

Patriot Games? Determinants of Responses to Chinese and Foreign Sponsors of the Beijing Olympics

Abstract

The paper assesses the generalizability of Speed and Thompson's (2000) model of the determinants of sponsorship response to an important and growing market for sponsorship (China). It extends the model by considering differences in effects for foreign and domestically owned sponsors and the role of patriotism. The findings confirm that personal liking for the sponsored event, status of the event, attitude to the sponsor, perceived sincerity of the sponsor and perceived fit between the sponsor and the event are significant factors underpinning positive responses. In contrast to Speed and Thompson (2000), ubiquity of the sponsor is not significant for China. Whether the sponsor is of domestic or foreign origin is identified as an important moderator of sponsorship effects but there is no consistent evidence that foreign sponsors suffer from relatively poorer outcomes in emerging markets compared to domestically owned rivals.

1. Introduction

Meenaghan (1991, p. 36) defines sponsorship as “an investment, in cash or in kind, in an activity, person or event (sponsee), in return for access to the exploitable commercial potential associated with that activity, person or event by the investor (sponsor)”. In 2012, companies spent \$51.1 billion on sponsorship worldwide, with sports by far the most important type, accounting for 71% of total expenditure (IEG, 2013). While North America and Europe remain the most important regions when measured by total expenditure on sponsorship, since 2008 growth rates have been far higher in Asia, particularly China. For instance, expenditure on sponsorship in 2012 grew by 6.4% in the Asia Pacific region compared with 5.1% in North America and 3.3% in Europe (IEG, 2013). This has prompted greater interest in understanding the Asian market for sponsorship (Yang, Sparks, & Li, 2008).

The study analyzes Chinese consumer responses to sponsorship by domestic and foreign-owned sponsors of the Beijing Olympics. It contributes to the literature in two ways. First, it assesses the applicability of one of the most prominent models of sponsorship (Speed & Thompson, 2000) in the context of the world’s largest emerging market. While Speed and Thompson’s (2000) model has been very influential in sponsorship research, its cross-national applicability remains untested. Moreover, the sponsorship literature, like marketing science more generally, derives almost exclusively from research conducted in a Western context. Rectifying this imbalance helps assess the cross-national generalizability of existing theory, identify institutional factors, contribute to theory development and maintain managerial relevance (Burgess & Steenkamp, 2006).

The study further contributes to sponsorship theory by investigating whether the origin of a sponsor (i.e., domestic or foreign) and degree of consumer patriotism

moderate sponsorship response. Olson (2010) identifies 28 articles published in major marketing journals since 1999 that study sponsorship effects, none of which consider the potential moderating effect of the origin of the sponsor. This is despite a substantial body of international marketing studies indicating, as a manifestation of consumer ethnocentrism, the existence of a Domestic Country Bias (DCB) (Balabanis & Diamantopoulos, 2004; Evanschitzky, Wangenheim, Woisetschläger, & Blut, 2008; Verlegh, 2007). An important consideration for companies partnering with a global event such as the Olympics is whether the effects for foreign sponsors will be the same as those for domestic firms. The paper assesses, therefore, whether sponsorship effects differ significantly for local and foreign sponsors. Finally, the paper explores whether differences in patriotism moderate sponsorship effects for domestic firms. While cross-national consumer research identifies patriotism as a significant determinant of ethnocentric tendencies (Balabanis, Diamantopoulos, Mueller, & Melewar, 2001) and the choice between domestic and foreign products (Han, 1988), the effect of patriotism on sponsorship response has not been previously investigated.

2. Background: Olympics, Sponsorship and China

Turner (2004, p. 255) describes the Olympics as the ‘crown jewels’ of sponsorship. Advocates argue that partnering with the Olympics provides extraordinary benefits to sponsors in terms of image enhancement, differentiation from competitors and improved customer relationships (Brown, 2000; Turner, 2004). Empirical evidence supports some of these claims; for instance, Stipp and Schiavone (1996), studying the reactions of US consumers to the 1988 Summer Olympics, find that sponsorship impacts positively on a sponsor’s image. Specifically, a halo effect occurs whereby goodwill towards the Olympics rubs off on the sponsor. Stipp and Schiavone (1996)

appeal for additional research to assess the generalizability of their findings but this call remains largely unheeded.

The 2008 Olympic Games, which took place in Beijing, was a unique event, signifying the emergence of China as a world economic superpower. The Olympics also provided new opportunities for both Chinese and foreign-owned corporations to become involved in sponsorship and appeal to both a global and growing local audience. Reaching the latter is of strategic significance to many multinational corporations as they seek to build brand presence and sales in emerging markets (Verity, 2002).

3. Conceptual framework

3.1 Speed and Thompson (2000)

In their highly influential model, Speed and Thompson (2000) assume that responses to sponsorship depend on the associations of the sponsor, associations of the sponsored event and the degree of fit between the sponsor and sponsored event. Two constructs (status of the event and personal liking for the event) denote associations of the sponsored event. Three constructs capture associations of the sponsor (prior attitude to the sponsor, sincerity of the sponsor, ubiquity of the sponsor). The sixth construct is sponsor–sponsored event fit, denoting the degree of congruence or shared associations between the two entities (Figure 1).

Figure 1 here.

The model of Speed and Thompson (2000) incorporates three endogenous constructs capturing sponsorship response. Specifically these refer to the effect of sponsorship on: interest in the sponsor and its promotions (*interest*), attitude toward the sponsor (*favorability*), and willingness to buy the sponsor's products (*use*). While

Speed and Thompson (2000) treat each factor separately, they assume that all factors affect each dependent variable in a similar manner. Specifically they assume that personal liking for the sponsored event, perceived status of the sponsored event, prior attitude to the sponsor, perceived sincerity of the sponsor and perceived fit between the sponsor and sponsored event all affect sponsorship response positively. In contrast, they argue that perceived ubiquity negatively affects sponsorship response. As the first part of the analysis involves the direct replication of Speed and Thompson's (2000) model, the paper does not detail supporting theoretical and empirical evidence for each of their hypotheses.

3.2 Domestic versus Foreign Sponsors

Speed and Thompson's (2000) model does not distinguish between domestic and foreign sponsors of a particular event, thus assuming that the origin of the sponsor is irrelevant. However, numerous studies in international marketing identify a Domestic Country Bias (DCB) (Balabanis & Diamantopoulos, 2004; Evanschitzky et al., 2008; Verlegh, 2007). Balabanis and Diamantopoulos (2004, p. 80) define DCB as a "bias against foreign products in favor of domestic ones". They regard DCB as a manifestation of ethnocentrism, theorizing the latter as stemming from the formation of a nationally-defined in-group social identity. The in-group is the subject of social attachment and loyalty (Balabanis & Diamantopoulos, 2004). Drawing on social identity theory (Mael & Ashforth, 1992), it is assumed that inherent to ethnocentrism is a separation between the attachment to the in-group and an unfavorable outlook toward out-groups. Pereira, Hsu, and Kundu (2002) report a relatively high level of ethnocentrism, compared to Western countries, in China.

The Olympics are an environment in which in- and out-group effects, defined by nationality, are pronounced: competitors represent their nation states and medal counts

are tabulated by country. Intergroup competition is therefore principally between countries. For China, topping the medal table at the Beijing Olympics was an explicit policy goal, which received widespread domestic support (Liu & Hong, 2010). Official support for the Olympics also reflected the objective of enhancing feelings of togetherness and patriotism (Wei, Hong, & Zhouxiang, 2010) with sporting success symbolizing a newly cemented superpower status.

If group identification for the Olympics is principally related to countries, with the event generating strong nationally defined in-group feelings, one may expect a DCB to benefit domestic sponsors. This acknowledges that domestic sponsors are part of the in-group while foreign companies are associated with out-groups. As a result, it is expected therefore that:

H1. When the sponsor is Chinese (i.e., local as opposed to foreign), the stronger the association between:

H1a. Personal liking of the sponsored event and sponsorship response.

H1b. Perceived status of the sponsored event and sponsorship response.

H1c. Perceived fit between sponsor and the event and sponsorship response.

H1d. Prior attitude to the sponsor and sponsorship response.

H1e. Perceived sincerity of the sponsor and sponsorship response.

H1f. When the sponsor is Chinese, the weaker the association between ubiquity of the sponsor and sponsorship response.

3.3 Patriotism

Vida and Reardon (2008, p. 37) define patriotism “as individuals’ love and concern for their country and their attachment to their own nation and its symbols”. It is important to distinguish between patriotism and nationalism. Patriotism is a positive attitude towards one’s nation (in-group love) without negative attitudes towards out-groups (Viki & Calitri, 2008). Nationalism, in contrast, involves a sense of in-group

superiority *and* out-group derogation, so that both in-group love and out-group hate coexist (Kosterman & Feshbach, 1989).

Han (1988) reports that patriotism impacts significantly on the choice between domestic and foreign products, with patriotic consumers more likely to buy domestic goods. Vida and Reardon (2008, p. 36) confirm that patriotism is a determinant of domestic consumption, defining the latter as “activities that buyers perform to deliberately identify and select domestic products and brands.” Empirical evidence thus suggests that patriotism can heighten preferences for domestic products because of symbolic attachments to the nationally defined in-group. Patriotism may be particularly salient in the context of the Olympics, which enhanced feelings of national pride amongst Chinese citizens and stimulated an unprecedented level of volunteering (Liu & Hong, 2010). Research on previous Olympics indicates that patriotism is positively correlated with feelings of involvement amongst the domestic audience (McDaniel & Chalip, 2002).

The sports sponsorship model of Gwinner (1997) suggests that involvement moderates the relationship between event image and sponsorship response. Drawing on social identity theory, Madrigal (2001), similarly finds support for the notion that identification with a particular team (in-group) moderates the effect of attitude toward a sponsor on purchase intentions. Reflecting this, H2 proposes that patriotism, in the context of the domestic audience for the Beijing Olympics, augments the influence of personal liking for the event, event status and prior attitudes to the sponsor on sponsorship response, so that:

H2. When patriotism is high (i.e., as opposed to lower), the stronger the association between:

H2a. Personal liking for the event and response to domestic sponsors.

H2b. Perceived status of the event and response to domestic sponsors.

H2c. Prior attitude to the sponsor and response to domestic sponsors.

4. Research Design and Dataset

A questionnaire was designed to assess the applicability of the model of Speed and Thompson (2000) for the context of the Beijing Olympics and test the hypotheses. In the first part, all items were based on Speed and Thompson (2000). Personal liking for the event, perceived status of the event, perceived ubiquity, perceived sincerity and sponsor-event fit were measured on 7-point Likert-type scales where respondents indicated their degree of agreement with each statement. A semantic differential scale captured prior attitudes to the sponsor (e.g., good/bad, like/dislike). Interest, favorability and use were each measured using three-item 7-point Likert scales taken from Speed and Thompson (2000).

Respondents were randomly assigned to receive either a version of the questionnaire with a Chinese or foreign-owned sponsor. All Chinese and foreign-owned firms referred to in the questionnaire were official sponsors of the Beijing Olympics. To control for product-related effects, foreign and domestically-owned sponsors operating in the same broad product category were paired (Visa and Bank of China, Samsung and Lenovo, ATOS Origin and CNC Chinanet, GE and State Grid Corporation of China, PICC and Manulife). This meant that, for example, for each respondent that answered a questionnaire relating to Visa, another completed a version referring to the Bank of China.

Patriotism was measured using the five-item scale developed by Viki and Calitri (2008). The scale, adapted to fit the Chinese context, included items such as “Being Chinese is a very important aspect of who I am” and “I don’t feel a strong sense of commitment to the welfare of my country”. As with the original scale of Viki and Calitri

(2008), participants responded using a 7-point Likert-scale (1 = strongly disagree to 7 = strongly agree). The questionnaire was drafted initially in English, and then translated and back-translated independently. Pre-testing with ten, fully bilingual, respondents, helped revise the questionnaire to ensure linguistic and conceptual equivalence. The compatibility of concepts between national cultures was assessed during the translation process. These protocols sought to ensure construct equivalence (Hult et al., 2008).

The dataset comprises 377 useable responses of which 179 and 198 relate to Chinese and foreign-owned sponsors respectively. Data collection occurred in July – August 2008, immediately preceding or during the Olympics. Data collection occurred in Guangzhou, the capital city of Guangdong province. Guangzhou is the third largest metropolitan city in China and a major center for production and commercial activity. Guangdong is one of the most developed provinces which hosts production facilities and offices of a wide-range of multinational and Chinese corporations. Relative to the rest of China, Guangdong has a fairly open policy towards foreign direct investment.

The study employed quota sampling, so that responses fitted with Guangdong's demographic and gender profile. The Chinese government classifies those aged between 15 and 64 as adults, and those aged 65 and above as senior citizens. According to the China Population Information and Research Center (CPIRC), citizens aged between 15 and 64 account for 63.6% of Guangdong's population, and those aged 65 and above account for 7.7% (CPIRC, 2010). In other words the ratio of working age adults to senior citizens is 8.25: 1. In the sample the corresponding ratio is 11.71:1. Within Guangdong the number of males and females aged 15 to 64 is approximately equal. Above 65, females slightly outnumber males. In the sample, 197 and 180 useable responses are from females and males respectively. All respondents were adults.

Data collection relied on street level interviews (20 varied locations in Guangzhou city). Bush and Hair (1985) comparatively evaluate the quality of data collected from mall intercepts and conclude that the quality of data collected matches or exceeds that of telephone interviews, with fewer items refused and less social acceptability bias. Street level intercepts, for non-sensitive, consumer information thus compares favorably to alternative methods (Bush & Hair, 1985). Face-to-face interviewing allowed for the data collector to answer any queries about the research (Babin, Chebat, & Michon, 2004). Potential respondents were given the same instructions as those outlined in Speed and Thompson's (2000) study (i.e., "we are interested in your attitudes, and there are no right and wrong answers to these questions").

5. Analysis

Table 1 reports the results of the Confirmatory Factor Analysis (CFA) of the model constructs using Lisrel 8.5 (Jöreskog, Sörbom, Du Toit, & Du Toit, 2001). All loadings from the CFA are significant at $p < .001$. Two items were eliminated due to redundancy of meaning and high cross-loadings (Hair, Black, Babin, Anderson, & Tatham, 2010), namely item 4 (from the sincerity of sponsor scale) and item 5 (from the ubiquity of sponsor scale). While it can be argued that item 4 from ubiquity of sponsor overlaps semantically with the previous scale items, item 4 was associated with a lower level of comprehension, given that respondents struggled to regard the Olympics as a low profile event. Rather, respondents conceptualized this event as prestigious and internationally significant, which may explain the poor performance of this item.

Table 1 here.

All coefficients of correlation between the individual items and the total score are significant ($p < 0.01$) and exceed 0.40 (Nunnally & Bernstein, 1994). The CFA shows acceptable levels of reliability as indicated by composite reliability, with values above 0.7 for most constructs and in excess of the minimum recommended level of 0.60 (Bagozzi & Yi, 2012). The values for AVE are all above 0.50 except for two constructs, namely perceived ubiquity and sincerity of the sponsor for which AVE scores are below 0.40. Nevertheless, AVE values for perceived ubiquity and sincerity exceed the squared correlations between these constructs and the rest of the model constructs. The CFA indicates a good fit between the model and the data: Chi-Square = 1367.34; $df = 398$, the measures of fit (NFI and CFI) are well over 0.90 (Byrne, 1994; Diamantopoulos & Siguaw, 2000) and RMSEA is satisfactory (Hu & Bentler, 1999). The model which specified independent constructs is superior to all models that turn pairs of factors into a single factor. Differences in the Chi-Square are significant ranging from ($\Delta\chi^2 = 167.5$ to 265.3 ; $\Delta df = 2$) for sponsorship response and ($\Delta\chi^2 = 172.9$ to 804.6 ; $\Delta df = 5$) for the six predictors. Thus, there is evidence of full discriminant validity for the model's constructs (Anderson & Gerbing, 1988). The internal consistency validity and the convergent validity indicate evidence of unidimensionality for the identified dimensions of sponsorship (Hult et al., 2008). The CFA model shows acceptable levels of reliability as indicated by composite reliability in excess of 0.7 for the majority of constructs. The significant pattern coefficients, the meaning of the factors validated by the CFA and their consistency with the constructs of interest, as highlighted in previous studies (i.e. Speed & Thompson, 2000), provides supporting evidence of construct validity.

6. Results

6.1 Comparison of Results for China with Speed and Thompson (2000)

The six validated dimensions are used to predict sponsorship response. Table 2 reports the path coefficients of predictors of *interest*, *favorability* and *use*. The results, based on hierarchical regression, are compared with those of Speed and Thompson (2000).

Table 2 here.

The model explains a comparable amount of variance in sponsorship response in China and Australia but with a mixture of similarities and differences between the two countries. Perceived fit and attitude to the sponsor emerge as significant predictors of sponsorship response across all three models in both China and Australia. Status of the event has a positive effect on *interest* and *favorability*, but not *use*, in both countries.

Regarding differences between the countries, personal liking for the event has a stronger effect on sponsorship response in China. This finding should be interpreted in the context of very high local public support for the Beijing Olympics (Liu & Hong, 2010). In China, perceived sincerity of the sponsor is significant only in predicting *use*. For *interest* and *favorability* the signs of the coefficients are in line with expectations (i.e., consumers penalize sponsors perceived as insincere), but are not significant. Across all three dependent variables, in China, perceived ubiquity of the sponsor is not significant.

The next stage of the analysis considers the moderating role of perceived fit between the sponsor and the event. To test the direct and moderating effects of perceived fit, the paper follows the approaches of Sharma, Durand, and Oded (1981) and Ndubisi, Natarajan, and Chew (2014). The specific objective is to assess whether including the

three interaction effects included in Speed and Thompson (2000), namely between perceived fit and personal liking for the event, status of the event, and attitude to the sponsor, explains greater variance in *interest*, *favourability* and *use* than the direct influence of perceived fit, personal liking for the event, status of the event and attitude to the sponsor on their own. The change in R^2 and significant F change confirm this moderating effect: including three interaction effects between perceived fit and status of the event, personal liking for the event and attitude to the sponsor significantly increases ($p < .05$) the explanatory power of the models of sponsorship response. Moreover the interaction effects between perceived fit, status of the event and attitudes to the sponsor are also significant.

Having demonstrated moderator effects (Hair et al., 2010; Sharma et al., 1981), the sample was split into two groups according to the degree of perceived fit between the sponsor and the sponsored event (Table 3): low fit (below sample median; $n=198$) and high fit (above sample median, $n=179$). Table 3 reveals that in the high perceived fit group, there is a stronger, positive association between status of the event and both *interest* and *use*. This is consistent with the hypothesis of Speed and Thompson (2000) but not the empirical findings for Australia, where the interaction between fit and status of the event has a negative coefficient across all three dependent variables. For the high perceived fit group, there is also a stronger, positive association between attitude toward the sponsor and *favorability*. Again, this is in keeping with the hypothesis of Speed and Thompson (2000) but not their results – for Australia the interaction between fit and attitude toward the sponsor is not significant across all three dependent variables. For China, there are no significant differences between the high and low fit groups for the effect of personal liking for the event on the three dependent variables.

Table 3 here.

6.2 Role of Sponsor's Origin

Table 4 considers differences in sponsorship response for domestic and foreign sponsors. The fit for the models is reasonable with Chi-squares ranging from 490.47 to 735.00, d.f.=254, CFIs ranging from .94 to .88 and RMSEAs from .065 to .090. Overall, the models predict a larger amount of variance in the dependent variables in the case of domestic sponsors.

Table 4 here.

Surprisingly, a stronger positive association between personal liking and *interest* is found for foreign sponsors. The relationships with *favorability* and *use* also are stronger for foreign sponsors. Hence H1a is rejected. A stronger, positive relationship between perceived status of the event and *sponsorship response* is found for Chinese sponsors. Hence, there is support for H1b. A stronger, positive relationship between perceived fit and use occurs for foreign relative to Chinese sponsors. The effect of perceived fit on *interest* is not significant for either domestic or foreign sponsors. H1c receives no support. A stronger positive relationship between prior attitude to the sponsor and *interest* is found for foreign sponsors, while a stronger relationship between prior attitude to the sponsor and *use* is found for domestic sponsors. Hence H1d is rejected. Perceived sincerity of the sponsor has a stronger influence on *interest* and *use* in the case of Chinese sponsors but this does not follow for *favorability*. Hence there is partial support for H1e. Perceived ubiquity of sponsor has a weaker effect on *interest* for domestic sponsors (as predicted) but a stronger (positive) effect on *use* for Chinese sponsors. As a result, H1f is partly supported.

6.3 Patriotism

The final stage of the analysis considers the role of patriotism. To test for the direct and moderating effect of patriotism, the paper again follows the approach of Sharma et al. (1981) and Ndubisi et al. (2014). The specific objective is to assess whether including patriotism directly and the interaction effects between patriotism and status of the event, personal liking for the event and attitude to the sponsor explains greater variance in *interest*, *favourability* and *use* than the direct influence of patriotism, personal liking for the event, status of the event and attitude to the sponsor on their own. The analysis indicates that patriotism moderates the relationships between status of the event and sponsorship response (*interest* and *favorability*). Patriotism also moderates the relationship with personal liking for the event (for *favorability*) and attitude to the sponsor (in the case of *interest*). The R^2 change and significant F change confirms this moderating effect. The increase in explanatory power for *use* is not significant.

As none of the interaction effects with patriotism are significant for *use*, the paper reports the regression models for lower and higher levels of patriotism in respect only to *interest* and *favorability*. For this subjects are grouped according to their responses on the patriotism scale into a lower (below $\bar{x} = 6.29$) and higher group (above average). Given the skew in answers towards the upper end of the scale, a split based on the mean value was preferable to one based on the median. The predictors systematically explain a larger share of variance in the case of respondents with below-average patriotism scores in the case of *interest* (Table 5).

Table 5 here.

As an illustration of in-group effects, a high level of patriotism increases the effect of personal liking for the event on *interest*. However there are no significant relationships in the case of *favorability* (H2a partially supported). The perceived status of the event has a significant effect on *favorability* for the more patriotic group. However this does not hold in the case of *interest* (H2b partly supported). Prior attitude toward the sponsor has a stronger positive effect on *favorability* in the case of the more patriotic group. However, as the effect is not significant at the 5% level, H2c is not supported. Perceived fit has a weaker effect on *interest* and *favorability* for the more patriotic group, while perceived sincerity has a stronger and significant effect on *favorability* for the more patriotic group.

7. Discussion

Evaluating first the results in Table 2, the findings support the partial generalizability of the model of Speed and Thompson (2000). Core elements of their model, namely personal liking for the sponsored event, status of the event, perceived fit, perceived sincerity, and prior attitude towards the sponsor are verified as significant predictors of sponsorship response. Using different conceptual frameworks for modelling sponsorship effects, other studies identify the significance of prior attitude to the sponsor: for example, Olson (2010) drawing on data for Norway and Denmark, Grohs, Wagner, and Vsetecka (2004) for Austria and Stipp and Schiavone's (1996) research on Olympic advertising in the USA. Using different but analogous measures to Speed and Thompson (2000), evidence from Greece also suggests that personal liking for the sponsored event is a significant determinant of sponsorship response (Alexandris, Tsaousi, & James, 2007). Olson's (2010) research for Scandinavia also supports the notion that perceived sincerity positively influences sponsorship outcomes. The

treatment of perceived fit in sponsorship studies is contentious (Rifon, Choi, Trimble, & Li, 2004), but the results for China confirm its positive impact on sponsorship response and support Speed and Thompson's approach (see also Olson, & Thjomoe, 2011). Overall, the findings confirm the relevance of prior attitude to the sponsor, perceived sincerity, personal liking for the event, status of the event and perceived fit, in modelling sponsorship responses.

In contrast to Speed and Thompson (2000), ubiquity of the sponsor is not significant for China. This most likely indicates the role of institutional factors. For instance, Australia possesses a far longer tradition of sports sponsorship than China (Szymanski, 2006). In the former, the same old sponsors, sponsoring everything (ubiquity) is likely to be viewed more negatively than in a market where sponsorship remains relatively novel. In other words, it is likely that the relevance of portfolio effects increase as sponsorship markets mature. Finally regarding replication, while Speed and Thompson's inclusion of perceived fit as an interaction term is supported by the results for China there is a lack of consistency between the findings for Australia and China and in terms of how fit moderates sponsorship response. In China, a high degree of fit increases the response to sponsorship arising from perceived status of the event.

The paper extends Speed and Thompson's (2000) work by distinguishing between foreign and domestically-owned sponsors. The evidence indicates that the origin of the sponsor matters. For instance, the disaggregation of sponsorship effects reveals that the effect of status of event on *interest* and *favorability* is significant only in the case of Chinese sponsors. This may reflect that domestic sponsors are part of the in-group which is regarded favorably for supporting a prestigious event that signified China's arrival as a world power both in sporting and economic terms. However, for Chinese

firms interested in the bottom line, the lack of a stronger relationship with *use* is disappointing.

Considering Table 4, there is no consistent evidence of a DCB - sponsorship responses are not always stronger for domestic sponsors. While perceived fit between sponsor and event generates significant, positive effects for both domestic and foreign sponsors, the effects benefit to a greater extent foreign sponsors when it comes to stimulating *use*. The superior prestige and status of foreign sponsors allied to the renown of the Olympics may underpin this and override any DCB. Research on China (Wang & Chen, 2004), and other emerging markets (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000), suggests that foreign brands are perceived generally as being of superior quality and convey greater prestige and status. As a result, even high levels of ethnocentrism may not translate into a bias toward domestic goods in purchasing behavior.

Prior attitude toward the sponsor positively impacts on both *interest* and *favorability* for both domestic and foreign sponsors and there is no DCB also in this case. The effectiveness of sponsorship for both domestic and foreign sponsors thus will be limited where consumers' prior assessments of the sponsor are negative. In particular for Chinese companies, notwithstanding the enormous local goodwill and pride taken in hosting the Olympics, the impact of sponsorship is likely to be modest where a sponsor's marketing fundamentals are poor.

Regarding perceived sincerity, the effect on *interest* and *use* is stronger for domestic sponsors and statistically significant. Similarly, it has a stronger and significant effect on favorability for the more patriotic group. Domestic sponsors judged to be acting philanthropically, rather than just for commercial and profit motivated reasons, therefore benefit more than their foreign rivals and elicit more favorable responses from

the most patriotic consumers. These findings are consistent with social identity theory (Mael & Ashforth, 1992) and experimental evidence that acts of goodwill draw more positive responses when conducted by a fellow in-group member as opposed to an out-group actor (Platow et al., 1999).

Sponsor – event fit has a weaker effect on *use* for domestic sponsors and on *interest* and *favorability* for more patriotic citizens. Research on brand extensions suggests that perceived fit (i.e., between the parent brand and new product category) is less important where personal attachment to the parent brand is higher (Fedorikhin, Park, & Thomson, 2008). In other words, high personal attachment to a brand explains why many extensions succeed even when they do not possess a strong fit with their parent brand. The findings are consistent with this notion, indicating that in-group identification may moderate (weaken) the effect of perceived fit on consumer responses.

Overall, the lack of consistently stronger responses for domestic sponsors may appear disappointing for Chinese managers who envisaged that sponsorship of the Beijing Olympics would be particularly attractive to the local market. The lack of a consistently favorable DCB may reflect that potential in-group effects are counterbalanced by foreign rivals being regarded as more trustworthy and prestigious. Nevertheless, for the most important effect of sponsorship, *use*, perceived sincerity of the sponsor yields an improved response for Chinese sponsors.

8. Conclusion

The results present evidence of the partial generalizability of Speed and Thompson's (2000) model to emerging markets. Five out of the six predictors of sponsorship response in their model are statistically significant in the case of China. Namely, the stronger the response when the audience displays personal liking for the event and

possesses a more positive prior attitude towards the sponsor, perceived status of the event and perceived sincerity of the sponsor are higher, as well as when there is congruence between the sponsor and event. However, there is no clear ranking of the importance of these predictors according to how the response is measured. While fit is the most important predictor for explaining *favorability* and *use*, it is personal liking for the event that emerges as the most important predictor of *interest*. If behavioral intentions represent the critical objective, marketers need to pay most attention to how closely the sponsor fits with the sponsored event and convey this message convincingly to the target audience.

Some of the contrasts in results between Australia and China most likely reflect institutional differences with the former having a longer history of sponsorship within which sponsor ubiquity is punished to a greater extent. Given this, one may expect, over time, convergence between results for Australia and China as the latter's market based economy matures. Moreover, it suggests that international research on sponsorship may benefit from the inclusion of a measure of overall familiarity with sponsorship which is independent from the investigation of particular events and sponsors.

As the first part of the analysis focuses on replication, the study follows Speed and Thompson (2000) in modelling interest, favorability and use separately. However, Speed and Thompson (2000, p.228), in their conceptual model, draw causal relationships between the endogenous constructs (*interest* > *favorability* > *use*) akin to a hierarchy of effects. The relationships between the endogenous constructs are, however, not modelled by Speed and Thompson (2000) so that some of the potential advantages of structural equation modelling, in terms of testing models with multiple dependent variables, are forsaken.

The extensions to Speed and Thompson's model present rather mixed results. On the one hand the analysis reveals significant differences in responses to domestic and foreign sponsors and patriotism is identified as a moderator. On the other hand, there is no consistent evidence of a DCB or that responses to domestic sponsors are stronger for more patriotic citizens. Importantly, no clear evidence exists that foreign sponsors suffer from relatively poorer outcomes in emerging markets compared to domestically owned rivals. In interpreting these results, it is important to note, however, that AVE scores are low for two constructs (perceived sincerity and ubiquity of the sponsor) and that responses to the patriotism scale are skewed to the upper end of the distribution.

The mixed set of findings points to several areas for future research. First, the Beijing Olympics were of strategic importance to China; other sporting events may not engender such reactions and analysis should be extended to consider domestic versus foreign sponsorship effects in other contexts. Second, this study focuses only on potential in-group effects (Chinese respondents and the Beijing Olympics). It is appropriate to study also out-group effects, such as American and German respondents' reactions to Coca Cola and Volkswagen sponsoring the Beijing Olympics respectively. The international marketing literature identifies animosity in some markets, for instance, the resistance of some Chinese consumers to purchasing Japanese goods for historical reasons (Klein, Ettenson, & Morris, 1998). Evidence from Sweden suggests that such out-group effects may extend to sponsors, for instance, fans of one soccer team boycotting the sponsors of a rival club (Bergkvist, 2012). Finally, in this and other studies, fit between the sponsored event and the sponsor is significant. Research on brand extensions suggests that fit between the parent brand and a new product category may play a lesser role for early adopters, younger adults and those who identify highly with the brand (Fedorikhin et al., 2008), suggesting that further work with particular

subpopulations on sponsor–event fit is justified, particularly as early adopters and young adults typically are important target markets for sports sponsors.

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TABLE 1
CONFIRMATORY FACTOR ANALYSIS (CFA) - VALIDATION OF CONSTRUCTS

	Standardized loading
<i>Exogenous variables</i>	
1. Status of the event (CR ¹ =0.772; AVE ² =0.538)	
The Olympics have international significance	.74
The Olympics are a significant sporting event	.85
The Olympics are important to where you live	.54
2. Personal liking for the event (CR=0.893; AVE=0.631)	
I am a strong supporter of the Olympics	.86
I want to attend the Olympics	.87
I enjoy following coverage of the Olympics	.84
The Olympics are important to me	.72
3. Sponsor–event fit (CR=0.876; AVE=0.539)	
There is a logical connection between the Olympics and this sponsor	.74
The image of the Olympics and the image of this sponsor are similar	.83
The sponsor and the Olympics fit together well	.75
This sponsor and Olympics stand for similar things	.77
It makes sense to you that this company sponsor the Olympics	.72
4. Prior attitude to sponsor (CR=0.922; AVE=0.796)	
Attitude to sponsor: good-bad	.87
Attitude to sponsor: like-dislike	.95
Attitude to sponsor: pleasant-unpleasant	.85
5. Sincerity of the sponsor (CR=0.650; AVE=0.383)	
Sports benefit from this company's sponsorship at the grassroots level	.61
The main reason this sponsor is involved in the event is because it believes the Olympics deserves support	.68
This sponsor has the best interests of the Olympics at heart	.55
This sponsor would probably support the Olympics even if it had a much lower profile	Eliminated

6. Ubiquity of the sponsor (CR=0.734; AVE=0.356)	
This company sponsors many different sports	.61
This company's sponsorship is clearly focused on certain sports	.68
This company is very selective in what sports events it sponsors	.62
It is very common to see this company sponsoring sports events	.61
I expect this company to sponsor major events	Eliminated

Endogenous variables

Favorability (CR=0.924; AVE=0.802)	
This sponsorship makes me feel more favorable toward this sponsor	.87
This sponsorship improves my perception of the sponsor	.90
This sponsorship makes me like the sponsor more	.93

Interest (CR=0.933; AVE=0.823)	
This sponsorship makes me more likely to notice this sponsor's name on other occasions	.87
This sponsorship makes me more likely to pay attention to this sponsor's advertising	.92
This sponsorship makes me more likely to remember this sponsor's promotions	.93

Use (CR=0.904; AVE=0.758)	
This sponsorship makes me more likely to use the sponsor's product	.91
This sponsorship makes me more likely to consider the sponsor's products the next time you buy	.86
I am more like to buy from the sponsor as a result of this sponsorship	.83

¹ CR = Composite Reliability.

² AVE = Average Variance Explained.

Model fit indices: Chi-square = 1367.34; df=398; NFI=.932; CFI=.951; RMSEA=.080

TABLE 2
COMPARATIVE ANALYSIS OF REGRESSION RESULTS

Variables	<i>Interest</i>		<i>Favor</i>		<i>Use</i>	
	Std. Beta Coeff.	Std. Beta Coeff.	Std. Beta Coeff.	Std. Beta Coeff.	Std. Beta Coeff.	Std. Beta Coeff.
	China	Australia	China	Australia	China	Australia
Personal liking for the event	0.24**	0.00	0.14	0.05	0.20**	0.10*
Status of the event	0.12*	0.22**	0.19**	0.10*	0.07	0.00
Sponsor-event fit	0.16*	0.30**	0.23**	0.33**	0.25**	0.32**
Prior attitude toward sponsor	0.23**	0.08*	0.19**	0.16**	0.13*	0.15**
Sincerity of the sponsor	0.07	0.24**	0.09	0.22**	0.10*	0.25**
Ubiquity of the sponsor	0.07	-0.07*	0.01	-0.04	0.05	-0.07*
Adjusted R ²	0.33	0.27	0.31	0.31	0.27	0.32
F	31.40	29.88	29.38	36.45	24.17	37.81
Sign. F	0.00	0.00	0.00	0.00	0.00	0.00

** p<0.01; * p<0.05

TABLE 3
REGRESSION MODELS – ROLE OF SPONSOR-EVENT FIT

Variables	<i>Interest</i>		<i>T</i>	<i>Favor</i>		<i>T</i>	<i>Use</i>		<i>T</i>
	Low fit	High fit	<i>test</i> <i>Dif</i> ¹	Low fit	High fit	<i>test</i> <i>Dif</i>	Low fit	High fit	<i>test</i> <i>Dif</i>
Status of the event	0.02	0.27**	**	0.15*	0.23**		0.02	0.12**	*
Personal liking for the event	0.30**	0.26**		0.20**	0.16**		0.23**	0.31**	
Prior attitude toward sponsor	0.29**	0.28**		0.20**	0.29**	*	0.24**	0.18**	
R ²	0.43	0.60		0.40	0.51		0.36	0.45	

Notes: ¹: t test of significance of differences in regression coefficients

** p<0.01; * p<0.05.

TABLE 4
STRUCTURAL MODELS – ROLE OF SPONSOR'S ORIGIN

Variables	<i>Interest</i>		<i>T test</i> <i>Dif¹</i>	<i>Favor</i>		<i>T test</i> <i>Dif</i>	<i>Use</i>		<i>T test</i> <i>Dif</i>
	Domestic Sponsor (N=179)	Foreign Sponsor (N=198)		Domestic Sponsor (N=179)	Foreign Sponsor (N=198)		Domestic Sponsor (N=179)	Foreign Sponsor (N=198)	
Personal liking for the event	0.23**	0.28*		0.01	0.16*	**	0.17*	0.25*	+
Status of the event	0.10**	0.02	*	0.29**	0.07	**	0.07	-0.09	**
Sponsor-event fit	0.15*	0.13		0.27**	0.27**		0.20*	0.36**	*
Prior attitude toward sponsor	0.20**	0.30**	*	0.21*	0.19*		0.16	0.10	+
Sincerity of the sponsor	0.20**	0.08	**	0.05	0.21	**	0.27**	0.12	**
Ubiquity of the sponsor	-0.05	0.02		-0.11	-0.09		0.06*	-0.14	**
Multiple square correlation	0.41	0.30		0.38	0.30		0.40	0.25	
Chi-Square	557.46	490.47		635.67	735.00		564.24	466.39	
Df	254	254		254	254		254	254	
RMSEA	0.081	0.069		0.089	0.090		0.082	0.065	
CFI	0.94	0.93		0.92	0.88		0.94	0.93	
TLI	0.93	0.92		0.91	0.86		0.93	0.92	

Notes: ¹: t test of significance of differences in standardized path coefficients

** p<0.01; * p<0.05; + p<0.10.

TABLE 5
REGRESSION MODELS – ROLE OF PATRIOTISM

Variables	<i>Interest</i>		<i>T test</i> <i>Dif</i> ¹	<i>Favor</i>		<i>T test</i> <i>Dif</i>
	Lower patriotism (N=66)	Higher patriotism (N=111)		Lower patriotism (N=66)	Higher patriotism (N=111)	
Personal liking of event	0.14	0.29**	*	0.19	0.23	
Status of event	0.24*	-0.04	**	0.18	0.27*	+
Sponsor-event fit	0.24*	0.10	*	0.21	0.11	*
Prior attitude toward sponsor	0.31**	0.23*		0.29**	0.46**	+
Sincerity of the sponsor	0.07	0.06		0.12	0.43**	**
Ubiquity of the sponsor	-0.01	0.14	**	-0.05	-0.29*	**
R ²	0.41	0.31		0.36	0.39	

Notes: ¹: t test of significance of differences in regression coefficients

** p<0.01; * p<0.05; + p<0.10.

FIGURE 1

CONCEPTUAL MODEL FOR DETERMINANTS OF SPONSORSHIP RESPONSE

