statistical data and qualitative causal assumptions. SEM measures a series of interrelated dependence relationships simultaneously, and will be used to test and estimate the relationships between the independent and dependent variables - phase four (Hair, Black, Babin & Anderson 2010:630). The point and interval estimates of the parameters obtained from the SEM procedure will be used to test the hypotheses by means of multiple regression analysis.

Analysis of variance (ANOVA) is a technique originally developed by Fisher in 1925, and its purpose is to predict a single dependent variable on the basis of one or more predictor variables, and to establish whether those predictors are good predictors (Cardinal & Aitken 2006:7). ANOVA will be the fifth phase of the data analysis conducted for this study.

The final and sixth data analysis phase relates to the computation of various descriptive statistics such as mean and frequency distributions to summarise the sample data. Descriptive analysis is described by Zikmund (2000:436) as the transformation of raw data into a form that will make it easy to understand. It is the procedures used to summarise and describe the important characteristics of a set of measurements (Mendenhall *et al.* 2009:4).

The computer programmes used to perform the data analysis was Microsoft Excel, STATISTICA (Version 9.0) and AMOS (Version 19.0).

4.7.1 STRUCTURAL EQUATION MODELLING TO EVALUATE MODEL FIT

The empirical investigation of this study will be analysed by means of a statistical technique namely SEM. SEM is a hybrid technique that estimates a series of interrelated dependence relationships between variables simultaneously (Hair *et al.* 2010).

In structural equation modelling, the fit indices establish whether, overall, the model is acceptable. The goodness-of-fit of a statistical model illustrates how well it fits the sample data. It typically summarises the discrepancy between observed values and the values expected under the model in question (Cooper & Schlinder 2006:552; Hair, Anderson, Tatham & Black 2006:734). Hair (2010:672) recommended that a researcher use at least three goodness-of-fit indices. The indices that will be used in this study are outlined in the table below.

Table 4.2: Goodness-of-fit indices for SEM

INDEX	REQUIRED VALUE	GOODNESS OF FIT CATEGORY
Normed Chi-square (χ^2/df)	$\chi^2/df \leq 3$	Basic fit measure
CFI (Comparative fit index)	CFI > 0.9	Incremental fit index
TLI (Tucker-Lewis index)	TLI > 0.9	Incremental fit index
RMSEA (Root mean square error of approximation)	RMSEA > 0.07	Absolute fit measure

The results of the SEM goodness-of-fit results will be discussed in Chapter Five.

4.7.2 VALIDITY

The validity of a measuring instrument is of utmost importance. Validity is the extent to which a test measures what it is intended to measure, and to which research findings accurately represent what is happening in the evaluated situation. It is important for a test to be valid in order for the results to be accurately applied and interpreted. Construct validity addresses the question of what construct or characteristic the scale is measuring. It seeks to answer theoretical questions of why a scale works and what deductions can be made concerning the theory of the basic scale. Construct validity is the most sophisticated and will be applicable for the study at hand (Cooper & Schindler 2006:318; Diamantopoulos and Schlegelmilch 2000:33; Kline 2005; Bollen 2002:605-634; Gaiser & Schreiner 2009:69; Zikmund 2000:281).

For the purpose of measuring construct validity, an exploratory factor analysis was conducted. Factor analysis is a general term for several specific computational techniques. All have the objective of reducing many variables that belong together and have overlapping measurement characteristics to a manageable number. In other words, it identifies a set of underlying dimensions in a data set that captures the most information and retains interpretability (Hair *et al.* 1998:90; Cooper & Schindler 2006:590).

Exploratory factor analysis will be used to establish whether the identified variables load as predicted on the pre-selected number of factors. The items in the questionnaire were pre-selected and grouped into nine factors. These pre-selected factors will be used in the factor analysis process with the instruction that the items must load onto the pre-selected factors. The reasoning behind this method is to confirm that the loadings of the measured variables conform to what is expected on the basis of the literature overview.

In interpreting the factor analysis, items that have high factor loadings on the pre-selected factors indicate proof of construct validity. Factors loadings larger than 0.30

are considered to just meet the minimum level; loadings of approximately 0.40 are considered more important; and loadings of 0.50 or greater are considered as practically significant (Hair *et al.* 1998:111).

In summary, exploratory factor analysis will be used to confirm the conceptual model of this study, and the results will be presented in Chapter Five.

The external validity (generalisability) is concerned with the interaction of the experimental treatment with other factors and the resulting impact on the ability to generalise to and across times, settings, or persons. In other words, the extent to which a study's results can apply to cases beyond the particular study (Cooper & Schindler 2006:284 and Collins & Hussey 2003:59). The questionnaire of this study was electronically distributed to a variety of employees across corporate businesses of various sectors of industry, to individuals of different designations, throughout South Africa. Responses were gathered through convenience snowball sampling, as well as referrals. It can thus be concluded that the findings of this study can be generalised because of the expansive industry and geographical coverage of the study.

4.7.3 RELIABILITY

It is important that a measuring instrument is reliable, in order for accurate and quality decisions to be made. Reliability is a characteristic of measurement concerned with accuracy and precision. It is the degree to which measures are free from error and therefore yield consistent results. Reliable instruments should work well at different times under different conditions (Cooper & Schindler 2006:320; Gaiser & Schreiner 2009:70; Zikmund 2000:280).

There are various techniques to assess the reliability of a measuring instrument. These approaches are test-retest, split-half, equivalent-form and the coefficient alpha. The test-retest method involves administering the same measuring instrument to the same respondents at two separate times to test for stability. If the scale is stable over time,

the two tests should obtain similar results (Cant, Gerber, Nel & Kotze 2003:123). The equivalent-form method measures the correlation between the reliability yielded by alternative instruments, which are designed to be as equivalent as possible and administered to the same group of subjects (Zikmund 2000:280). Split-half is a method used to measure the degree of internal consistency by checking one half of the results of a set of scaled items against the other half (Zikmund 2000:280). The scale items can be split into halves based on odd and even numbered items, or random selection. There are problems and inaccuracies with all of the above methods of reliability testing, and Malhotra (1999:282) suggested that most of these problems can be overcome by the use of the Cronbach Alpha correlation coefficient.

The reliability, which is also the internal consistency, of the research instrument of this study will be assessed by means of Cronbach Alpha (CA) correlation coefficients (Leedy & Ormrod 2005:26-27). CA is a numerical coefficient of reliability and measures the degree to which instrument items are homogeneous and reflect the same underlying construct (Cooper & Schindler 2006:322). In other words, the CA correlation coefficient indicates how well the items in a set are positively correlated to one another (Sekaran 2000:308). CA is the most rigorous method of establishing internal consistency and also has the advantage of producing a reliability estimate through administration (Parasuraman 1991). Cronbach Alpha varies on a continuum ranging from 0 to 1. A scale that renders a reliability coefficient of above 0.7 usually suggests that the instrument is considered reliable (Nunnally 1978), a coefficient larger than 0.8 very good and CA coefficients lower than 0.60 questionable (Bernardi 1994:766 and Sekeran 1992:174,284,287). The CA correlation coefficients of this study will be presented in Chapter Five.

4.7.4 TESTING OF HYPOTHESES

The independent variables in this study are branding, marketing ethics, green marketing, corporate culture, values and employee empowerment. The intervening variables are marketing and human resources, and the dependent variable is

sponsorship. The hypotheses were tested by means of multiple regression analysis. Regression analysis will thus be used to determine whether relationships exist between each of the independent variables, the intervening variable and the dependent variable. These results will be used to determine whether the alternative hypotheses will be rejected or failed to be rejected.

4.7.5 DESCRIPTIVE STATISTICS

Analysis of Variance (ANOVA) is a statistical tool that separates the total variability found within a data set into two components: random and systematic factors. The random factors do not have any statistical influence on the given data set, while the systematic factors do. In other words ANOVA is an analysis of the variation in the outcomes of an experiment to assess the contribution of each variable to the variation (Hair *et al.* 1998:143).

ANOVA will be performed in order to establish whether the demographic characteristics of respondents exert an influence on the perceptions respondents have regarding the factors influencing sponsorship.

The test statistic for ANOVA is the F ratio. If the population means are not equal, the F statistic should be different from 1 (Cooper & Schindler 2007:516-517). Significant differences between means will be identified by considering p-values.

In addition to ANOVA, descriptive statistics such as the mean and frequency distributions will be calculated to summarise the sample data (Zikmund 2000:436). The purpose of descriptive statistics is to summarise the sample data in such a way that the results are easily interpreted and presented.

4.8 SUMMARY

In this Chapter the research design and methodology of the study at hand was discussed. Focus was on the research design, the data collection methods, including

details surrounding the sample and measuring instruments, as well as the data analysis process followed in the empirical investigation.

As can be concluded from the discussions in this Chapter, it is evident that a solid research design was developed, relevant secondary sources were consulted and that the measuring instrument was well constructed. This Chapter also indicated that appropriate data analysis methods were selected for the empirical investigation.

The following Chapter reviews the empirical results obtained from the data analysis of the questionnaire responses.

CHAPTER FIVE

EMPIRICAL FINDINGS

5.1 INTRODUCTION

Chapter Four summarised the methodology used to test the hypotheses of the study. Chapter Five will evaluate the conceptual model based on the results from the empirical investigation, and the discussions around the results will be conducted in Chapter Six.

The objective of this Chapter is to effectively convey the empirical data captured as it relates to the objectives and aims of this research. This Chapter summarises the objectives of the study and presents the results of the empirical investigation. A section of this Chapter is dedicated to discussing the construct validity of the research instrument. Then, the reliability of the measuring instrument is determined using Cronbach Alpha (CA) correlation coefficients. The Structural Equation Modelling (SEM) goodness-of-fit results will indicate the fit of the data to the model. Determining relationships between the dependent, intervening and independent variables according to the multiple regression analysis is also of great importance within this Chapter. The relationship between the demographic characteristics of the sample group will be tested to evaluate whether the proposed model is generic across different demographic groupings. Finally, the biographical data will be discussed. The main objective of this Chapter however is to confirm and support the research hypotheses developed from the hypothetical model in Chapter One.

5.2 SUMMARY OF THE EMPIRICAL INVESTIGATION OBJECTIVES

The aim of the present study is to investigate the influence of selected marketing and human resources factors on sponsorship initiatives. To achieve this aim, a number of alternative hypotheses were formulated to test the conceptual model. It was hypothesised that the selected marketing and human resources variables exerted an influence on sponsorship, via the intervening variables. For ease of reference these

alternative hypotheses will be repeated below, as well as the conceptual model. The alternative hypotheses state that there exist positive relationships between the identified variables.

H1¹: There is a positive relationship between branding and marketing.

H1²: There is a positive relationship between marketing ethics and marketing.

H1³: There is a positive relationship between green marketing and marketing.

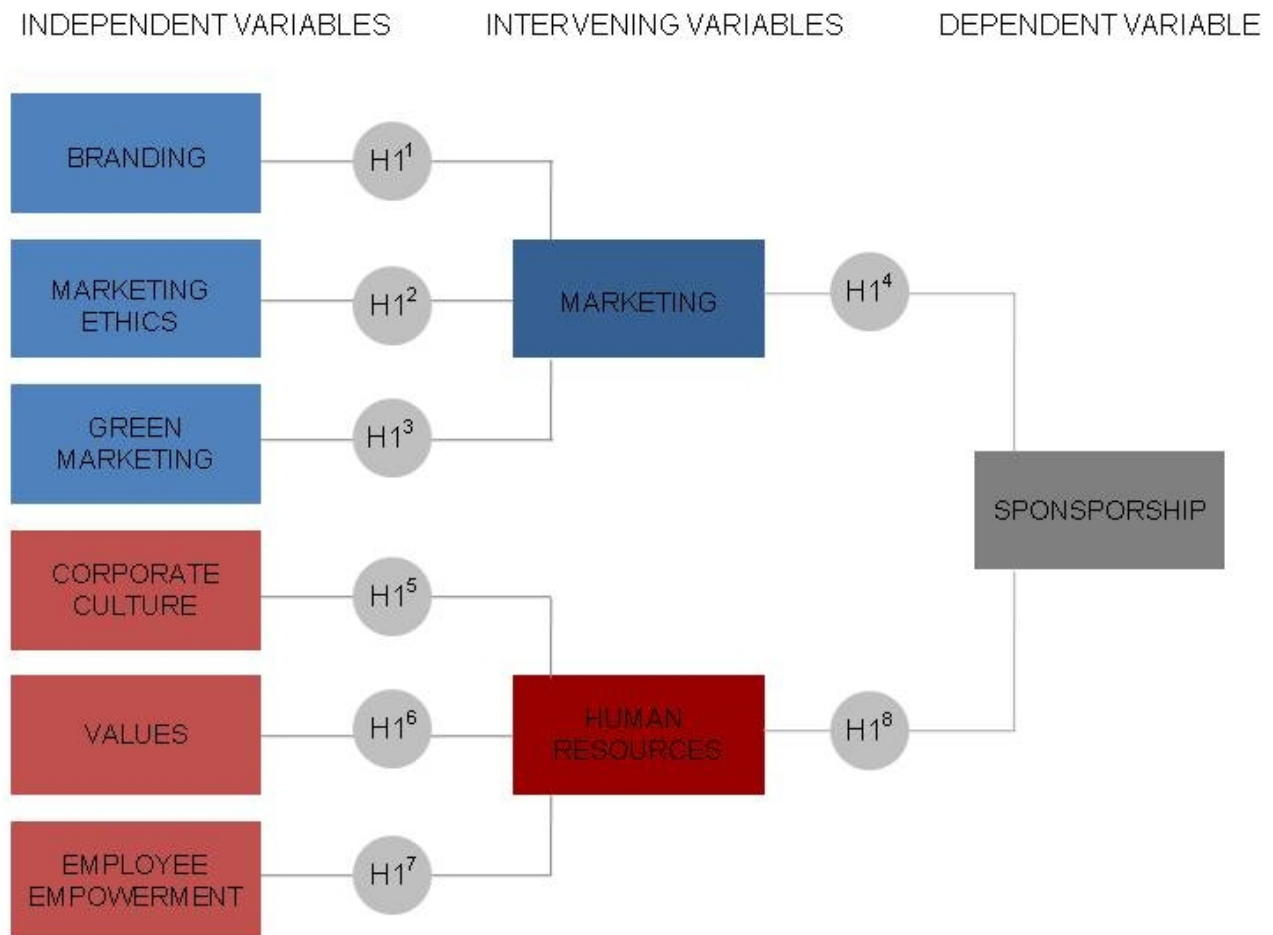
H1⁴: There is a positive relationship between marketing and sponsorship.

H1⁵: There is a positive relationship between corporate culture and human resources.

H1⁶: There is a positive relationship between values and human resources.

H1⁷: There is a positive relationship between employee empowerment and human resources.

H1⁸: There is a positive relationship between human resources and sponsorship.

Figure 5.1: Conceptual model

As indicated, the hypotheses were empirically tested, and the empirical results will be discussed in the sections to follow.

5.3 DATA ANALYSIS RESULTS

Statistical analysis procedures will be used to process the quantitative data collected via the structured questionnaire. The measuring instrument used and the data gathered from the sample was subjected to thorough analyses to determine the validity, reliability

and the empirical results of the hypothesised relationships amongst the factors investigated in the study.

As previously stated, the computer programmes Microsoft Excel, STATISTICA (Version 9.0) and AMOS (Version 19.0) were used to conduct the data analysis.

The data analysis comprised six phases and the empirical results explored in this Chapter will follow the order below:

- Firstly, the construct validity of the measuring instrument was tested. Validity was verified by means of considering the factor loadings in the exploratory factor analysis.
- In the second phase, Cronbach Alpha (CA) correlation coefficients were calculated to quantify the internal reliability of the questionnaire.
- Thirdly, Structural Equation Modelling (SEM) was conducted in order to measure the goodness-of-fit of the data to the model. Four indices, namely the normed Chi-square (χ^2/df), Comparative fit index (CFI), Tucker-Lewis index (TLI) and Root mean squared error of approximation (RMSEA) will be reported on.
- During the fourth phase, as part of the SEM process, the hypothesised relationships were tested by means of multiple linear regression analysis to determine which predetermined factors explain significant variations in sponsorship.
- In the fifth phase the results of the ANOVA data analysis step will be elaborated on. Here it is determined whether demographic characteristics of respondents have an influence on their perceptions of the various factors.
- Lastly, during the sixth phase, descriptive statistics such as the mean and standard deviation were calculated to summarise the sample data distribution.

For ease of reading, the factors will be referred to in various tables, by using abbreviations as indicated in Table 5.1.

Table 5.1: Abbreviations of variables

CONCEPT	ABBREVIATION
Marketing	Mark
Branding	Bra
Ethics	Eth
Green Marketing	Gr
Human Resources	HR
Corporate Culture	CC
Values	Val
Corporate Culture and Values	CC/Val
Employee Empowerment	EE
Sponsorship1	Sp1
Sponsorship2	Sp2

The empirical results from each of the above-mentioned data analysis phases will now be discussed.

5.3.1 VALIDITY OF THE MEASURING INSTRUMENT

The purpose of this section is to describe the construct validity of the research instrument. Construct validity indicates whether a set of measured items reflects the theoretical factor that those items are designed to measure. As indicated in Chapter Four, construct validity is the most sophisticated type of validity, and for this reason the validity measurement of this study (Diamantopoulos & Schlegelmilch 2003:34).

For the purpose of testing the construct validity of the measuring instrument, an exploratory factor analysis was conducted. According to Zikmund (2003:586), factor analysis typically summarises a large number of variables into a smaller number of factors. In order to confirm the validity of the measuring instrument used in the study, at a minimum, all the factor loadings must be statistically significant. The criteria to confirm validity is that the standardised factor loadings should be at a value of 0.5 or higher. The marketing, human resources and sponsorship factors were tested separately to determine its validity. The results of the factor analysis pertaining to marketing factors are illustrated below.

Table 5.2: Factor loadings - Marketing factors

	FACTOR	FACTOR	FACTOR	FACTOR
Mark1	0.2986	0.1866	0.7662	0.1285
Mark2	0.1298	0.1745	0.8551	0.2064
Mark3	0.1428	0.1755	0.8628	0.1447
Mark4	0.2834	0.1712	0.7291	0.1200
Mark5	0.1775	0.3061	0.5175	0.4193
Bra1	0.5923	0.0852	0.1485	0.5874
Bra2	0.4823	0.0832	0.1674	0.6347
Bra3	0.2233	0.2918	0.2451	0.6996
Bra4	0.1983	0.0501	0.3169	0.6850
Bra5	0.5860	0.0622	0.1990	0.5847
Eth1	0.8364	0.1612	0.2492	0.1564
Eth2	0.8226	0.0646	0.1834	0.2356
Eth3	0.8867	0.1163	0.1266	0.1352
Eth4	0.7729	0.0058	0.2074	0.2231
Eth5	0.6262	0.1565	0.4313	0.0515
Eth6	0.7829	0.1419	0.1094	0.1701

	FACTOR	FACTOR	FACTOR	FACTOR
Gr1	0.6369	0.4644	0.0796	0.1691
Gr2	0.3351	0.7397	0.1521	-0.0117
Gr3	-0.0575	0.8386	0.2007	0.1663
Gr4	0.2118	0.7810	0.0988	0.1449
Gr5	0.0829	0.8698	0.2355	0.0339

From Table 5.2 presented above, it is evident that not all the item loadings exceeded 0.5.

Table 5.2 shows that all the items regarded as measures of *ethics* loaded on factor one (*ethics*), while one factor regarded as a measures of *green marketing* also loaded on factor one. This *green marketing* item was therefore regarded as a measure of *ethics*. It should be noted that two of the *branding* items cross loaded on factor one (*ethics*) and on factor four (*branding*), and was therefore removed.

Factor two (*green marketing*) consists of four items expected to measure *green marketing*.

All the *marketing* items loaded on factor three (*marketing*), thus the factor *marketing* was seen as a valid factor.

Three of the *branding* items loaded on the *branding* factor (factor four), and were therefore regarded as a valid measure of *branding*.

The items listed in Table 5.3 can be regarded as valid measures of the individual marketing related variables and retained in the theoretical model.

Table 5.3: Empirical factor structure of the marketing variables included in revised theoretical model

VARIABLE	MEASURING ITEMS
Ethics	Eth1, Eth2, Eth3, Eth4, Eth5, Eth6, Gr1
Green Marketing	Gr2, Gr3, Gr4, Gr5
Marketing	Mark1, Mark2, Mark3, Mark4, Mark5
Branding	Bra2, Bra3, Bra4

The results of the factor analysis pertaining to the human resources factors are illustrated below.

Table 5.4: Factor loadings - Human Resources factors

	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR
HR1	0.0927	-0.0083	0.8743	0.0414	0.1060
HR2	0.4736	0.3751	0.2212	0.0400	0.3721
HR3	0.0427	0.0392	0.2876	0.6664	0.3820
HR4	0.1214	0.1274	0.0236	0.8548	-0.0994
HR5	0.5425	0.2991	0.1677	0.0115	0.5610
HR6	0.4805	0.1789	0.0924	0.1381	0.4829
CC1	0.5357	0.2077	0.1816	0.0130	0.5463
CC2	0.6562	0.0845	0.0499	0.1168	0.0301

	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR
CC3	0.7942	0.1156	-0.0590	0.0925	0.1097
CC4	0.5996	0.2064	0.3871	-0.1279	0.0222
Val1	0.6847	0.2572	0.2050	-0.0491	0.2018
Val2	0.8263	0.1679	-0.0102	0.0750	0.0679
Val3	0.4751	0.5854	0.0155	-0.0446	0.4193
Val4	0.7542	0.2603	0.0193	0.1641	0.1170
Val5	0.5127	0.2854	0.3865	0.0493	-0.2498
EE1	0.1068	0.8276	0.0941	-0.0153	-0.0542
EE2	0.2194	0.8375	0.0669	0.0124	0.1474
EE3	0.1903	0.8500	0.0447	0.0958	0.0447
EE4	0.1555	0.8483	-0.0074	0.0917	0.0629
EE5	-0.1193	0.5004	-0.0955	0.0323	0.4879
EE6	0.1800	0.7483	0.0229	0.1202	0.2884
HR7	0.0054	0.0668	0.8723	0.1106	0.0181

Table 5.4 shows that three of the four *corporate culture* items and four items related to *values* loaded on factor one. It appears that the respondents viewed the items making up *corporate culture* and *values*, respectively, as related. This can be argued as true, as values are central to the corporate culture within a business. As a result of the items of *corporate culture* and *values*' cross loading, the two factors were re-categorised under a combined name, referred to as "*corporate culture and values*" (CC/Val).

One item from *values* loaded on factor two (*employee empowerment*). All the *employee empowerment* items loaded on this factor. These items were therefore regarded as measures of *employee empowerment*.

The *human resources* variable did not load as an intervening variable as anticipated and will be omitted from the conceptual model. The *human resources* variable was therefore removed and not incorporated in the subsequent statistical analysis.

Based on the results of Table 5.4, the items summarised in Table 5.5 were regarded as valid measures of the individual variables related to human resources and retained in the theoretical model. Only these items were used in all subsequent statistical procedures.

Table 5.5: Empirical factor structure of the human resources variables included in revised theoretical model

VARIABLE	MEASURING ITEMS
Corporate Culture and Values	CC2, CC3, CC4, Val1, Val2, Val4, Val5
Employee Empowerment	Val3, EE1, EE2, EE3, EE4, EE5, EE6

The results of the factor analysis pertaining to sponsorship factors are illustrated in Table 5.6 below.

Table 5.6: Factor loadings: Sponsorship factors

	FACTOR	FACTOR	FACTOR
Spon 1	0.5984	0.4913	-0.1939
Spon 2	0.4061	0.0007	0.4628
Spon 3	0.8920	0.0374	0.0603
Spon 4	0.7011	0.2620	0.0444
Spon 5	0.4503	0.4501	0.0670
Spon 6	0.0871	0.8209	0.1419
Spon 7	0.1602	0.8129	0.1718
Spon 8	0.2652	0.4707	0.4782
Spon 9	-0.0478	0.1180	0.8297
Spon 10	0.1140	0.5876	-0.2083

From Table 5.6 it can be said that three items loaded on factor one, and for the purposes of this study will be named *Sponsorship One*. Similarly, three items loaded on factor two and will be named *Sponsorship Two*. It appears that respondents viewed items 1, 3 and 4 of the sponsorship section as separate from items 6, 7 and 10. After considering the item content of these specific items, *Sponsorship One* will be grouped as “*Sport and Broadcast sponsorship*” and *Sponsorship Two* will be labeled “*Education and Community sponsorship*”.

The items summarised in Table 5.7 were regarded as valid measures of *Sport and Broadcast sponsorship* and *Education and Community sponsorship* respectively. Only these items were used in all subsequent statistical procedures.

Table 5.7: Empirical factor structure of the sponsorship variables included in revised theoretical model

VARIABLE	MEASURING ITEM
Sponsorship One (Sport & Broadcast sponsorship)	Sp1,Sp3,Sp4
Sponsorship Two (Education & Community sponsorship)	Sp6, Sp7, Sp10

In terms of the validity discussions above, a number of statements found in the research instrument did not load. These statements were omitted from further analysis. All the original variables related to marketing were regarded as valid. Table 5.5 shows that only two human resources related factors could be identified as separate factors (*corporate culture and values* and *employee empowerment*). The intervening variable, human resources, was omitted due to inadequate construct validity. Initially, *corporate culture and values* were separate factors, however after the factor analysis combined into one variable, *corporate culture and values* (CC/Val). After the test for validity, the dependent variable, sponsorship, loaded as two factors, and was labeled *Sport and Broadcast sponsorship* and *Education and Community sponsorship*. The theoretical model therefore needed to be revised after these aforementioned changes to ensure the validity thereof, and will be graphically depicted after the SEM goodness-of-fit discussions.

5.3.2 RELIABILITY OF THE MEASURING INSTRUMENT

As was mentioned in Chapter Four, the reliability or internal consistency of the measuring instruments can be confirmed through the computation of Cronbach Alpha (CA) correlation coefficients. A CA correlation coefficient of greater than 0.7 is used to indicate that a factor is reliable (Nunnally 1978:226).

Table 5.8 below provides the reliability results by means of the CA Coefficient estimates for each of the factors.

Table 5.8: Cronbach Alpha Coefficient values of the measuring instrument

FACTOR	CRONBACH ALPHA COEFFICIENTS
CC/Val = HR5, CC1, 2, 3, 4, Val1, 2, 4, 5	0.881426
EE = Val3, EE1, 2,3,4,5,6	0.890512
Mark = Mark 1-5	0.886074
Bra= Bra 2 - 4	0.751585
Eth = Eth 1 – 6, Gr1	0.924015
Gr = Gr 2-5	0.870070
Sp1 = Spon 1, 3, 4	0.724296
Sp2 = Spon 6,7,10	0.684399

The CA correlation coefficients presented in Table 5.8 confirm the reliability of this study's measuring instrument as all the CA correlation coefficients are above the recommended 0.7, except the last factor, SP2 (*Education and Community sponsorship*). However this factor is only slightly lower than 0.7. Nunally (1978:226) suggested that values above 0.5 are adequate for basic research purposes. Therefore, the measuring instrument of this study is considered reliable.

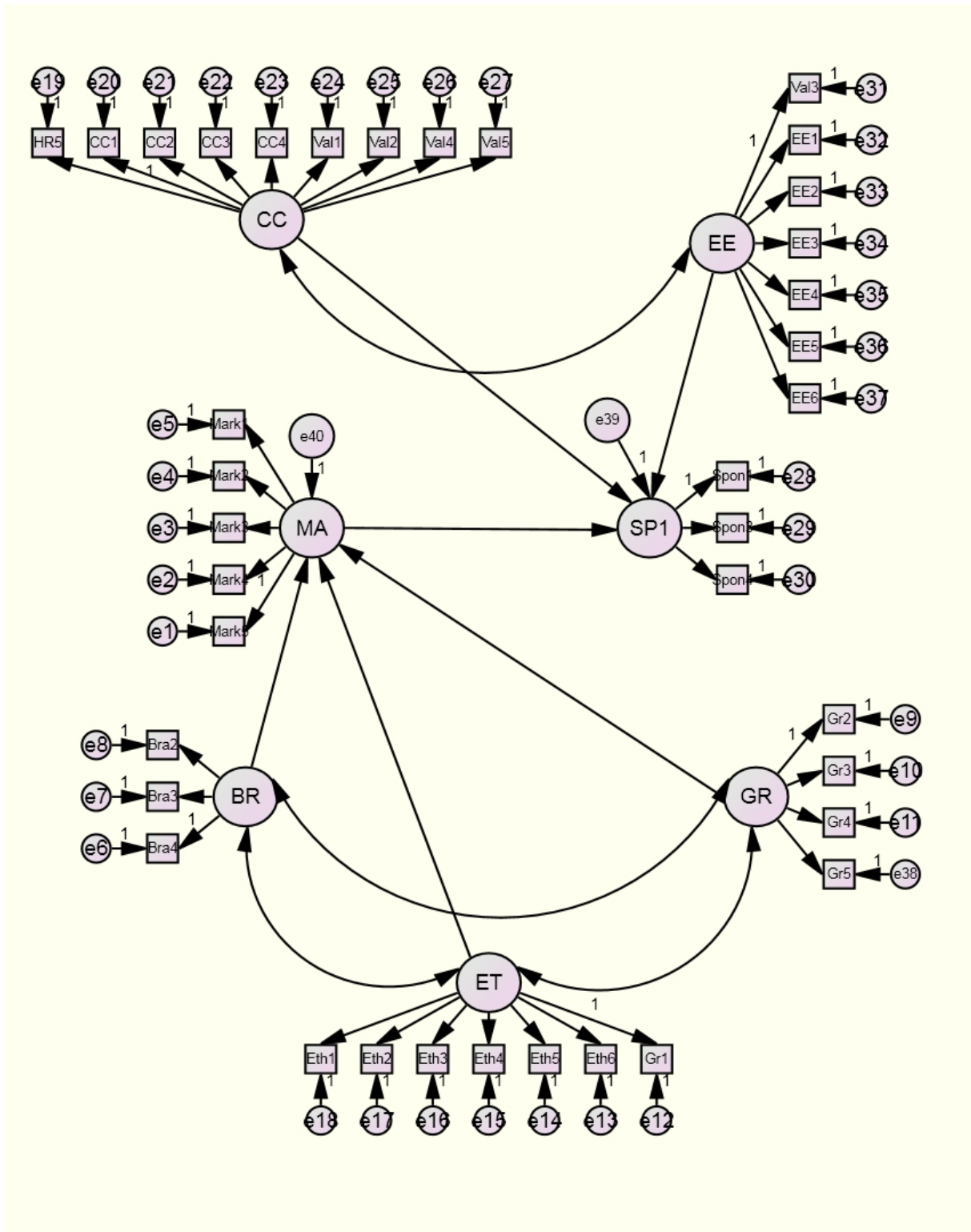
5.3.3 STRUCTURAL EQUATION MODELING

As mentioned previously, as a result of the validity test, the dependent variable, sponsorship, was split into two factors, namely *Sport and Broadcast sponsorship* (Sp1) and *Education and Community sponsorship* (Sp2). For the purpose of a structured approach, the goodness-of-fit results of *Sport and Broadcast sponsorship* (Sp1) and *Education and Community sponsorship* (Sp2) will be discussed separately in the following section.

(a) Sport and Broadcast sponsorship (Sp1)

The SEM procedure was conducted to determine the goodness-of-fit of the hypothesised model. Figure 5.2 represents Model One for *Sport and Broadcast sponsorship*.

Figure 5.2: Model One – Complete model for Sport and Broadcast sponsorship



The ratio of the Chi-square to the degrees of freedom is useful for interpretation. This term is given in the goodness-of-fit indices and for Model 1 is CMIN/DF = 2.265. The term is known as the normed Chi-square (χ^2/df) and ideally should be 3 or less. Given that the normed Chi-square of Model One is below 3, it can be stated that the model fit is satisfactory.

Table 5.9 summarises the parameter estimates, standard errors and p-values of Model One for *Sport and Broadcast sponsorship*.

Table 5.9: Model One (Complete model) parameter estimates and p-values – Sport and Broadcast sponsorship

			ESTIMATE	S.E.	C.R.	P
Mark	<---	Bra	0.503	0.138	3.653	***
Mar	<---	Eth	0.031	0.14	0.223	0.824
Mark	<---	Gr	0.252	0.077	3.283	0.001
Sp1	<---	CC	0.426	0.163	2.621	0.009
Sp1	<---	EE	-0.438	0.142	-3.082	0.002
Sp1	<---	Mark	0.465	0.13	3.588	***

As evident from Table 5.9 above, the relationship between the factors *ethics* and *marketing* is insignificant, with a p-value of 0.824. It can therefore be said that the results from the fitted Model One indicate the non-significance of the factor *ethics* in relation to *marketing*. In order to obtain the most parsimonious model, the omission of the factor *ethics* was considered. However, before proceeding, it is important to

determine the adequacy of the model in its current form by reviewing the remaining goodness-of-fit indices.

In addition to the normed Chi-square (χ^2/df), the following indices were used in the SEM process to measure the model's goodness-of-fit:

- CFI: Comparative fit index; ideally the CFI should obtain a value of above 0.9;
- TLI: Tucker-Lewis index; this index should preferably have a value above 0.9; and
- RMSEA: Root mean squared error of approximation; this measure should preferably be smaller than 0.07.

Table 5.10 shows the results of the goodness-of-fit indices for Model One.

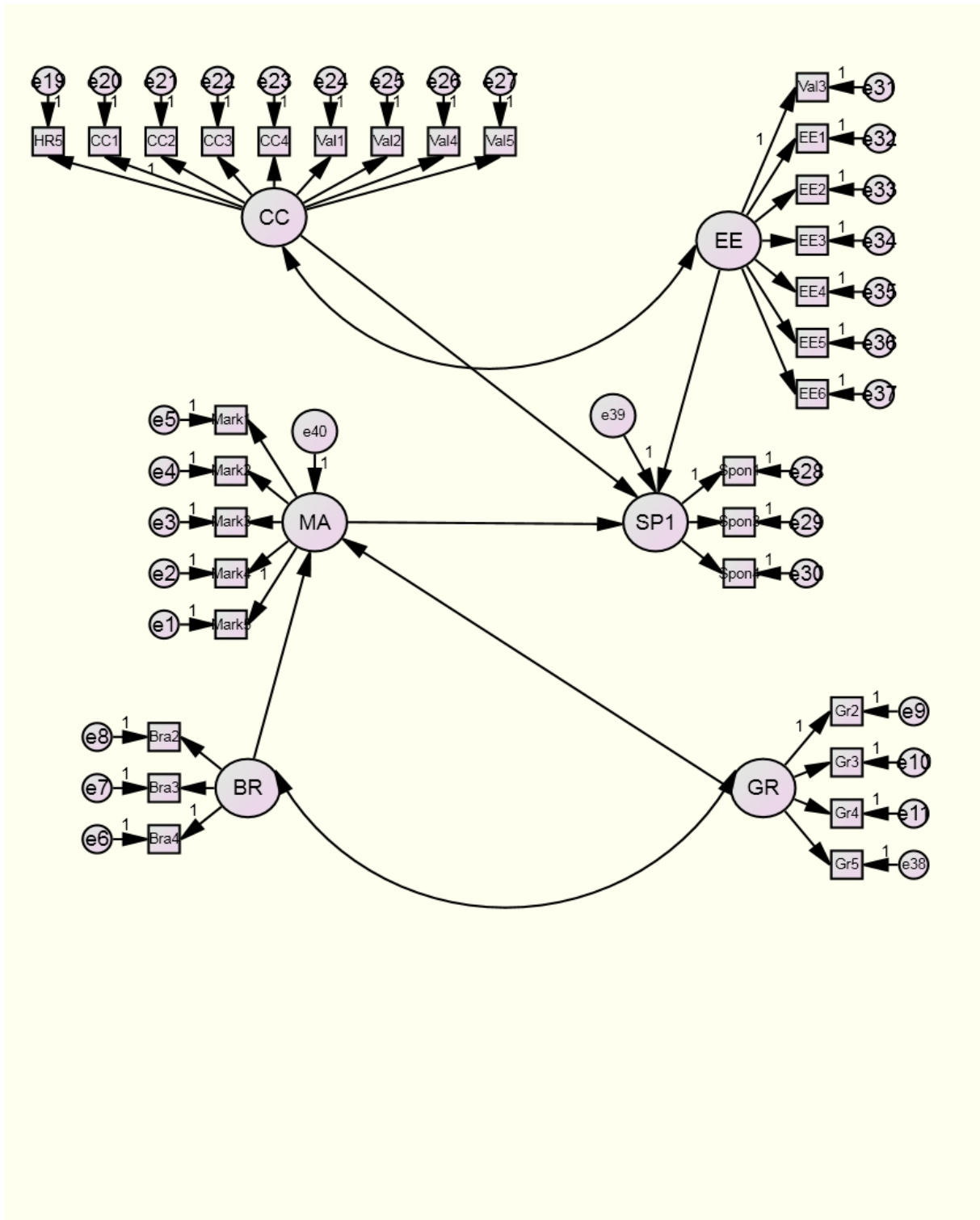
Table 5.10: Model One (Complete model) goodness-of-fit indices – Sport and Broadcast sponsorship

INDEX	RESULTS FOR MODEL ONE (COMPLETE MODEL)
CFI	0.817
TLI	0.804
RMSEA	0.084 (0.078 lower bound, 0.089 upper bound)

The indices presented above indicate that the data does not adequately fit the theoretical Model One. This is concluded as CFI and TLI should ideally be above 0.9 and RMSEA below 0.07. Therefore, the researcher attempted to improve the fit by

defining Model Two, where the insignificant factor, *ethics*, was omitted. Figure 5.3 represents this model as Model Two.

Figure 5.3: Model Two – Adapted model for Sport and Broadcast sponsorship



The normed Chi-square (χ^2/df) for Model Two is CMIN/DF = 2.231. Given that the normed Chi-square of Model 2 is below the recommended value of 3, the model fit is satisfactory.

Table 5.11 shows the parameter estimates, standard errors and p-values for Model Two.

Table 5.11: Model Two (Adapted model) parameter estimates and p-values – Sport and Broadcast sponsorship

			ESTIMATE	S.E.	C.R.	P
Mark	<---	Bra	0.496	0.098	5.079	***
Mark	<---	Gr	0.25	0.078	3.204	0.001
Sp1	<---	CC	0.427	0.163	2.63	0.009
Sp1	<---	EE	-0.436	0.142	-3.069	0.002
Sp1	<---	Mark	0.469	0.13	3.607	***

In Model Two there are no more insignificant relationships among factors, an improvement from Model One.

The results of the goodness-of-fit indices for Model Two are displayed below.

Table 5.12: Model Two (Adapted model) goodness-of-fit indices – Sport and Broadcast sponsorship

INDEX	RESULT FOR MODEL 2 (ADAPTED MODEL)
CFI	0.838
TLI	0.824
RMSEA	0.082(0.075 lower bound, 0.09 upper bound)

The indices in Table 5.12 show that Model Two is a marginal improvement on Model One, although potential improvements to the model should be investigated to ensure a better fit for the data. Model Two is nevertheless a better fit as the CFI and TLI results are closer to the recommended 0.9 level and the RMSEA result lower than the Model One result, and thus closer to the less than 0.07 requirement. The results of this model are regarded as indications of a satisfactory model fit as the normed Chi-square was within the recommended value, the RMSEA, CFI and TLI a better fit than Model One and there are no more insignificant relationships in this satisfactory model. A comparison of the goodness-of-fit results of Models One and Two are displayed below.

Table 5.13: Comparison of goodness-of-fit indices for Model One and Model Two for Sport and Broadcast sponsorship

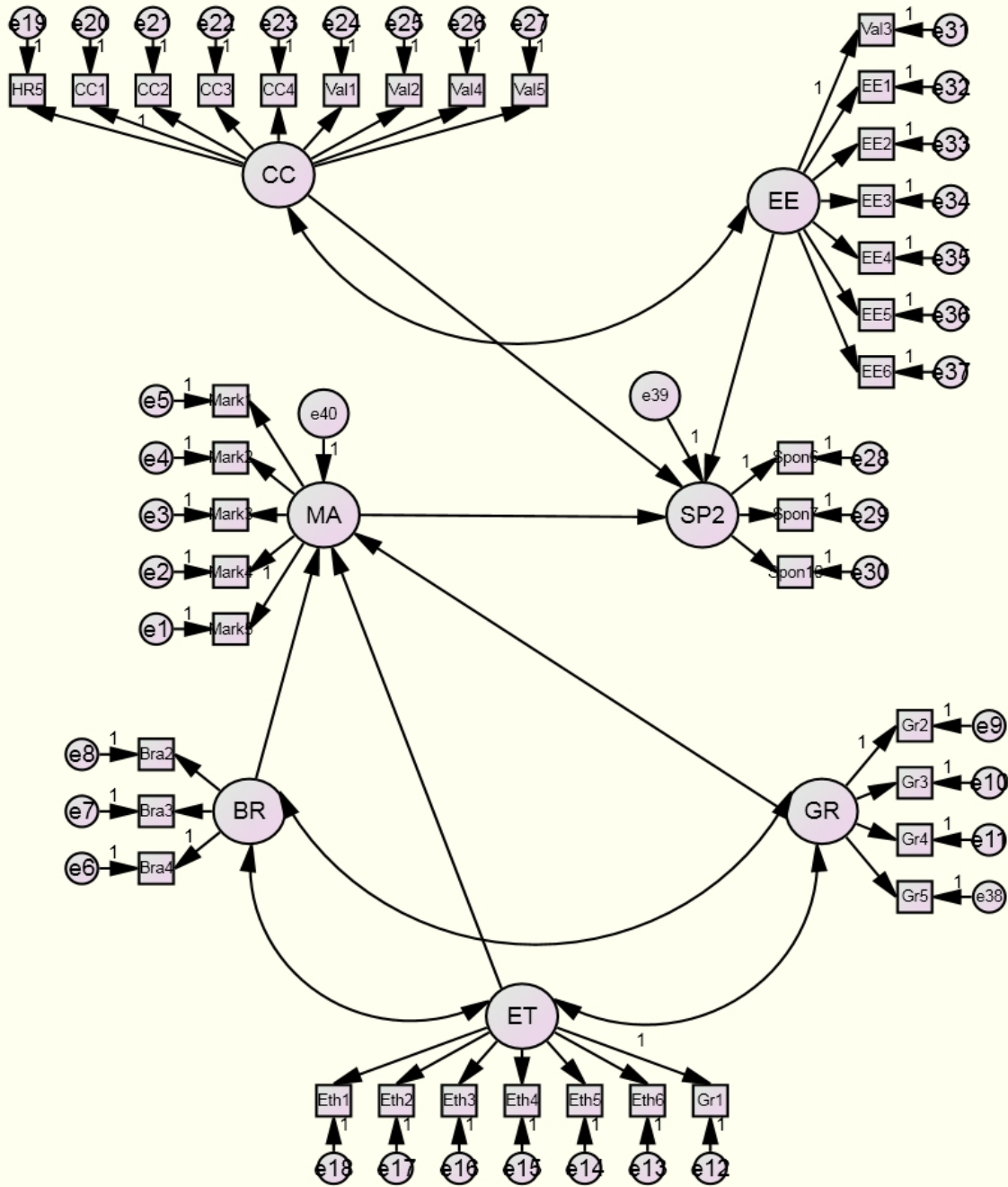
INDEX	REQUIRED VALUE	MODEL ONE (COMPLETE MODEL)	MODEL TWO (ADAPTED MODEL)
CMin/df or (χ^2 /df)	3 or less	2.265	2.231
RMSEA	less than 0.07	0.084 (0.078, 0.089)	0.082 (0.075,0.09)
CFI	above 0.9	0.817	0.838
TLI	above 0.9	0.804	0.824

Model Two now becomes the study's revised model for *Sport and Broadcast sponsorship* and this model with its subsequent hypotheses are subjected to further testing in the remainder of the study. As the factor *ethics* was removed from the model, hypothesis H1² (There is a positive relationship between marketing ethics and sponsorship) is excluded due to non-significance and are not tested in this study.

(b) Education and Community sponsorship (Sp2)

As with *Sport and Broadcast sponsorship*, the SEM procedure was used to determine the goodness-of-fit of the hypothesised model. Figure 5.4 represents this Model One.

Figure 5.4: Model One – Complete model for Education and Community sponsorship



The normed Chi-square for Model 1 is $CMIN/DF = 2.31$. As earlier stated, the normed Chi-square (χ^2/df) ideally should be 3 or less. Given that the normed Chi-square of Model One is below 3, it can be concluded that the model fit is good.

Table 5.14 summarises the parameters estimates, standard errors and p-values of Model One.

Table 5.14: Model One (Complete model) parameter estimates and p-values – Education and Community sponsorship

			ESTIMATE	S.E.	C.R.	P
Mark	<---	Bra	0.497	0.137	3.635	***
Mark	<---	Eth	0.042	0.139	0.299	0.765
Mark	<---	Gr	0.254	0.077	3.311	***
Sp2	<---	CC	0.241	0.152	1.585	0.113
Sp2	<---	EE	-0.043	0.127	-0.34	0.734
Sp2	<---	Mark	0.442	0.13	3.403	***

In conducting a stepwise reduction of insignificant relationships, as evident from Table 5.14, the relationship between the factors *ethics* and *marketing* is the least significant, with a p-value of 0.765. It can therefore be said that the results from the fitted Model One indicate the insignificance of the factor *ethics* in relation to *marketing*. In order to improve the model, the omission of the factor *ethics* was considered. However, before

proceeding, the adequacy of the model in its current form will be determined by reviewing the remaining goodness-of-fit indices.

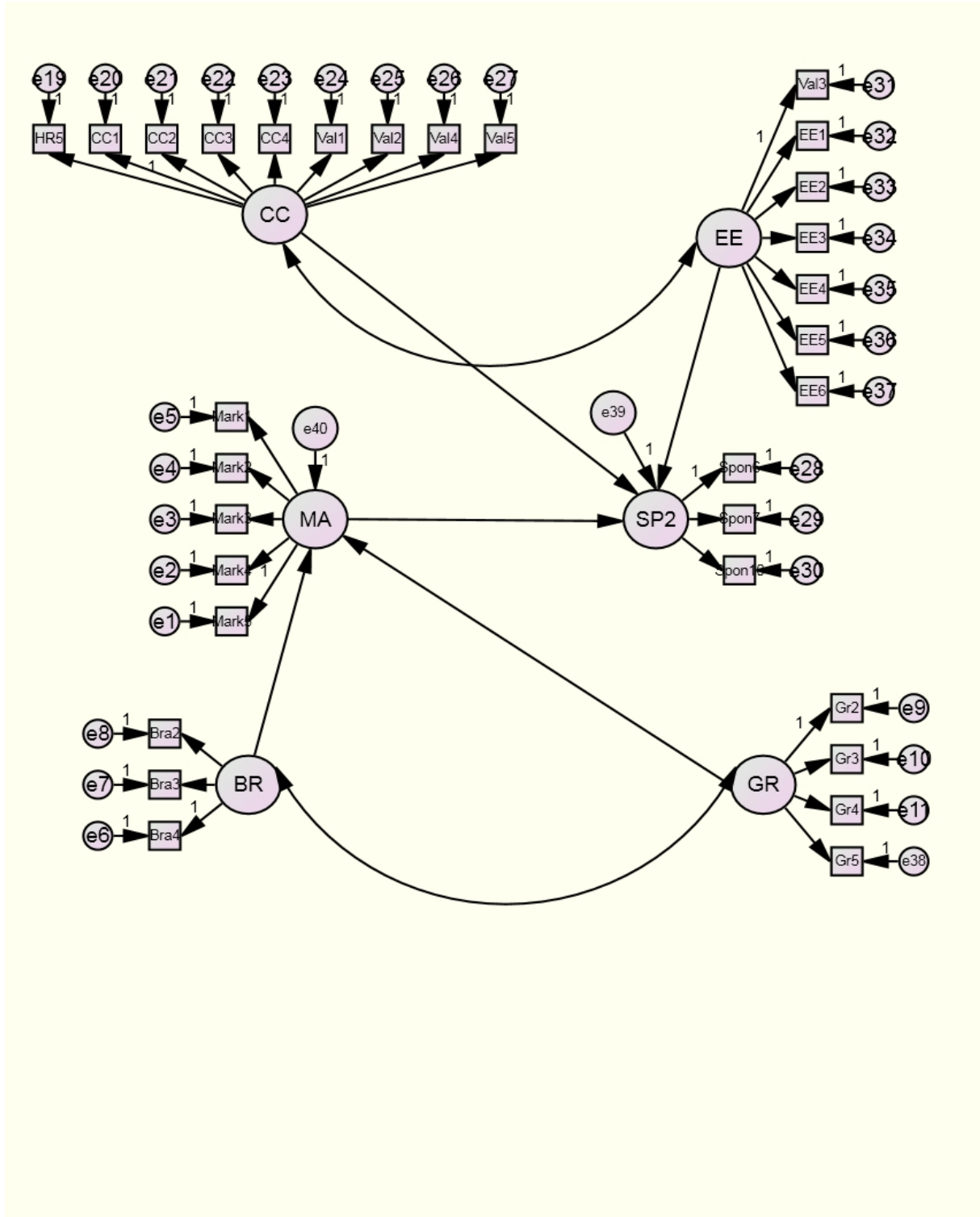
Table 5.15 shows the results of the goodness-of-fit indices for Model One.

Table 5.15: Model One (Complete model) goodness-of-fit indices – Education and Community sponsorship

INDEX	RESULT FOR MODEL 1 (COMPLETE MODEL)
CFI	0.812
TLI	0.799
RMSEA	0.085 (0.079 lower bound, 0.091 upper bound)

The indices presented above indicate that the data does not adequately fit the theoretical Model One of *Education and Community sponsorship*. This is concluded as CFI and TLI should ideally be above 0.9 and RMSEA below 0.07. Therefore, the researcher attempted to improve the fit by defining Model Two, where the insignificant factor, *ethics* was omitted. Figure 5.5 represents this model as Model Two.

Figure 5.5: Model Two – Adapted model for Education and Community sponsorship



The normed Chi-square (χ^2/df) for Model Two is $CMIN/DF = 2.282$. Given that the normed Chi-square of Model Two is below the recommended value of 3, the model fit is deemed satisfactory.

Table 5.16 shows the parameter estimates, standard errors and p-values for Model Two.

Table 5.16: Model Two (Adapted model) parameter estimates and p-values – Education and Community sponsorship

			ESTIMATE	S.E.	C.R.	P
Mark	<---	Bra	0.495	0.097	5.085	***
Mark	<---	Gr	0.252	0.078	3.231	0.001
Sp2	<---	CC	0.249	0.153	1.634	0.102
Sp2	<---	EE	-0.041	0.128	-0.321	0.749
Sp2	<---	Mark	0.436	0.13	3.363	***

In Model Two there are still insignificant relationships among factors. When proceeding with the stepwise reduction of insignificant factors, *employee empowerment* is the next variable that needs to be excluded from the model. The relationship between the factors *employee empowerment* and *Education and Community sponsorship* is insignificant, with a p-value of 0.749. It can thus be said that the results from the fitted Model Two indicate the non-significance of the factor *employee empowerment* in relation *Education and Community sponsorship*. The adequacy of the model in its current form was determined by reviewing the remaining goodness-of fit indices.

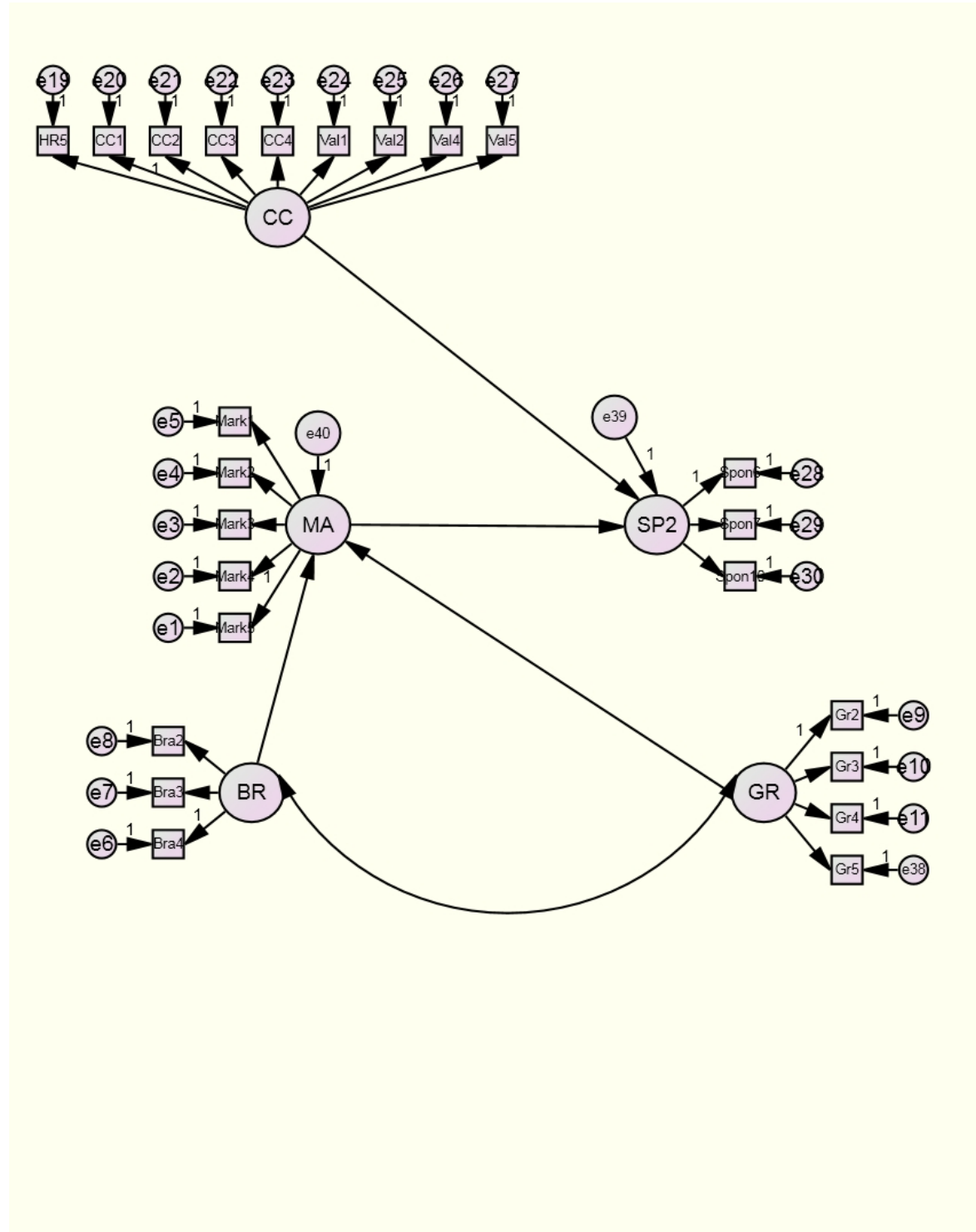
The results of the goodness-of-fit indices for Model Two are displayed below.

Table 5.17: Model Two (Adapted model) goodness-of-fit indices – Education and Community sponsorship

INDEX	RESULT FOR MODEL TWO (ADAPTED MODEL)
CFI	0.833
TLI	0.818
RMSEA	0.084 (0.077 lower bound, 0.091 upper bound)

The indices in Table 5.17 show that Model Two is a marginal improvement on Model One. This is true as the CFI and TLI results are closer to the recommended 0.9 level and the RMSEA result lower than the Model One result, and thus closer to the less than 0.07 requirement. This model is not satisfactory, as there are still relationships that are insignificant. The researcher therefore attempted to further improve the fit by defining Model Three, where the insignificant factor, *employee empowerment* was also excluded. Figure 5.6 represents this model.

Figure 5.6: Model Three – Adapted model for Education and Community sponsorship (2)



The ratio of the Chi-Square to the degrees of freedom for Model Three is $CMIN/df = 2.595$. Given that this result is below 3, it can be concluded that the model fit is good. Table 5.18 summarises the parameter estimates, standard errors and p-values for Model Three.

Table 5.18: Model Three (Adapted model Two) parameter estimates and p-values – Education and Community sponsorship

			ESTIMATE	S.E.	C.R.	P
Mark	<---	Bra	0.495	0.097	5.084	***
Mark	<---	Gr	0.252	0.078	3.229	0.001
Sp2	<---	CC	0.231	0.123	1.879	0.06
Sp2	<---	Mark	0.431	0.129	3.337	***

In Model Three there are no more insignificant relationships among factors, a definite improvement from Model Two. The normed Chi-square is within the recommended value and CFI, TLI and RMSEA (although not a perfect fit), are close to the recommended values.

In Table 5.19 the results of the goodness-of-fit indices for Model Three are presented.

Table 5.19: Model Three (Adapted model Two) goodness-of-fit indices – Education and Community sponsorship

INDEX	RESULT FOR MODEL THREE (ADAPTED MODEL TWO)
CFI	0.832
TLI	0.812
RMSEA	0.094 (0.085 lower bound, 0.103 upper bound)

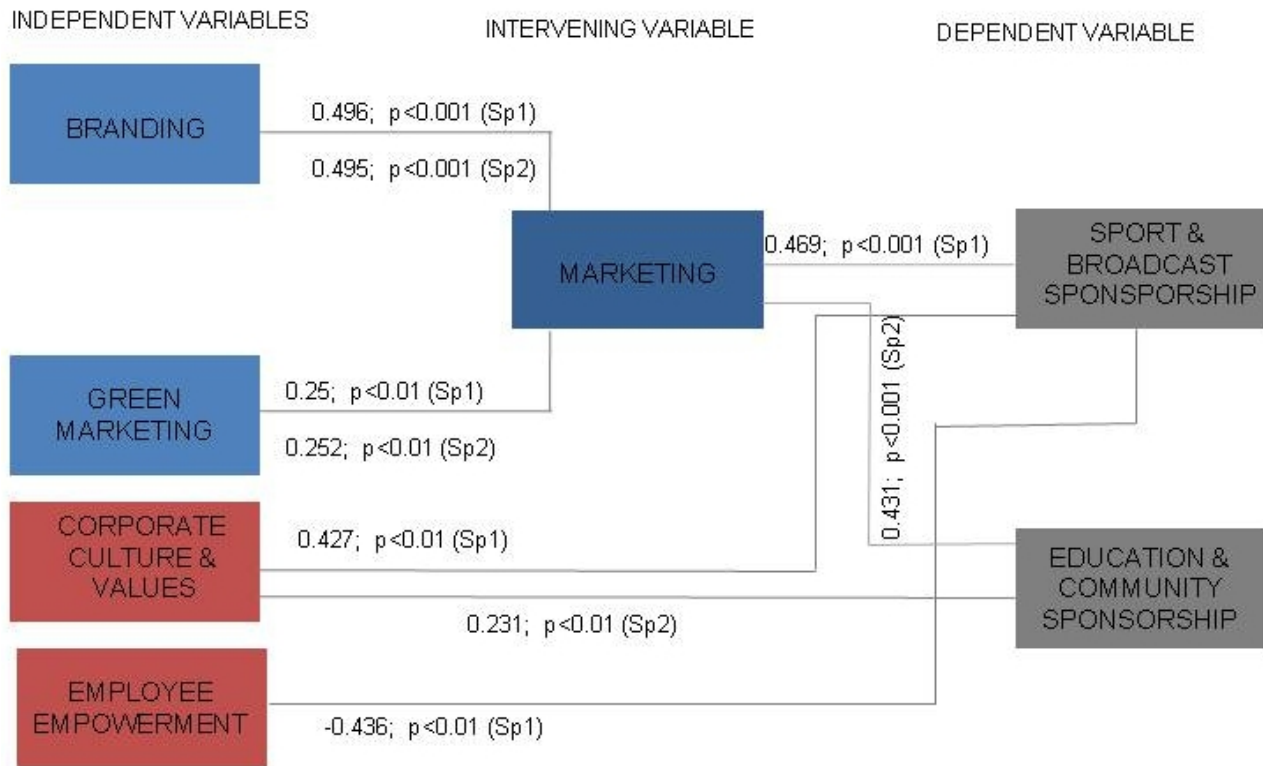
Below is a comparison of the goodness-of-fit results for Models One, Two and Three for *Education and Community sponsorship*.

Table 5.20: Comparison of goodness-of-fit indices for Model One, Two and Three for Education and Community sponsorship

INDEX	REQUIRED VALUE	MODEL ONE (COMPLETE MODEL)	MODEL TWO (ADAPTED MODEL)	MODEL THREE (ADAPTED MODEL TWO)
CMin/df or (χ^2 /df)	3 or less	2.31	2.282	2.595
RMSEA	less than 0.07	0.085 (0.077, 0.091)	0.084 (0.077,0.091)	0.094 (0.085, 0.103)
CFI	above 0.9	0.812	0.833	0.832
TLI	above 0.9	0.799	0.818	0.812

The final conclusion from the SEM analysis for *Education and Community sponsorship* is that it is recommended that Model Three be the model of choice for the study and is used in further data analyses procedures. As the factor *ethics* and *employee empowerment* was removed from the model, hypotheses H1² (There is a positive relationship between marketing ethics and sponsorship) and H1⁷ (There is a positive relationship between employee empowerment and sponsorship) are excluded from hypotheses testing due to non-significance. As *employee empowerment* had a significant relationship with *Sport and Broadcast sponsorship*, the hypothesis relating to the relationship between *employee empowerment* and sponsorship will not be excluded from hypotheses testing of this study.

Based on the SEM goodness-of-fit results of Sponsorship One (*Sport and Broadcast sponsorship*) and Sponsorship Two (*Education and Community sponsorship*), the conceptual model was adapted and depicted below.

Figure 5.7: Adapted conceptual model

5.3.4 HYPOTHESISED RELATIONSHIPS

The revised model of variables possibly influencing sponsorship initiatives (Figure 5.7) was subjected to a multiple regression analysis. The remainder of the independent variables in this study is *branding*, *green marketing*, *corporate culture and values* and *employee empowerment*, the intervening variable is *marketing* and the dependent variables are *Sport and Broadcasting sponsorship* and *Education and Community sponsorship*. Regression analysis will be used to determine whether relationships exist between each of the independent variables via the intervening variable on the dependent variables. These results will be used to determine whether the alternative hypotheses will be rejected or failed to be rejected. As with the goodness-of-fit results, *Sport and Broadcast sponsorship* and *Education and Community sponsorship* will be dealt with separately.

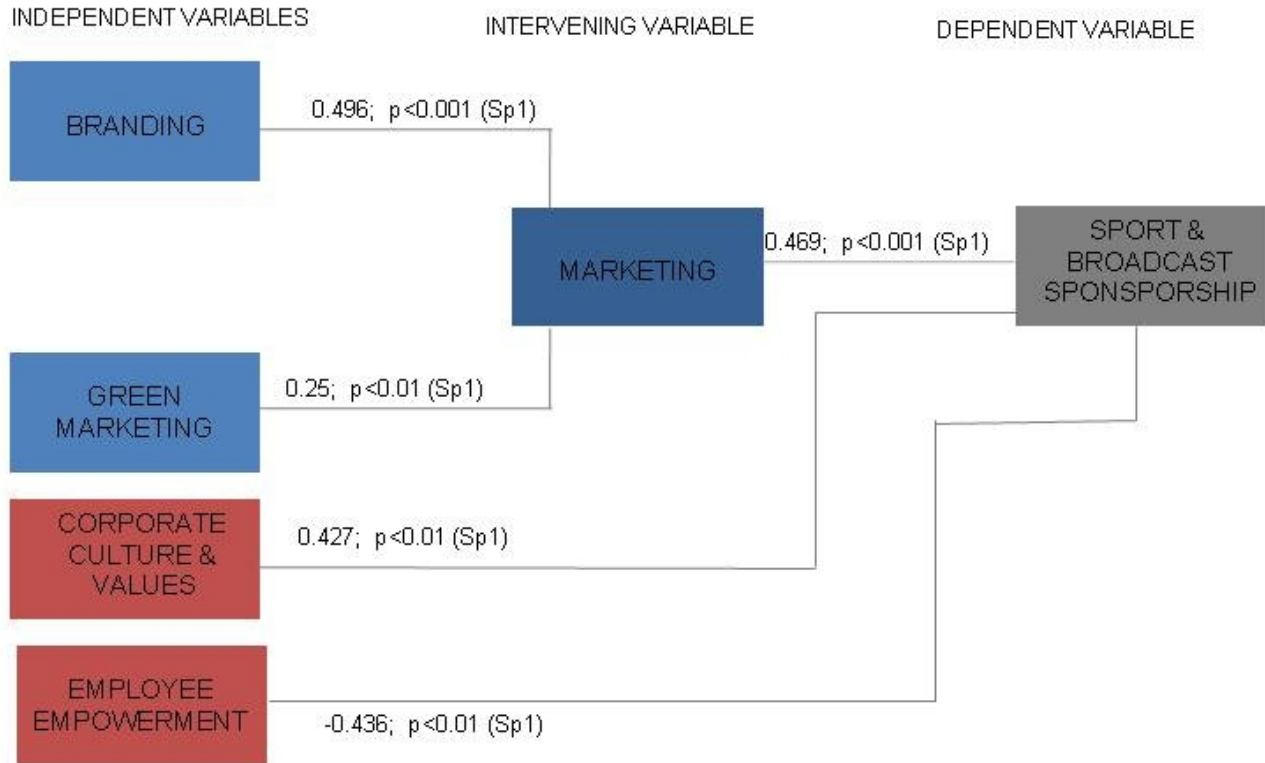
(a) Sport and Broadcast sponsorship (Sp1)

The estimated parameters used to evaluate the hypothesised relationships between the independent variables, intervening variable and the dependent variable (*Sport and Broadcast sponsorship*) are presented in Table 5.21. For the sake of simplification, the conceptual model was split into two conceptual models. The conceptual model applicable to *Sport and Broadcasting sponsorship* will be depicted after Table 5.21 outlining the parameter estimates.

Table 5.21: Parameter estimates and p-values to evaluate hypothesised relationships – Sport and Broadcast sponsorship

			ESTIMATE	P
Mark	<---	Bra	0.496	***
Mark	<---	Gr	0.25	0.001
Sp1	<---	CC/Val	0.427	0.009
Sp1	<---	EE	-0.436	0.002
Sp1	<---	Mark	0.469	***

Figure 5.8: Adapted conceptual model (Sport and Broadcast sponsorship)



The proposed Model Two of *Sport and Broadcast sponsorship* indicated that two of the hypothesised relationships are strongly significant at the 0.001 level of significance (99 percent confidence interval). These are the relationships between *branding* and *marketing*, and between *marketing* and *Sport and Broadcast sponsorship*. It was also evident that three of the hypothesised relationships were strongly significant at the 0.01 level of significance (90 percent confidence interval). These relationships were: *green marketing* and *marketing*, *corporate culture and values* and *Sport and Broadcast sponsorship* and *employee empowerment* and *Sport and Broadcast sponsorship*. All the above mentioned relationships were positive, except for the relationship between *employee empowerment* and *Sport and Broadcast sponsorship*, which was negative.

Therefore, from the fitted SEM model, the estimated parameters used to evaluate the hypotheses show that there is statistical evidence to support the claim that:

H1¹: There is a positive relationship between branding and marketing.

H1³: There is a positive relationship between green marketing and marketing.

H1⁴: There is a positive relationship between marketing and sponsorship

These alternative hypotheses state that there are indirect positive relationships between *branding* and *Sport and Broadcast sponsorship* and *green marketing* and *Sport and Broadcast sponsorship*. The independent variables (*branding* and *green marketing*) are significantly positively related to the dependent variable (*Sport and Broadcast sponsorship*) via the intervening variable (*marketing*). It is also evident that *marketing* has a direct significant positive relationship with *Sport and Broadcast sponsorship*. Therefore, these results from the proposed model (Model Two) indicate the positive significance of *branding* and *green marketing* in relation to the *Sport and Broadcast sponsorship* via the intervening variable, *marketing*. It also confirms the relationship between *marketing* and *Sport and Broadcast sponsorship*. It was established that there exists a direct *negative* relationship between *employee empowerment* and *Sport and Broadcast sponsorship*. The following hypothesis will therefore not be supported as there is insufficient statistical evidence to support the claim that:

H1⁷: There is a positive relationship between employee empowerment and human resources.

The results from Model Two conclude that *corporate culture and values* have a direct significant positive relationship with *Sport and Broadcast sponsorship*. However, H1⁵ and H1⁶ will be deemed not relevant for hypotheses testing due to the fact that

corporate culture and values loaded as one variable, and the hypotheses state the mentioned variables as separate. H1⁵ and H1⁶ were therefore omitted from the hypotheses testing. It can be noted that according to the empirical results, there do exist a positive relationship between *corporate culture and values* (as one, combined variable) and *Sport and Broadcast sponsorship*. The hypotheses were:

H1⁵: There is a positive relationship between corporate culture and human resources.

H1⁶: There is a positive relationship between values and human resources.

As *ethics* indicated an insignificant relationship with *marketing*, the following hypothesis will not be supported as there is insufficient statistical evidence to support the claim that:

H1²: There is a positive relationship between marketing ethics and marketing.

It should be noted that H1⁸ was omitted from the hypotheses testing as a result of the variable *human resources* not loading during the factor analysis process and was deemed invalid. The significance of this relationship could therefore not be tested.

This hypothesis is:

H1⁸: There is a positive relationship between human resources and sponsorship

The analysis of the empirical findings as discussed above will be communicated in depth in Chapter Six.

The same process for testing the alternative hypotheses for *Education and Community sponsorship* was followed, which will be discussed below.

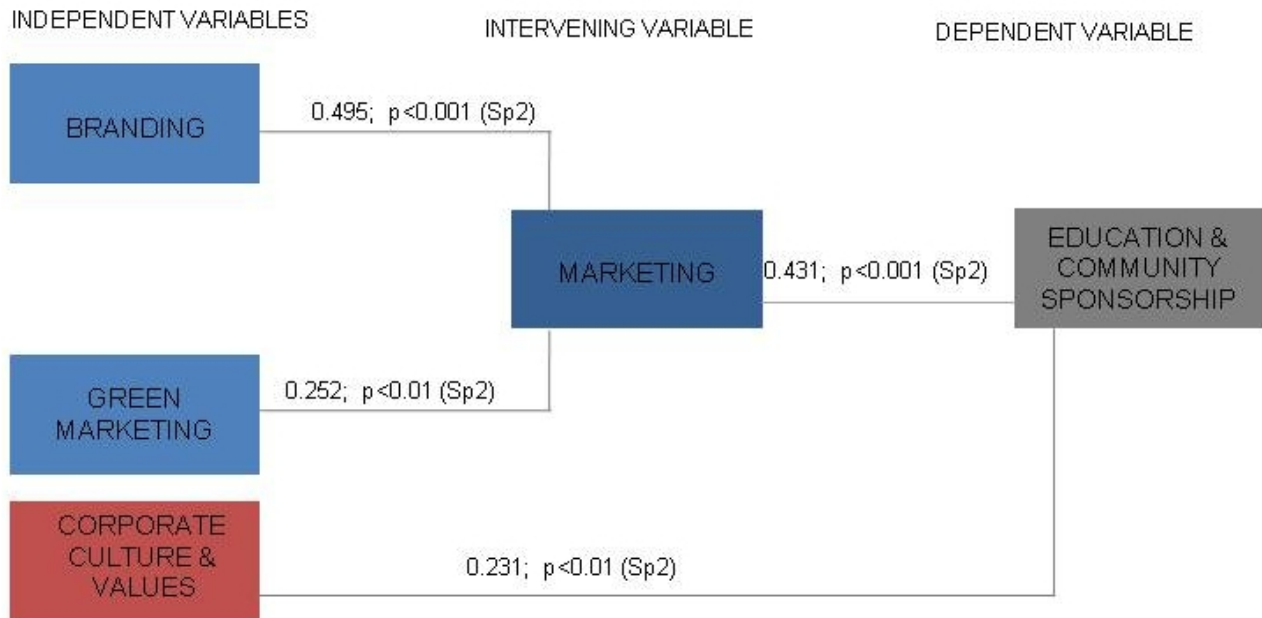
(b) Education and Community sponsorship (Sp2)

The estimated parameters used to evaluate the hypothesised relationships between the independent variables, intervening variable and the dependent variable (*Education and Community sponsorship*) are presented in Table 5.22. As with *Sport and Broadcast sponsorship*, the adapted conceptual model, applicable to *Education and Community sponsorship*, will be depicted after Table 5.22.

Table 5.22: Parameter estimates and p-values to evaluate hypothesised relationships

			ESTIMATE	S.E.	C.R.	P
Mark	<---	Bra	0.495	0.097	5.084	***
Mark	<---	Gr	0.252	0.078	3.229	0.001
Sp2	<---	CC	0.231	0.123	1.879	0.06
Sp2	<---	Mark	0.431	0.129	3.337	***

Figure 5.9: Adapted conceptual model (Education and Community sponsorship)



The proposed Model Three of *Education and Community sponsorship* indicated that two of the hypothesised relationships are strongly significant at the 0.001 level of significance (99 percent confidence interval). These are the relationships between *branding* and *marketing*, and between *marketing* and *Education and Community sponsorship*. It was also evident that two of the hypothesised relationships were strongly significant at the 0.01 level of significance (90 percent confidence interval). These relationships were: *green marketing* and *marketing* and *corporate culture and values* and *Education and Community sponsorship*.

The proposed Model Three indicated that the relationships between *branding* and sponsorship and between *green marketing* and sponsorship are positive. Thus, from the fitted SEM model, the estimated parameters used to evaluate the hypotheses show that there is statistical evidence to support the claim that:

H1¹: There is a positive relationship between branding and marketing.

H1³: There is a positive relationship between green marketing and marketing.

H1⁴: There is a positive relationship between marketing and sponsorship.

The alternative hypotheses above, state that there are indirect relationships between *branding* and *Education and Community sponsorship*, and between *green marketing* and *Education and Community sponsorship*. The independent variables (*branding* and *green marketing*) have a significant positive relationship with the dependent variable (*Education and Community sponsorship*) via the intervening variable (*marketing*). It is also evident that *marketing* has a direct positive significant relationship with *Education and Community sponsorship*. As in the case of *Sport and Broadcast sponsorship*, it was evident that there exists a positive relationship between *corporate culture and values* and *education and community sponsorship*. As explained earlier, due to the fact that *corporate culture and values* cross loaded as one factor (*corporate culture and values*) the hypotheses cannot be tested due to non-relevance. The hypotheses were:

H1⁵: There is a positive relationship between corporate culture and human resources.

H1⁶: There is a positive relationship between values and human resources.

It was evident that *ethics* and *employee empowerment* have insignificant relationships ($p = 0.765$ and $p = 0.749$) with *Education and Community sponsorship*. Therefore, in summary, the following hypotheses will not be supported as there is insufficient statistical evidence to support the claim that:

H1²: There is a positive relationship between marketing ethics and branding.

H1⁷: There is a positive relationship between employee empowerment and human resources.

There is therefore no significant relationship between *ethics* and *Education and Community sponsorship*, and also no significant relationship between *employee empowerment* and *Education and Community sponsorship*. The hypothesis (H1⁶) is not entirely excluded from the study, as it was proven in the previous section that *employee empowerment* does have a significant positive influence on *Sport and Broadcasting sponsorship*.

As with *Sport and Broadcast sponsorship*, it should be noted that H1⁸ was omitted from the hypotheses testing as a result of the variable *human resources* not loading during the factor analysis process and was deemed not valid. The hypothesis below is therefore not relevant to this study.

H1⁸: There is a positive relationship between human resources and sponsorship

Further discussions and analysis regarding the hypotheses will be presented in Chapter Six. Here the strength and direction of the relationships will also be elaborated on. The following section will elaborate on the results of the ANOVA data analysis step.

(c) ANOVA

Analysis of variance was performed in order to establish whether the demographic characteristics of respondents exert an influence on the perceptions that respondents have regarding the various factors and sponsorship. The ANOVA analysis revealed that the ethnicity of respondents exerted an influence on the perceptions employees have regarding certain factors.

Table 5.23: Ethnicity of respondents' influence on factors

ETHNICITY		
INDEPENDENT FACTORS	F-VALUE	P-VALUE
CC/Val	0.049	0.826
EE	3.388	0.067
Mark	0.309	0.579
Bra	0.020	0.886
Eth	2.878	0.092
Gr	0.038	0.845
Sp1	3.447	0.065
Sp2	0.990	0.321

From Table 5.23 it can be concluded that ethnicity significantly influenced the respondents' views on *employee empowerment, ethics and Sport and Broadcasting sponsorship*. This is evident as the p-values for these variables indicated a significant relationship with ethnicity (0.067, 0.092 and 0.065 respectively). These results will be discussed in depth in Chapter Six.

5.3.5 DESCRIPTIVE STATISTICS AND STATISTICS ON DEMOGRAPHIC CHARACTERISTICS OF SAMPLE

This section contains a discussion of the biographical data obtained in the empirical investigation. This information is useful in determining the behaviour of demographic groups and how this behaviour impacts the research and its results.

The statistical programme SPSS was used to calculate frequency distributions from the respondents' biographical data in order to identify the percentage of respondents in each of the various groups within each item.

The biographical information is represented in tabular format. All of the 182 questionnaires were completed by the respondents, as there were no 'missing values'. The first statement referred to the gender of the respondents.

Table 5.24: Gender of respondents

GENDER	FREQUENCY	PERCENTAGE
MALE	97	53.3
FEMALE	85	46.7
TOTAL	182	100

Seen in Table 5.24 above, it is evident that the majority of the respondents were male (53.3%; n = 97). The table reveals that 85 of the respondents were females, representing 46.7 percent of the population sample. The second statement referred to the age of the respondents.

Table 5.25: Age of respondents

AGE	FREQUENCY	PERCENTAGE
Less than 25	9	4.9
26 – 30	46	25.3
31 – 35	16	8.8
36 – 40	29	15.9
41 – 45	17	9.3
46 – 50	25	13.7
More than 50	40	22
TOTAL	182	100

The majority of the respondents belonged to the younger (26 – 30 years) age group (25.3%; n = 46), followed by respondents older than 50 years (22%; n = 22). The smallest percentage of respondents in respect of age belonged to the less than 25 years age group (4.9%; n = 9).

The third statement concerning the biographical information relates to the ethnicity of the respondents. The ethnicity group options in the questionnaire were divided as follows:

- White
- Coloured
- Asian
- Black

- Other

As the respondents' distribution of race was predominantly in the white population group, the results are reported in two groups, namely "white" and "other". The "other" is thus comprises respondents from the Black, Coloured and Asian ethnicity groups.

Table 5.26: Ethnicity of respondents

ETHNICITY	FREQUENCY	PERCENTAGE
OTHER	39	21.4
WHITE	143	78.6
TOTAL	182	100

When considering the ethnicity of the respondents, it can be seen that the population group listed as "Other" were the smallest. Respondents from "Other" represented 39 of the 182, a percentage of 21.4%. Respondents from white communities represented 143 of the 182 respondents, equating a total percentage of 78.6%.

The last statement concerning biographical information relates to the industry within which the respondents are employed.

Table 5.27: Industry in which respondents are employed

INDUSTRY	FREQUENCY	PERCENTAGE
EDUCATION/TRAINING	26	14.3
IT	10	5.5
OTHER	34	18.7
FINANCIAL	39	21.4
REAL ESTATE	4	2.2
SERVICE PROVIDER	26	14.3
HEALTHCARE/PHARMACEUTICALS	3	1.6
FOOD/BEVERAGES	5	2.7
CONSTRUCTION/BUILDING	3	1.6
MARKETING/ADVERTISING	5	2.7
MANUFACTURING	14	7.7
AGRICULTUER/FORESTRY	4	2.2
LEISURE/HOSPITALITY	4	2.2
RETAIL	5	2.7
TOTAL	182	100

As evident from Table 5.27 above, most respondents are employed in the financial sectors (39 = n; 21.4%), and least of the respondents in the healthcare/pharmaceuticals (3 = n; 1.6%) and construction and building industries (3 = n; 1.6%).

This section continues with the descriptive statistics and now focuses on the factors selected as part of the model. Table 5.28 represents the mean scores and standard deviations of the independent and intervening factors influencing sponsorship initiatives. The mean scores reflect the extent to which the respondents, in general, agreed or disagreed with certain statements and the standard deviation indicates the degree of dispersion around the mean. In other words, the mean is the most commonly used average of measure of central tendency. It is calculated by determining the sum of all the observations of data and then dividing the total by the number of items involved (Berenson & Levine 1996:106). The standard deviation measures the spread of a distribution around the mean. It can therefore be defined as the average distance between any score in a distribution and the mean of the distribution. The more widely the values are spread out, the larger the standard deviation (Descriptive statistics 2000; Presenting data 2006).

Table 5.28: Mean scores and standard deviations of factors

FACTOR	MEAN	STANDARD DEVIATION
CC	4.86	1.09
EE	5.48	1.14
MA	5.03	1.17
BR	5.29	1.18
ET	5.80	1.08
GR	5.02	1.41
SP1	4.18	1.63
SP2	4.95	1.35

It is evident from Table 5.28 that the mean scores differed for all the predetermined factors. *Ethics* obtained the highest mean score of 5.80, while *Sport and Broadcast sponsorship* achieved the lowest mean score of 4.18. This implies that, on average, the respondents agreed that the businesses they work for apply moral standards to the way business is done, is transparent in its actions, exercises fair business practices, reports on its performance in an honest manner, has the well-being of the community at heart and operates within the boundaries of the law. The lower score (although still relatively positive) of *Sport and Broadcast sponsorship* indicates that employees generally are less positive of the view that their business has employees or a department solely dedicated to attend to sponsorship issues. They were also of the opinion, generally,

that their businesses are less likely to get involved in sport, television or radio sponsorship.

The factor *Sport and Broadcast sponsorship* obtained the highest standard deviation score of 1.63, while the factor *ethics* obtained the lowest score of 1.08. According to literature, if the standard deviation is high, the values are more dispersed. The high standard deviation scores illustrated in Table 5.28 indicates that the respondents do vary extensively in respect of their perceptions of the presence of the predetermined human resources and marketing factors and sponsorship.

5.4 SUMMARY

In this Chapter, the results which emanated from the empirical analysis were briefly discussed. The results were provided in six different categories: according to the validity and reliability of the measuring instrument, the SEM results, the testing of hypotheses, the ANOVA results to perform various comparisons and descriptive statistics.

The objective of this Chapter was to test the data collected in the research, identify the influence of six predetermined variables on sponsorship, and present the findings. The original conceptual model in Chapter One was subjected to SEM to identify its goodness-of-fit and to test the hypotheses. Through the SEM process, an adapted model was developed. Model Two that was adopted for *Sport and Broadcast sponsorship* and Model 3 for *Education and Community sponsorship* emphasised which of the independent variables had an indirect influence on the dependent variable via the intervening variable (marketing) and which independent variables influenced *Sport and Broadcast sponsorship* and *Education and Community sponsorship* directly. Based on this model further data analysis phases were conducted in the empirical investigation among employees in businesses within South Africa.

The findings discussed in this Chapter have led to the development of a final conceptual model displaying the main empirical results, specifically the significant relationships amongst factors. This final empirical model was presented in Figure 5.7.

In the following Chapter, the above-mentioned empirical results are discussed in detail and interpreted, with particular reference to the South African industry.

CHAPTER SIX

INTERPRETATION OF EMPIRICAL RESULTS

6.1 INTRODUCTION

This Chapter briefly highlights the objectives of the study and presents the interpretation of the empirical results. More specifically, the empirical results are discussed as far as the relationships between the independent, intervening and dependent variables are concerned, as it relates to the objectives and aims of this research.

6.2 OBJECTIVES OF THE STUDY

The main objective of this study was to investigate the influence of selected predetermined marketing and human resources variables on sponsorship initiatives. It was hypothesised that the selected independent variables (branding, marketing ethics, green marketing, corporate culture, values and employee empowerment) exerted an influence on the intervening variables (marketing and human resources) and in turn the intervening variables an influence on sponsorship (the dependent variable). The purpose of this study is primarily to determine which of the predetermined variables influence sponsorship via the intervening variables. Based on the hypothesised relationships, a theoretical model was constructed and subjected to thorough statistical analysis.

In the following section, the main empirical results that were obtained from the analysis are presented and discussed.

6.3 VALIDITY OF THE MEASURING INSTRUMENT

After the empirical investigation, it was evident that some of the items did not load on the factors within the measuring instrument. The results were presented in Chapter

Five. In the table below, the questionnaire items that loaded on the various factors are summarised.

Table 6.1: Summary of questionnaire items loading on specific factors

FACTOR	QUESTIONNAIRE ITEM
Marketing	<p>There are clear marketing plans and responsibilities within our business.</p> <p>Marketing activities within our business are constantly controlled and well monitored.</p> <p>Our business' marketing activities are measured and evaluated.</p> <p>The employees are enthusiastic about our business' marketing campaigns.</p> <p>Our mission statement is communicated clearly within our business.</p>
Branding	<p>Consumers are loyal towards our business.</p> <p>Our business' products/services are instantly recognisable.</p> <p>There are clear differences between the products/services of our business, as opposed to those of competitors.</p>
Ethics	<p>The business that I work for apply moral standards to the way business is done.</p> <p>The business that I work for is always transparent with consumers.</p> <p>The business that I work for associates itself with fair business practices.</p> <p>The business that I work for reports on its performance in an honest manner.</p> <p>The business that I work for has the interest and well-being of the community at heart.</p>

	<p>The business that I work for operates within the boundaries of the law.</p> <p>The business that I work for complies with environmental regulations.</p>
Green Marketing	<p>The business that I work for participates in environmentally friendly practices such as re-using and recycling.</p> <p>The business that I work for runs environmental awareness promotions.</p> <p>The business that I work for is aware of the concept of carbon footprint.</p> <p>The business that I work for has environmental management systems in place.</p>
Corporate Culture and Values	<p>At the business where I work there is a set dress code.</p> <p>At the business where I work there are clear guidelines on appropriate standards of behaviour.</p> <p>At the business where I work employees share the same habits and social behaviour.</p> <p>At the business where I work there are meaningful beliefs.</p> <p>At the business where I work there are clear philosophies or principles that guide internal conduct.</p> <p>At the business where I work there is clear philosophies that guide relationships with external stakeholders.</p> <p>The business that I work for focuses on the social needs of society.</p>
Employee Empowerment	<p>At the business where I work employees are treated with respect and dignity.</p> <p>I experience freedom in the manner I do my job.</p>

	<p>At the business where I work I actively participate in decision making.</p> <p>I am allowed to be creative when I deal with problems at work.</p> <p>I have a high level of control over how I do my job.</p> <p>At the business where I work there is only a few levels of management.</p> <p>My manager has confidence in my judgement and ability to perform at high levels.</p>
Sport and Broadcast sponsorship	<p>At the business where I work there are employees or a department dedicated to attend to sponsorship issues.</p> <p>The business that I work for prefers to get involved in sport sponsorship.</p> <p>The business that I work for prefers to get involved in television / radio sponsorship.</p>
Education and Community sponsorship	<p>The business I work for prefers to get involved in education sponsorship.</p> <p>The business that I work for prefer to get involved in social or community sponsorship.</p> <p>In my view, sponsorship results in a mutually beneficial relationship.</p>

As explained in the previous Chapter, the intervening variable, *human resources*, did not load, and was omitted from the rest of the study. The individual variables *corporate culture* and *values* cross loaded as one factor and was combined to form the variable *corporate culture and values*. The independent variable (*Sponsorship*) loaded as two factors, namely *Sport and Broadcast sponsorship* and *Education and Community sponsorship*. This proves the respondents were of the view that the businesses that they work for are more prone to sponsor these types of sponsorship, as opposed to art or ecology sponsorship. One reason that respondents viewed *Sport and Broadcast sponsorship* so dominantly might be because it is one of the

most visible forms of sponsorship in terms of sport teams or stadium sponsorship or television and radio sponsorship, and for this reason many businesses prefer investing in this type of sponsorship. Sport sponsorship is the most widespread form of sponsorship and has attracted the majority of available sponsorship budgets as it reaches large and diverse audiences. *Education and Community sponsorship* also loaded as a factor, and a reason why businesses prefer to get involved in this type of sponsorship is because of the considerable goodwill linked to such sponsorship. Businesses like to be seen as good corporate citizens by helping people in need, and for example sponsoring school children with books or bursaries, or providing soup kitchens in rural areas.

During the SEM procedure, *ethics* proved to be insignificant in relation to sponsorship and, as also stated in Chapter Five, will not be discussed in the following section dealing with hypotheses testing.

6.4 HYPOTHESES TESTING

In Tables 6.2 and 6.3 below (also presented as Table 5.11 and Table 5.18 in Chapter Five), are the parameter estimates and p-values for both *Sport and Broadcast sponsorship* and *Education and Community sponsorship* used to evaluate the hypothesised relationships between the independent variables, intervening variable and the respective sponsorship categories. The relationships between the independent and intervening variables with both *Sport and Broadcast sponsorship and Education and Community sponsorship* will be discussed simultaneously in the following section.

Table 6.2: Parameter estimates and p-values for Sport and Broadcast sponsorship

			ESTIMATE	S.E.	C.R.	P
Mark	<---	Bra	0.496	0.098	5.079	***
Mark	<---	Gr	0.25	0.078	3.204	0.001
Sp1	<---	CC	0.427	0.163	2.63	0.009
Sp1	<---	EE	-0.436	0.142	-3.069	0.002
Sp1	<---	Mark	0.469	0.13	3.607	***

Table 6.3: Parameter estimates and p-values for Education and Community sponsorship

			ESTIMATE	S.E.	C.R.	P
Mark	<---	Bra	0.495	0.097	5.084	***
Mark	<---	Gr	0.252	0.078	3.229	0.001
Sp2	<---	CC	0.231	0.123	1.879	0.06
Sp2	<---	Mark	0.431	0.129	3.337	***

6.4.1 RELATIONSHIP BETWEEN MARKETING AND SPONSORSHIP

The hypothesis stated:

H1⁴: There is a positive relationship between marketing and sponsorship

The empirical results have confirmed that there is statistical evidence to support the claim that *marketing* has a positive relationship with sponsorship and thus:

- Marketing has a positive influence on Sport and Broadcast sponsorship (estimate 0.469; $p < 0.001$)
- Marketing has a positive influence on Education and Community sponsorship (estimate 0.431; $p < 0.001$)

There is a positive relationship between the relationships pertaining to *marketing* and *Sport and Broadcast sponsorship*, as well as *marketing* and *Education and Community sponsorship*, which means the better a business' marketing strategy, the better the implementation of its *Sport and Broadcast- and Education and Community sponsorship* initiatives would be.

In terms of the questionnaire items relating to *marketing*, items considered the perception of respondents regarding the clarity of marketing plans and responsibilities, the monitoring and measurement of marketing activities, the respondent's enthusiasm regarding the marketing campaigns of the business and the transparency regarding the business' mission statement. The empirical results showed that when employees are clear about their responsibilities, when the marketing plans are clear, when the marketing activities are well monitored, when the mission statement of the business is clear, and when employees are enthusiastic about the marketing campaigns of the business, the sponsorship initiatives would improve.

As sponsorship is one of the fastest growing tools in the business world, marketers are getting more confident in using sponsorship as a key marketing communication platform. Sponsorship offers the means for differentiating the business' products or services. Marketers use advertising to make claims about their business' product and in turn to substantiate this claim, marketers turn to sponsorship. Through increased visibility via sponsorship a business should be able to succeed in

increasing consumption of its products or services. As businesses attempt to improve its image and awareness of its products and services, so does its sponsorship initiatives to associate themselves with the positive attributes of a particular sport, television or radio programme, or education or community project. As part of escalating its marketing campaign, a business might invest in sponsoring, for example, the All Black Rugby Team shortly after they have won the Rugby World Cup 2011, because customers or potential customers want to associate themselves with success and the positive attributes of such a victorious team. Alternatively, in order to roll out an aggressive marketing campaign, a business might provide branded solar panels for electricity to townships in order to strengthen awareness of its brand. This positive relationship is self explanatory as the bigger and more dynamic a business' marketing campaign, the more likely it is to make investments in sponsorship initiatives (both *Sport and Broadcast* and *Education and Community sponsorship*) as this can serve as a strategic tool to increase its competitive advantage. Marketers are prone to invest in *Sport and Broadcast sponsorship* because of its wide and visible reach, and literature confirms that sponsors of sport have been generally satisfied with their relationship with sport leagues, teams and organisations. On the other hand, businesses are prone to *Education and Community sponsorship* because of the goodwill element thereof.

What was evident from the findings also is that when marketing activities within a business escalates, so does the chance that there are employees or a department dedicated to specifically attend to sponsorship issues. This makes sense because the moment marketing becomes a strategic priority and the greater its importance becomes, the more necessary it becomes to have employees dedicated to attend to matters of sponsorship. This finding reiterates the literature on sponsorship emergence as stated in Chapter Two that in-house sponsorship expertise and the professionalism of sponsorship initiatives are becoming more and more the norm.

The introduction of sponsorship in Chapter Two can be confirmed where literature stated that marketers are constantly looking for new, inventive ways to cut through media clutter and expensive advertising costs, to reach the target market, as it was proven that when marketing increases, sponsorship (*Sport and Broadcast*, as well as

Education and Community sponsorship) also increases and marketers use creative sponsorship more and more to increase communication opportunities. It was also deduced from literature that sponsorship is one of the biggest elements of marketing, especially in current times and fierce competition. It therefore makes sense that when marketing initiatives increase, so does sponsorship initiatives. As marketing initiatives increase, so does sponsorship as this tool is used by management to improve the image and awareness of a business' services and products, to associate themselves with the positive attributes of the sponsored and to directly reach more potential customers in order to increase sales.

In previous times, sponsorship was not part of a business' marketing strategy. It was merely regarded as charity and philanthropy. The findings of this study suggest that sponsorship in current days is more than just a donation without expectation, it is a mutually beneficial relationship between two parties that both benefit from the interaction. It is a true partnership between two parties where both the sponsor and the party being sponsored enjoy the benefits of the relationship.

6.4.2 RELATIONSHIP BETWEEN BRANDING AND SPONSORSHIP VIA MARKETING

The hypothesis stated:

H1¹: There is a positive relationship between branding and marketing.

The empirical results have confirmed that there is statistical evidence to support the claim that *branding* has a positive relationship with *marketing* and thus:

- Branding has a positive influence on Sport and Broadcast sponsorship *via marketing* (estimate 0.496; $p < 0.001$)
- Branding has a positive influence on Education and Community sponsorship *via marketing* (estimate 0.495; $p < 0.001$)

This can be proven as *branding* resulted in having a positive relationship with the intervening variable *marketing*, and in return, *marketing* has a positive relationship with *Sport and Broadcast sponsorship* as well as *Education and Community sponsorship*. Consequently it can be concluded that *branding* has a positive relationship with sponsorship via the intervening variable, *marketing*. It may therefore be said, given the fact that *branding* and sponsorship are positively related, the more bold and prominent a business' branding, the more successful its sponsorship initiatives would be.

With both empirical procedures testing *Sport and Broadcast sponsorship* and *Education and Community sponsorship*, *branding* had the strongest influence on *marketing* from all the variables. It can therefore be said that *branding* explains most of the variance in sponsorship, compared to all the other variables. This is true as brand promotion and awareness are one of the key and prominent means by which businesses achieve their marketing objectives, which also applies to sponsorship.

From the items related to *branding* in the measuring instrument, it can be deduced that the more loyal consumers are, the more recognisable are the products and services of the business, and the more a business' products and services become differentiated from its competitors and the more successful its sponsorship initiatives will be.

Given the fact that the empirical results indicate a positive relationship between branding and sponsorship, a business' branding increases, in tandem with the recognisability of a business' products and services when a business sponsors an event or cause.

As stated in Chapter Three, marketing communications represent the voice of a brand, and are a means by which the brand can establish a dialogue with the target market and build a relationship with customers. It is evident that sponsorship is no longer philanthropy; it has become a mutually beneficial relationship between two parties who are interested in the long term effects and brand associations. From this

it can be concluded that *branding* indicated a positive relationship with *marketing*. As a business' brand increase, so does its marketing success as consumers become more familiar with the products and services of the business. Sponsorship is also a way to communicate with consumers, and it therefore makes sense that as the brand's popularity increases so would its sponsorship initiatives. As businesses strengthen their attempts to enhance their brand image, and strive to convey a strong, consistent and appropriate message to consumers, the sponsorship initiatives would increase. Businesses want to create a favourable brand image through sponsorship as a marketing tool, and it thus makes sense that as the brand image gets stronger, sponsorship will increase. As the opportunities for building a brand increase, so will its sponsorship initiatives. This is proven to be true as one of the main objectives of sponsorship is to build brand image and strong brands, and the positive relationship between *branding* and sponsorship thus holds true.

The proven influence that *branding* has on sponsorship also will dictate the type of sponsorship business would get involved with, to ensure that the fit between the brand and the type of sponsorship is congruent. As discussed by the authors Desbordes, Ohl and Tribou (2001) the power of a brand determines the extent and format of sponsors to associate them with the brand should it fit their positioning and would lead to higher buying intention. Literature revealed that an important sponsorship objective is to build brand equity. It can therefore be concluded that brand equity has an influence on the type of sponsorship businesses would get involved with. If a business' brand is set on going green or uplifting its community, its *Education and Community sponsorship* would also increase. On the other hand, if a business wants to build its brand by indicating its commitment to sport, or show support for national teams, its *Sport and Broadcast sponsorship* would increase.

6.4.3 RELATIONSHIP BETWEEN MARKETING ETHICS AND SPONSORSHIP VIA MARKETING

The hypothesis stated:

H1²: There is a positive relationship between marketing ethics and marketing.

The empirical analysis resulted in the exclusion of H1² from the remainder of the study, due to the insignificance of the variable *ethics* on both *Sport and Broadcast sponsorship* and *Education and Community sponsorship*.

6.4.4 RELATIONSHIP BETWEEN GREEN MARKETING AND SPONSORSHIP VIA MARKETING

The hypothesis stated:

H1³: There is a positive relationship between green marketing and marketing.

The empirical results have confirmed that there is statistical evidence to support the claim that *green marketing* has a positive relationship with *marketing* and thus:

- Green marketing has a positive influence on Sport and Broadcast sponsorship *via marketing* (estimate 0.496; $p < 0.001$)
- Green marketing has a positive influence on Education and Community sponsorship *via marketing* (estimate 0.495; $p < 0.001$)

The results of the study found that H1³, there exist a positive relationship between *green marketing* and *marketing*, failed to be rejected. The researcher can therefore state that a positive relationship between *green marketing* and sponsorship exists. A positive relationship was proven between *green marketing* and *marketing*, and also between *marketing* and sponsorship. Consequently it can be stated that there exist a positive relationship between *green marketing* and both *Sport and Broadcast sponsorship* and *Education and Community sponsorship* via the intervening variable, *marketing*.

When the analysis for *Education and Community sponsorship* was performed, *green marketing* was the factor with the lowest or smallest direct influence on *marketing*, and indirectly on sponsorship. This means that *green marketing* influences

Education and Community sponsorship initiatives, but has a smaller effect on business' sponsorship initiatives than the other factors considered. However, the influence is still positive, meaning that if a business' green marketing improves, so does sponsorship initiatives. According to the questionnaire items relating to *green marketing* it can be said that when a business' practices are environmentally friendly, runs environmental awareness campaigns, are aware of the carbon footprint concept and has environmental management systems in place, the sponsorship initiatives of the business would increase.

The positive relationship between *green marketing* and sponsorship can be echoed by the fact that *green marketing* should be the pulse of the entire business, including its sponsorship initiatives. The fact that *green marketing* has a positive relationship with sponsorship, shows that as a business' green marketing awareness increases, so would its sponsorship in line with the business focus on sponsoring various events and causes to make customers and potential customers aware of its environmentally friendly practices. When a business activates a green marketing campaign its investment in related sponsorship should increase.

As part of the "green movement" businesses tend to increase its commitment to protecting the natural environment, and this is seen as part of a successful marketing strategy which includes sponsorship initiatives. As a business' *green marketing* increases so will its success in marketing (directly) and in sponsorship (indirectly). This may be true as consumers would see the business as being a "responsible citizen" and in turn support the business by buying its products and services.

6.4.5 RELATIONSHIP BETWEEN HUMAN RESOURCES AND SPONSORSHIP

The hypothesis stated

H1⁸: There is a positive relationship between human resources and sponsorship.

During the empirical investigation, specifically the exploratory factor analysis, the *human resources* variable did not load as a factor and was thus excluded from hypotheses testing, due to its non-relevance.

6.4.6 RELATIONSHIP BETWEEN CORPORATE CULTURE AND VALUES AND SPONSORSHIP

The hypotheses stated:

H1⁵: There is a positive relationship between corporate culture and human resources.

H1⁶: There is a positive relationship between values and human resources.

The empirical results have confirmed that there is statistical evidence to support the claim that *corporate culture and values* has a positive relationship with sponsorship and thus:

- Corporate culture and values has a positive influence on Sport and Broadcast sponsorship (estimate 0.427; $p < 0.01$)
- Corporate culture and values has a positive influence on Education and Community sponsorship (estimate 0.231; $p < 0.01$)

When the factor analysis was conducted, the predetermined factors *corporate culture* and *values* cross loaded as one variable and was combined into one variable, namely *corporate culture and values* for the purposes of empirical discussion of this study.

It should be noted that *corporate culture and values* had the lowest or smallest influence on *Education and Community sponsorship*, of all the variables when *Education and community sponsorship* was empirically investigated. This was not the case with *Sport and Broadcast sponsorship*. It may thus be concluded that the relationship between *corporate culture and values* and *Sport and Broadcast*

sponsorship is stronger than the relationship between *corporate culture and values* and *Education and Community sponsorship*. The corporate culture and values within a business thus have a greater influence on *Sport and Broadcast sponsorship*, as on *Education and Community sponsorship*.

If employees pursue the same business goals, if there are clear guidelines on appropriate standards of behaviour and they share the same social behaviour, sponsorship would also be more focused. It can be said that when a strong corporate culture and values exist within a business, sponsorship would be positively affected. This makes sense as businesses would only sponsor initiatives that complement and is in line with its value statement and key strategic goals; thus only sponsor causes that complement the reigning culture of the business. Central to a business' corporate culture are the values that are inherent in the way employees treat people both inside and outside the business. It stands to reason that when employees treat their partners in sponsorship better, the sponsorship relationship would also be positively influenced.

When there is a culture within a business of high employee commitment levels, the sponsorship initiatives of businesses will more than likely be more successful as employees would put more effort into the type of sponsorship they get involved in and also the extent to which they get involved in respect of achieving the objectives of the business' marketing plan.

If there are clear philosophies that guide relationships with external stakeholders, sponsorship success should also increase, as a sponsored party is also an external stakeholder, and good relationship skills are crucial in the current sponsorship milieu. This is because sponsorship no longer is merely a give and take activity, but a mutually beneficial relationship that must be nurtured and maintained.

As per the questionnaire items that formed part of the values factor, when a business focuses on the social needs of the society, it can be accepted that its sponsorship

initiatives would increase, indicating that sponsorship is also a means of supporting the community.

Culture determines the way individuals respond to the world around them, and culture plays an important role in the way brands are developed and marketed. As sponsorship is a way of building a business' brand, it can be concluded that the culture within a business will have an effect on the business' sponsorship initiatives. The culture of a business will also influence the type of sponsorship the business would want to associate itself with, as the image of the sponsored event is transferred to the sponsoring brand.

Values guide individuals in choosing the "right" alternative when there are several options. It thus makes sense that when the values of individuals escalate, so would the sponsorships, as businesses aim to increase their positive impact on society, and assist those initiatives that "lack resources". As values increase, so will sponsorship, for businesses wanting to be seen as supporting the community and contributing to its economic development realise that sponsorship is extremely powerful and creates enormous goodwill. It also contributes to the attainment of the business' social objectives by emphasising its social consciousness. As values increase within a business, so would its sponsorship because sponsorship practice (as a collaborative marketing platform) can create a climate of trust and confidence in the target market.

Some of the possible values mentioned in Chapter Two a business might follow are continuous improvement, customer delight and developing people. As these values strengthen, so might sponsorship which was shown to build brand, and in turn the business would continuously improve. Sponsorship might also develop people, for example when they get involved with Education sponsorship. Thus, when this value of developing people increases, so will its sponsorship initiatives increase, especially in community and education sponsorship.

Clearly, when a business' core value is innovation, sponsorship would increase, as sponsorship might act as a way to venture into new, breakthrough areas of opportunity. In addition, a business value might be the maximum utilisation of its resources, which is the desire and ability of a business to improve its performance by full utilisation of its resources. Sponsorship is one of the areas where a business can apply those resources and should values increase, so would its sponsorship initiatives.

Another value might be commitment to society where the business is dedicated to meet the social needs and aspirations of society. As a result of this value, the business would then consider increasing its sponsorship to be visible and beneficial to society.

6.4.7 RELATIONSHIP BETWEEN EMPLOYEE EMPOWERMENT AND SPONSORSHIP

The hypothesis stated:

H1⁷: There is a positive relationship between employee empowerment and human resources.

The empirical results have confirmed that the above hypothesis was not supported as there is insufficient statistical evidence to support this claim. Therefore:

- Employee empowerment does not have a positive influence on Sport and Broadcast sponsorship
- Employee empowerment has a **negative** influence on Sport and Broadcast sponsorship (estimate -0.436; $p < 0.1$)

From the empirical results it was evident that *employee empowerment* was deemed insignificant in terms of its relationship with *Education and Community sponsorship*, and therefore the discussion below only applies to *Sport and Broadcast sponsorship*.

In the previous Chapter H⁷ was rejected and it can thus be said that there does not exist a positive relationship between *employee empowerment* and *Sport and Broadcast sponsorship*. However, a negative relationship does exist between *employee empowerment* and *Sport and Broadcasting sponsorship*. What was important from the empirical results was that *employee empowerment* only had a direct relationship with *Sport and Broadcast sponsorship* and the relationship between *employee empowerment* and *Education and Community sponsorship* was insignificant. *Employee empowerment* therefore exerts an influence on *Sport and broadcast sponsorship*, but not on *Education and Community sponsorship*. Notably, where the other variables all had a positive relationship with sponsorship, *employee empowerment* has a negative relationship with *Sport and Broadcast sponsorship*. It may be concluded that the more empowered employees are, the less likely they are to invest in *Sport and Broadcast sponsorship*.

It appears that when employees experience freedom in their jobs, when they actively participate in decision making, when they are allowed to be creative in their job and when they have high control over how they do their job, the businesses' *Sport and Broadcast sponsorship* would decrease. This is surprising, as from the literature it was evident that sport sponsorship is one of the most popular fields to sponsor because of its audience reach and many other benefits.

Furthermore, the more employees are empowered the less likely an entire department is dedicated to attend to sponsorship matters. It can be argued that this is true as *employee empowerment* is a form of decentralisation that involves giving employees substantial authority to make decisions within the context of their jobs. Instead of centralising the sponsorship decisions in one unit or department, each department might be given the mandate to arrange its own sponsorship decisions and initiatives.

Evident from the discussions above, the significant relationships were identified between the various independent, intervening and dependent factors. The significant relationships are depicted in the figures below, which illustrate the final

models relating to *Sport and Broadcast sponsorship* and *Education and Community sponsorship*. This model shows the factors that influence sponsorship within South African businesses.

Figure 6.1: Final model for Sport and Broadcast sponsorship showing factor relationships

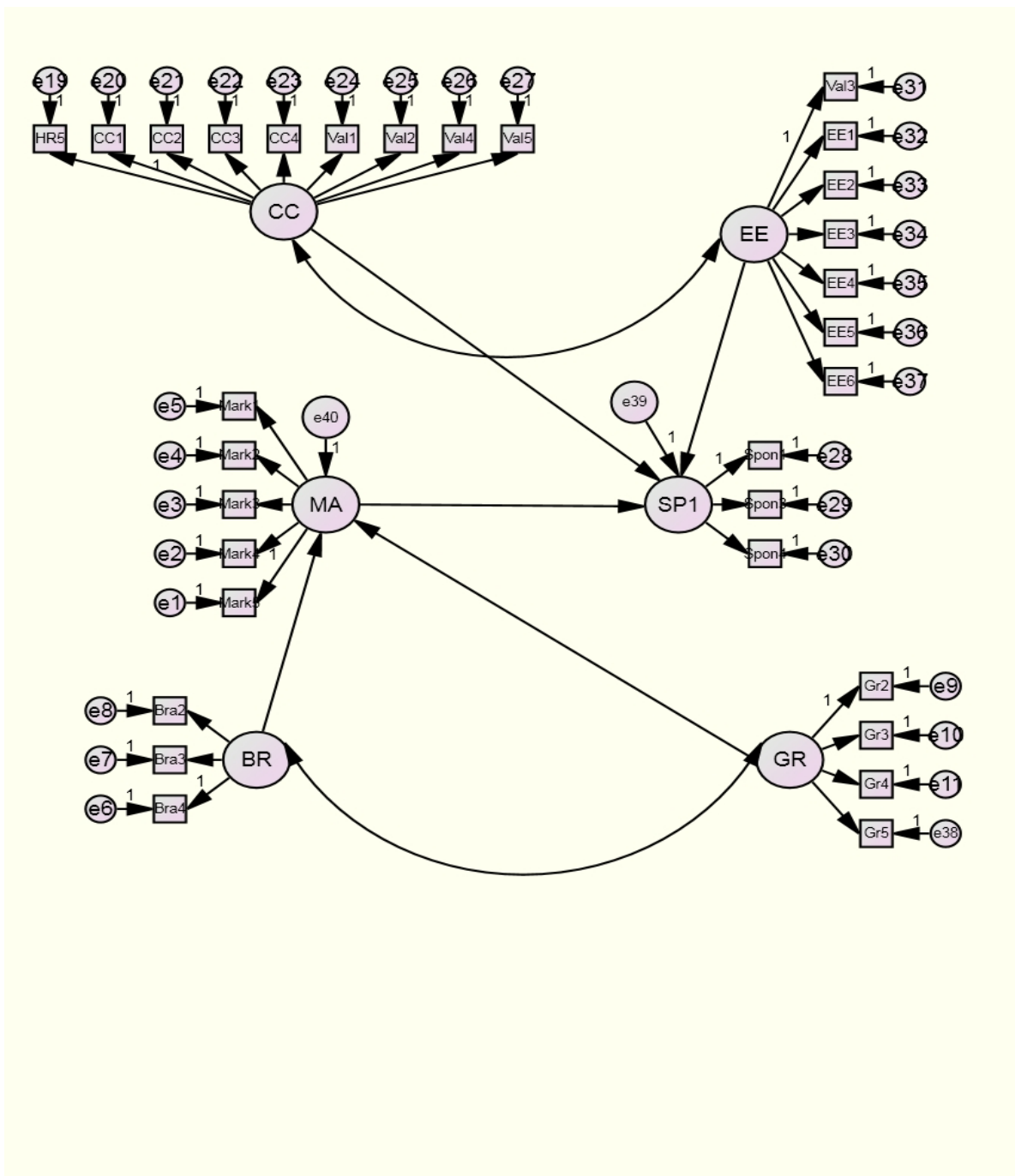
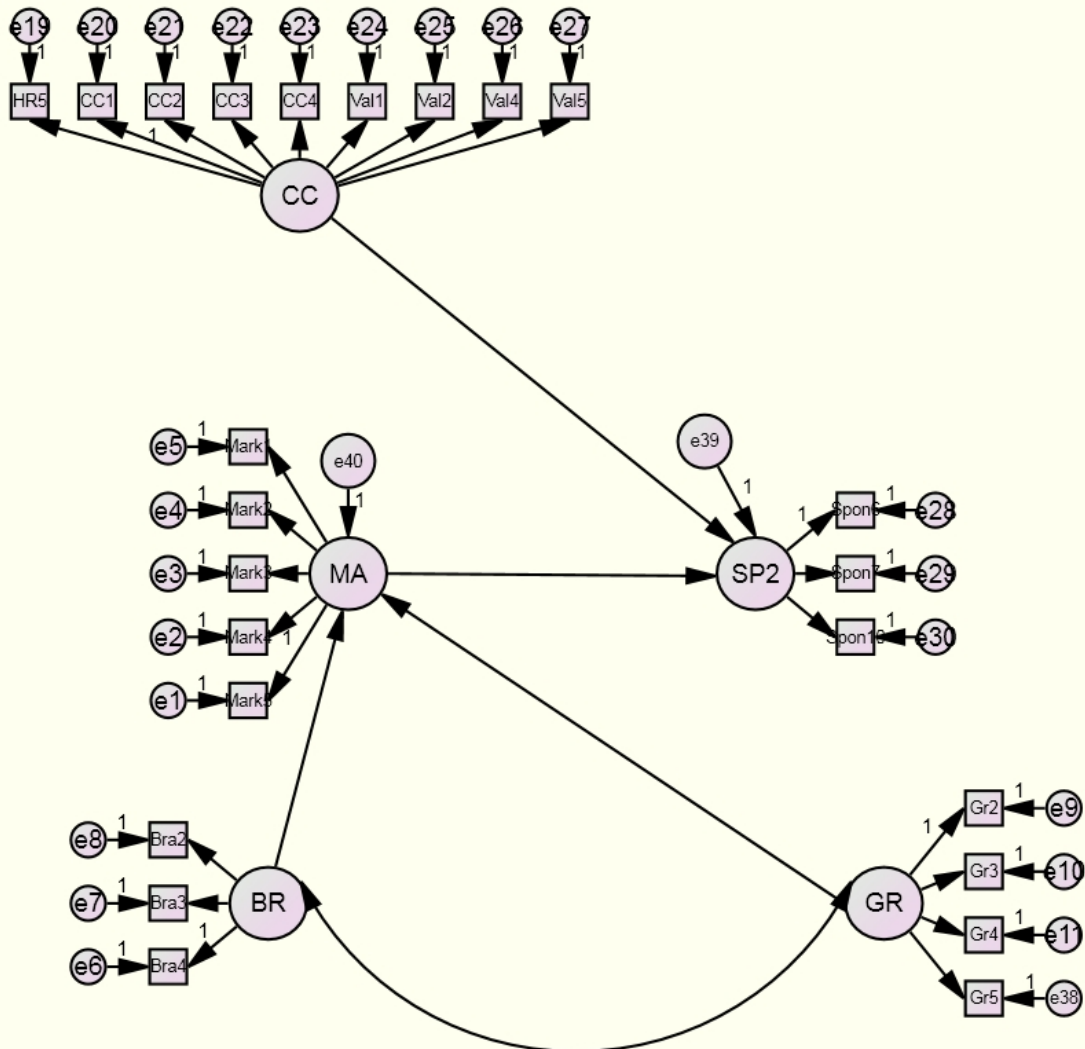


Figure 6.2: Final model for Education and Community sponsorship showing factor relationships



6.5 ANOVA

In Chapter Five it was evident that *employee empowerment, ethics* and *Sport and Broadcast sponsorship* were the only variables that were considered statistically significant in the ANOVA model. ANOVA revealed that ethnicity exert an influence on the perceptions of respondents in terms of these variables.

For ease of reference, Table 6.4 indicating the influence of the ethnicity of respondents on the various factors are replicated below.

Table 6.4: Ethnicity of respondents' influence on independent factors

ETHNICITY		
INDEPENDENT FACTORS	F-VALUE	P-VALUE
CC/Val	0.049	0.826
EE	3.388	0.067
MARK	0.309	0.579
Bra	0.020	0.886
Eth	2.878	0.092
Gr	0.038	0.845
Sp1	3.447	0.065
Sp2	0.990	0.321

From the p-values above, it can be said that *employee empowerment, ethics* and *Sport and Broadcast sponsorship* were viewed differently by the different ethnic groups. The analysis revealed that the mean score for *employee empowerment* is

higher if respondents are from the White ethnic group. The mean score for the white ethnic group was 5.569 and the mean score for the other ethnicity groups were 5.161. In addition, the analysis showed that the mean scores for *ethics* and *Sport and Broadcast sponsorship* are higher if employees are from the white ethnic group (5.884 and 4.089 respectively) than from other ethnic origin (5.524 and 4.692 respectively). Generally, this indicates that white employees are more positive regarding the empowerment strategies within their businesses than employees of other descent. They generally reported more positively on:

- the fact that they are treated with respect and dignity;
- they experience more freedom in their job;
- they actively participate in decision making;
- they get to exercise more creativity in the way they do their job;
- they have a high level of control over how they do their job; and
- their managers have confidence in their judgement and ability to perform at high levels.

In the same way, white employees are generally more positive about the ethics compliance of the business they work at, compared to other ethnic groups. They generally felt stronger regarding the ethical behaviour of the business they work at by agreeing more positively on the following issues:

- the application of moral standards to the way business is done;
- transparency with consumers;
- association with fair business practices;
- honest performance reporting;
- interest in the well-being of the community;
- operates within the boundaries of the law; and
- complies with environmental regulations.

Lastly, white employees seem to respond to sport and broadcast sponsorship more negatively than employees from other ethnic groups. They thus responded marginally more negative to the following questionnaire items:

- At the business they work there are employees or a department dedicated to attend to sponsorship issues.
- The business that they work for prefers to get involved in sport sponsorship.
- The business that they work for prefers to get involved in television/radio sponsorship.

6.6 SUMMARY

In this Chapter, the results which emanated from the empirical analysis were discussed. More specifically, a number of marketing and human resources factors were shown to have a positive influence on sponsorship. The empirical results have shown, however, that one factor had a negative influence on sponsorship. The following Chapter presents the final summary and conclusive remarks relating to the research and its findings. The implications of these findings for business managers will be examined and recommendations for the South African sponsorship industry are also offered.

CHAPTER 7

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

This study was undertaken to investigate relationships between the predetermined independent factors (branding, green marketing, ethics, corporate culture, values and employee empowerment) and sponsorship.

In Chapter Six the empirical results were discussed. This final Chapter examines the managerial implications of the empirical findings of the study and offers recommendations to South African businesses on sponsorship initiatives, as well as the variables influencing sponsorship. This will assist business managers and marketers in their approach to sponsorship practices within the business they work. The impact of the findings on the acceptability of the conceptual model developed in Chapter One, the achievement of the research objectives and the rejection of the research hypotheses will be discussed in this Chapter.

The Chapter will conclude by summarising the contributions of the study, providing possible areas for future research, and end off with a final conclusion.

7.2 SUMMARY OF THE STUDY

A literature review was conducted in order to understand the major principles encountered within the research, and to assist with the construction of the self-administered questionnaire. After feedback was obtained from 182 respondents, the primary data was analysed and the empirical findings presented, as well as a description of the statistical results.

The purpose of this research was to understand which predetermined variables had a positive influence on sponsorship initiatives. This was done by constructing a

hypothetical model as illustrated in Chapter One (Figure 1.1). The independent variables, namely *branding, ethics, green marketing, corporate culture, values and employee empowerment*, were tested to understand their influence on the dependent variable (*sponsorship*), via the intervening variables. The intervening variables applicable to this study were *marketing and human resources*.

Upon completion of this study, the set objectives, provided in Chapter One, were all achieved. Table 7.1 indicates in which Chapter(s) each of the study's objectives were attained.

Table 7.1: Attainment of the study's objectives

OBJECTIVE	ATTAINMENT OF OBJECTIVE
The primary objective was to empirically investigate which of the selected independent variables have an influence on the dependent variable.	Chapters Four and Five
To determine the appropriate research design for the study.	Chapters One and Four
To execute an in-depth analysis of secondary sources to investigate the selected variables.	Chapters One, Two and Three
To source primary data to determine the opinions of employees within corporate businesses about the selected variables and the possible influence on sponsorship.	Chapters Four and Annexure A
To analyse the data, using relevant statistical procedures, to empirically test the conceptual model and hypotheses.	Chapters Five and Six

OBJECTIVE	ATTAINMENT OF OBJECTIVE
To report on research findings.	Chapters Five and Six
To conclude and make recommendations to corporate sponsors in South Africa regarding business strategies in the sponsorship of various events and causes.	Chapters Six and Seven

7.3 MAIN EMPIRICAL FINDINGS AND RECOMMENDATIONS

The following section will deal with the main findings obtained from the empirical investigation and includes recommendations for corporate businesses within South Africa regarding sponsorship initiatives.

7.3.1 FINDINGS AND RECOMMENDATIONS FROM THE VALIDITY AND RELIABILITY TESTING

From the exploratory factor analysis, it was evident that some of the items within the self-administered questionnaire did not load on certain variables, some split, and some cross-loaded. The *human resources* variable was omitted due to non-validity, two of the variables were combined to form one variable (*corporate culture and values*) and the dependent variable (sponsorship) split into two, namely *Sport and Broadcast sponsorship* and *Education and Community sponsorship*.

Through the evaluation of the validity of this study's measuring instrument it became evident that this study can be regarded as valid, comprising the following variables:

Table 7.2: Valid variables after exploratory factor analysis

CATEGORY	VARIABLE
Independent variables	Branding Ethics Green marketing Corporate culture and values Employee empowerment
Intervening variables	Marketing
Dependent variables	Sport and Broadcast sponsorship Education and Community sponsorship

In addition, the Cronbach Alpha (CA) correlation coefficients indicated satisfactory results and therefore the reliability of the measuring instrument was confirmed.

7.3.2 FINDINGS AND RECOMMENDATIONS FROM THE STRUCTURAL EQUATION MODELING

From the SEM process for *Sport and Broadcast sponsorship* (Sp1) it was evident that the factor *ethics* is insignificant in relation to *marketing* and in turn *Sport and Broadcast sponsorship*, as well as *Education and Community sponsorship*. It can therefore be said that respondents did not view the principles of right conduct that shape the decisions people or businesses make to have an influence on *marketing*, and in turn sponsorship. Thus, the SEM showed that for the purposes of this study *ethics* cannot be regarded as a variable that influences sponsorship initiatives. Therefore, H1² (*There is a positive relationship between ethics and marketing*) was eliminated from the study and not included in further analyses. A reason for this might be due to the fact that the acceptability of ethical conduct varies from individual to individual and from business to business. What one business might regard as acceptable ethical behaviour, another business may not. It is therefore plausible to

conclude that ethics in general influences sponsorship, as it is dependent on the business' views, values and principles. It is recommended that managers and marketers apply moral standards to its sponsorship initiatives as per the values and acceptable conduct within the business, but primarily taking into consideration the best practices towards its consumers and the community.

Employee empowerment also indicated a insignificant relationship with *Education and Community sponsorship*, and therefore H1⁷ (*There is a positive relationship between employee empowerment and human resources*) was deemed not relevant for further statistical analysis in terms of *Education and Community sponsorship*. The hypothesis H1⁷ was not entirely omitted from the study, as a relationship did exist between *employee empowerment* and *Sport and Broadcast sponsorship*. Possible explanations for this relationship will be discussed in the following section.

7.3.3 FINDINGS AND RECOMMENDATIONS FROM THE HYPOTHESES TESTING

The hypotheses formulated at the beginning of this study, will be discussed in three categories, namely those hypotheses that failed to be rejected, those that were rejected, and those not relevant to this particular study.

(a) Hypotheses – failed to be rejected

The alternative hypotheses listed below, which postulated that there exist a positive relationship between the independent variables, intervening and the dependent variable, failed to be rejected. In other words, these hypotheses are proven to be true.

H1¹: There is a positive relationship between branding and marketing.

H1³: There is a positive relationship between green marketing and marketing.

H1⁴: There is a positive relationship between marketing and sponsorship

One can therefore conclude that the predetermined factors listed above have a positive influence on sponsorship. It is evident that *branding* and *green marketing* indirectly influence sponsorship initiatives positively, via the intervening variable, *marketing*. Therefore H1¹, H1³ and H1⁴ failed to be rejected. In other words, if a business' *branding* and *green marketing* improves, its sponsorship initiatives would improve, as these variables have a positive influence on sponsorship.

Branding had the strongest relationship with *marketing* and in turn, sponsorship. Therefore, the empirical results proved that *branding* is the most important variable influencing sponsorship. This confirms the literature claims that *branding* is one of a business' most valuable and most powerful assets. Businesses should make sure that their brand is recognisable, unique and valuable to a consumer. Additionally, a business should strive to build its brand and create a strong identity, as this will positively affect its sponsorship initiatives. Sponsorship may have increased impact when a customer is familiar with and can identify and instantly recognises a brand. This can be done by, amongst others, having an appealing name, logo, design or symbol. Business managers should strive to integrate the business' brand strategy with every point of its marketing campaign, including its sponsorship initiatives.

The positive relationship between *green marketing* and sponsorship, via *marketing* confirms the importance of a business' environmental awareness. Especially in view of present conditions, the importance of fighting the carbon footprint is an everyday topic in the daily news. There are multiple awareness campaigns within and around businesses to attempt rescuing planet earth. The results of this study also indicate that as a business' awareness of "going green" increases, its sponsorship initiatives would increase. This can be accepted as true as these businesses would most likely support sponsorship initiatives in aid of environmental awareness, as well as other programmes related to green marketing. A business might for example sponsor a television programme promoting the awareness of creating an environmentally sustainable society. Alternatively, a business might invest in installing solar panels in rural areas for electricity supply. There are many ways in which a business can support green initiatives, also within its own operations. Every business manager

should be aware of the causes and symptoms of global warming and do everything in his or her power to fight the effects thereof, also through its sponsorship initiatives.

The relationship between marketing and sponsorship is self-explanatory. It is evident from the literature section of this study that sponsorship is one of the fastest growing and most popular forms of marketing. It therefore makes sense that as a business' marketing initiatives increase, so will its sponsorship initiatives, as marketers use sponsorship to improve the image and awareness of a business' services and products, with the bottom line aim of increasing sales. Sponsorship is therefore a strategic element within a marketing plan, and could be a potential source of competitive advantage.

(b) Hypothesis – rejected

The hypothesis below was rejected, due to the fact that *employee empowerment* had a *negative* relationship with sponsorship, and the stated hypothesis predicted a positive relationship.

H1⁷: There is a positive relationship between employee empowerment and human resources.

As mentioned earlier, *employee empowerment* showed a relationship with *Sport and Broadcast sponsorship*, and not with *Education and Community sponsorship*. It can therefore be said that when *employee empowerment* increases, *Sport and Broadcasting sponsorship* decrease. This indicates that when employees are empowered to make decisions and have more control over their jobs, the less likely they are to commit the business to supporting *Sport and Broadcast sponsorship*. This is indeed interesting, as literature states that sport sponsorship is one of the most popular forms of sponsorship, because of its reach and visibility. In addition, employees very often benefit from *Sport and Broadcast sponsorship* as personal benefits could result from such sponsorship, for example VIP tickets to a game or premier. It is therefore surprising that empowered employees prefer not to get involved in such sponsorship, because of the obvious personal benefits that might arise from such a relationship. Reasons for this negative relationship might be that

employees find the need to invest in other forms of sponsorship that are considered more important. Alternatively, these empowered employees might believe it is better for their particular business to invest in other forms of marketing, for example advertising, trade shows, social media marketing, sales promotions or tele-marketing. This might be dependent on the marketing and strategic goals of the particular business, as advertising and sponsorship do not have the same objectives or benefits. Preferably, as was discussed in the literature, advertising and sponsorship should be leveraged to obtain the best of both marketing tools, and the one should not replace the other.

Sport and Broadcast sponsorship is often an expensive form of sponsorship. When employees are empowered and have control over their performance, they are very often in charge of their department's budget. It may be that employees feel this particular type of sponsorship is too expensive, and not worth a small logo on a sport team's shirt, for example. Employees might also not fully understand the rights and restrictions imposed on them by *Sport and Broadcast sponsorship*, in terms of what the business may or may not do at the event or programme in terms of media support. It is therefore crucial that employees are educated regarding the various forms of sponsorship, the benefits, risks and costs in relation to what are the immediate benefits to the business as well as the long term benefits involved.

(c) Hypotheses – not relevant

The hypotheses listed below were omitted from hypotheses testing:

H1²: There is a positive relationship between marketing ethics and marketing.

H1⁵: There is a positive relationship between corporate culture and human resources.

H1⁶: There is a positive relationship between values and human resources.

H1⁸: There is a positive relationship between human resources and sponsorship

Human resources did not load during the factor analysis process. Consequently it can be said that the items in the self-administered questionnaire relating to *human*

resources did not measure the factor it was intended to measure. This intervening variable therefore could not be included in the remainder of the study.

Corporate culture and values did not load as individual factors, but cross loaded as one factor, and the individual hypotheses could also not be tested. This cross-loading makes sense as values can be seen as one aspect contributing towards the overall corporate culture of a business. It should be kept in mind that although the hypothesis was omitted, *corporate culture and values*, as a combined variable, did indicate a positive relationship with sponsorship.

Lastly, marketing *ethics* indicated insignificance during the regression analysis, and consequently the hypothesis could not be tested. Possible reasons for this insignificance were discussed in Section 7.3.2.

7.3.4 FINDINGS AND RECOMMENDATIONS FROM THE ANOVA RESULTS

The ANOVA analysis indicated that the ethnicity of respondents exerts an influence on the perception employees have regarding some factors. It was established that respondents from the white ethnic group had a slightly more positive feeling regarding *employee empowerment* and *ethics* within the business they work for. They experienced greater freedom, control and creativity in the way they do their jobs and they were of the view that they actively participate in decision making. Additionally, they were of the opinion that their manager's had confidence in their judgement and ability to perform at high levels and they are generally positive regarding the fact that they are treated with respect and dignity. White respondents also agreed more strongly that the businesses where they work applies moral standards to the way business is done, is transparent with consumers; associates itself with fair business practices, reports on its performance in an honest manner, has the interest and well-being of the community at heart, operates within the boundaries of the law and complies with environmental regulations.

Interestingly, white respondents were more negative regarding *Sport and Broadcast sponsorship*. It can therefore be said that white respondents felt less strongly about

the notion that there are employees or a department dedicated to attend to sponsorship issues within the business where they work. They were also of the opinion that the businesses where they work are less likely to get involved in *Sport and Broadcast sponsorship*.

7.3.5 FINDINGS AND RECOMMENDATIONS FROM THE DESCRIPTIVE STATISTICS

As was evident in Chapter Five, *ethics* obtained the highest mean score and lowest standard deviation of all the factors. Thus, although the relationship between *ethics* and sponsorship was deemed insignificant and the relationship between these variables could not be proven, respondents felt quite strongly about the fact that the business where they are employed operate ethically. From the standard deviation it can be stated that the opinions of respondents varied to some extent.

Sport and Broadcast sponsorship had the lowest mean score and the highest standard deviation of all variables, which indicates that respondents agreed, although much less strongly, that the business where they are employed prefers to get involved in sport, television and radio sponsorship. Respondents were also less convinced that there are employees of a department dedicated to attend to sponsorship matters. This indicates that in the South African context not every business has a unit or department attending to the business' sponsorship matters. It is possible that the marketing team within a business attend to sponsorship initiatives as one of their performance areas.

7.4 CONTRIBUTIONS OF THE STUDY

Sponsorship initiatives are a critical element of a business' marketing plan, as it presents businesses with the opportunity to connect with the target market emotionally and in creative ways. Despite the large amounts of money spent on sponsorship, little research is available concerning sponsorship practices in South Africa. Business is therefore hampered by a lack of research on how to successfully implement and manage sponsorship initiatives. Literature shows that there is a need to understand the various relationships pertaining to sponsorships, in order to be

able to establish and maintain long-term successful sponsorship agreements. The findings of this study should assist in addressing this research gap, and has added to the body of knowledge concerning marketing, specifically sponsorship initiatives within the field of marketing by investigating some variables influencing sponsorship. It is believed that the findings of this study will contribute to the understanding and successful implementation of sponsorship initiatives in the South African business environment.

The uniqueness of this study can also be highlighted by the fact that it incorporates the viewpoints of employees from different levels within a business, and also employees working across different industries of business. The findings are therefore not limited to a specific industry or management level.

The most important contribution of this study is the empirical evidence produced that link certain variables to sponsorship initiatives. It can therefore be said that the study contributes to the understanding of factors that influence the success of sponsorship initiatives within South African businesses.

7.5 AREAS FOR FUTURE RESEARCH

Sponsorship as a marketing tool is a topic and practice that holds significant potential for future research. This study has attempted to make an important contribution to sponsorship as a marketing technique, however as with most studies it had a number of limitations and difficulties. These limitations should be considered when making interpretations and conclusions from the findings of the study:

- One area that could be improved upon is the sample size of the study. The present sample consisted of 182 respondents. Improved results could be attained by increasing the sample through the replication of the study in other countries. It would be interesting to do a similar (or comparative) research

study on the opinions of individuals in different countries regarding sponsorship matters.

- It would be beneficial for a comparative study to be done regarding the viewpoints of various levels of employees within a business. Executives and managers might have different schools of thought on variables influencing sponsorship compared to lower level employees.
- Another limitation of the study is that the sponsorship concept changes continuously. Marketing is a dynamic, ever changing discipline, and as a result the world of sponsorship continuously changes and new technology and ideas come to the forefront. What might be true and relevant today might not be in the future. People may think differently about sponsorship in fifty years from now (2011).
- The final shortcoming of the study relates to the fact that the study is exploratory with a self-developed hypothetical model in use. A multitude of variables exist when considering sponsorship within a business, which could have formed part of this study, however, for the purpose of this study a small number of variables have been chosen.

7.6 FINAL CONCLUSION

Milan Kundera wrote that a “business has only two functions – marketing and innovation” (Marketing 2011). This quote supports the importance of marketing within any business. An emerging, significantly innovative element within the marketing mix is sponsorship – a dynamic topic that will continue to change, but as it changes it gathers momentum. It is therefore important to proactively identify variables that may potentially influence this popular marketing tool. In this way, a significant contribution can be made to the success of marketing and specifically sponsorship initiatives of South African businesses.

The main findings of this study suggest that *branding* and *green marketing* has a significantly positive relationship with sponsorship, indicating the importance of a business’ brand and environmental awareness in terms of its emotional marketing

initiatives. Interestingly, it was established that *ethics* was insignificant in terms of a business' sponsorship initiatives. *Corporate culture and values* had a positive relationship with sponsorship, and *employee empowerment* proved to be negatively related to *Sport and Broadcast sponsorship*, with no significant relationship with *Education and Community sponsorship*.

Taking the above findings into consideration, the present study has contributed to the attainment of sponsorship objectives within South Africa, by providing an overview of the perception of employees within corporate businesses on the aspects influencing sponsorship initiatives. This study can serve as a guideline for South African marketing managers to execute the business' marketing plan by making use of the ever important sponsorship marketing. When sponsorship initiatives are applied efficiently and effectively, the business will excel in its competitiveness and making a lasting impact on current and potential consumers.

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ANNEXURE A:

QUESTIONNAIRE

Variables influencing corporate business' sponsorship initiatives

[Preview Page](#) | [Re-order Page Numbers](#) | [Re-order Category Numbers by Page](#) | [Survey Summary](#) | [Survey List](#) | [User Guide](#)

Page: 1

Page No: 1 [Edit] [Add]

The Unit of Applied Management Sciences at the Nelson Mandela Metropolitan University is conducting research to identify the human resource and marketing variables that exert an influence on sponsorship initiatives in corporate businesses. In an attempt to conduct the research, we kindly request you to complete the following questionnaire. Please note that your responses will be treated as confidential and the results of the survey will be available on request. In order to conduct this research accurately, we kindly ask you to complete the attached questionnaire in an honest manner – there are no correct or incorrect answers. Therefore, answer the questions by indicating your perception of the sponsorship initiatives that the business you work at is involved with. Thank you in advance for your time. The Human Ethics number is H 11 BUS MRK 026

1. Human Resource Variables

Please read the statements below and indicate the extent to which you agree or disagree with each statement.

1.1 * <u>Investment in good community programmes attracts good employees</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.2 * <u>There are high levels of job satisfaction at our business</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.3 * <u>If employees are managed by performance appraisal systems, it can serve as a competitive advantage</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.4 * <u>The efficiency of employees contributes towards the success of a business</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.5 * <u>There are high levels of employee commitment at our business</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree

1.6	<u>Proper performance appraisal systems are in place at our business</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.7	<u>At the business where I work, the employees pursue the same business goals</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.8	<u>At the business where I work there is a set dress code</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.9	<u>At the business where I work there are clear guidelines on appropriate standards of behaviour</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.10	<u>At the business where I work employees share the same habits and social behaviour</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.11	<u>At the business I where work there are meaningful beliefs</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.12	<u>At the business where I work there are clear philosophies or principles that guide internal conduct</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.13	<u>At the business where I work employees are treated with respect and dignity</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.14	<u>At the business where I work there are clear philosophies that guide relationships with external stakeholders</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.15	<u>The business that I work for focuses on the social needs of the society</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.16	<u>I experience freedom in the manner I do my job</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.17	<u>At the business where I work I actively participate in decision making</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.18	<u>I am allowed to be creative when I deal with problems at work</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
1.19	<u>I have a high level of control over how I do my job</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree

1.20 At the business where I work
* there are only a few levels of management Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

1.21 My manager has confidence in
* my judgement and ability to perform at high levels Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

1.22 Investment in good community
* programmes retain good employees Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

add new question

2. Marketing Variables

Please read the statements below and indicate the extent to which you agree or disagree with each statement.

2.1 There are clear marketing plans
* and responsibilities within our business Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.2 Marketing activities within our
* business are constantly controlled and well monitored Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.3 Our business' marketing
* activities are measured and evaluated Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.4 The employees are enthusiastic
* about our business' marketing campaigns Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.5 Our mission statement is
* communicated clearly within our business Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.6 Consumers trust our business'
* products/services Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.7 Consumers are loyal towards
* our business Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.8 Our business' products/services
* are instantly recognisable Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.9 There are clear differences
* between the products/services of our business, and those of competitors Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.10 Our business' products/services
 * offer exceptional value to the customer Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.11 The business I work for applies
 * moral standards to the way business is done Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.12 The business I work for is
 * always transparent with consumers Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.13 The business I work for
 * associates itself with fair business practices Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.14 The business I work for reports
 * on its performance in an honest manner Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.15 The business I work for has the
 * interest and well-being of its community at heart Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.16 The business I work for
 * operates within the boundaries of the law Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.17 The business I work for
 * complies with environmental regulations Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.18 The business I work for
 * participates in environmentally friendly practices such as re-using or recycling Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.19 The business I work for runs
 * environmental awareness promotions Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.20 The business I work for is
 * aware of the concept of a carbon footprint Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

2.21 The business I work for has
 * environmental management systems in place Strongly disagree ()1 ()2 ()3 ()4 ()5 ()6 ()7 Strongly agree

[add new question](#)

3. Sponsorship Variables

Please read the statements below and indicate the extent to which you agree or disagree with each statement.

3.1 *	<u>At the business where I work there are employees or a department dedicated to attend to sponsorship issues</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.2 *	<u>At the business where I work decisions on which initiatives to sponsor are made at top management level</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.3 *	<u>The business I work for prefers to get involved in sport sponsorship</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.4 *	<u>The business I work for prefers to get involved in television/radio sponsorship</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.5 *	<u>The business I work for prefers to get involved in art sponsorship</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.6 *	<u>The business I work for prefers to get involved in educational sponsorship</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.7 *	<u>The business I work for prefers to get involved in social or community sponsorship</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.8 *	<u>The business I work for prefers to get involved in ecology sponsorship</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.9 *	<u>In my view, sponsorship is charitable giving</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree
3.10 *	<u>In my view, sponsorship results in a mutually beneficial relationship</u>	Strongly disagree () 1 () 2 () 3 () 4 () 5 () 6 () 7 Strongly agree

add new question

4. Biographical Information

Biographical information

4.1 *	<u>Job title</u>	[]
4.2	<u>Please indicate your gender</u>	[(please V)]
4.3 *	<u>Please indicate your ethnicity</u>	[(please V)]

4.4 Which of the following age
* groups do you belong to? [(please V)]

4.5 Industry or business you work
* in [(please V)]

add new question

add new category

Thank you very much for completing this questionnaire and your kind cooperation!

ANNEXURE B:

**Model One (Complete model) SEM results
for
Sport and Broadcast sponsorship**

**GOODNESS-OF-FIT INDICES FOR MODEL ONE (COMPLETE MODEL) FOR
SPORT AND BROADCAST SPONSORSHIP**

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	86	1483.463	655	0	2.265
Saturated model	741	0	0		
Independence model	38	5241.485	703	0	7.456

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	0.717	0.696	0.819	0.804	0.817
Saturated model	1		1		1
Independence model	0	0	0	0	0

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.084	0.078	0.089	0
Independence model	0.189	0.184	0.194	0

ANNEXURE C:

Model Two (Adapted) SEM results for Sport and Broadcast sponsorship

**GOODNESS-OF-FIT INDICES FOR MODEL TWO (ADAPTED MODEL) FOR
SPORT AND BROADCAST SPONSORSHIP**

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	69	952.78	427	0	2.231
Saturated model	496	0	0		
Independence model	31	3719.161	465	0	7.998

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	0.744	0.721	0.84	0.824	0.838
Saturated model	1		1		1
Independence model	0	0	0	0	0

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.082	0.075	0.09	0
Independence model	0.197	0.191	0.203	0

ANNEXURE D:

**Model One (Complete model) SEM results
for
Education and Community sponsorship**

**GOODNESS-OF-FIT INDICES FOR MODEL ONE (COMPLETE MODEL) FOR
EDUCATION AND COMMUNITY SPONSORSHIP**

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	86	1513.132	655	0	2.31
Saturated model	741	0	0		
Independence model	38	5275.947	703	0	7.505

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	0.713	0.692	0.814	0.799	0.812
Saturated model	1		1		1
Independence model	0	0	0	0	0

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.085	0.079	0.091	0
Independence model	0.19	0.185	0.194	0

ANNEXURE E:

**Model Two (Adapted model) SEM results
for
Education and Community sponsorship**

**GOODNESS-OF-FIT INDICES FOR MODEL TWO (ADAPTED MODEL) FOR
EDUCATION AND COMMUNITY SPONSORSHIP**

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	69	974.344	427	0	2.282
Saturated model	496	0	0		
Independence model	31	3745.09	465	0	8.054

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	0.74	0.717	0.835	0.818	0.833
Saturated model	1		1		1
Independence model	0	0	0	0	0

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.084	0.077	0.091	0
Independence model	0.197	0.192	0.203	0

ANNEXURE F:

**Model Three (Adapted model two) SEM
results for**

Education and Community sponsorship

**GOODNESS-OF-FIT INDICES FOR MODEL THREE (ADAPTED MODEL TWO)
FOR EDUCATION AND COMMUNITY SPONSORSHIP**

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	53	641.074	247	0	2.595
Saturated model	300	0	0		
Independence model	24	2620.831	276	0	9.496

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	0.755	0.727	0.834	0.812	0.832
Saturated model	1		1		1
Independence model	0	0	0	0	0

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.094	0.085	0.103	0
Independence model	0.217	0.209	0.224	0