The GSBGM Working Paper Series

WORKING PAPER 4/00

Sponsorship Scale Development: A Study of a National Sports Event in New Zealand

Nicholas J.Ashill, John Davies and Anthony Joe

All rights reserved. Apart from any fair dealing for the purpose of private study, research, criticism or review, as permitted under the Copyright Act, no part of this document may be reproduced by any means, electronic, mechanical electrostatic photocopying or otherwise, or stored in a retrieval system without the prior permission of the authors.

ISSN 1173-4523 ISBN 0-475-11555-4

The GSBGM Working Paper Series 4/00, August 2000.

*Nicholas J.Ashill, John Davies and Anthony Joe, 'Sponsorship Scale Development: A Study of a National Sports Event in New Zealand'

Please address enquiries concerning this paper direct to the first named author*.

Other queries to:

Angela Dolan

Manager Administration Services

Graduate School of Business and Government Management

Victoria University of Wellington

PO Box 600 Wellington

Telephone:

64-4-463 5366

/ellington

Facsimile:

64-4-463 5454

New Zealand

E-mail:

angela.dolan@vuw.ac.nz

*Nicholas J.Ashill School of Business and Public Managemnt Victoria University of Wellington PO Box 600 Wellington New Zealand

Printed by Victoria University of Wellington Printers.

Sponsorship Scale Development: A Study of a National Sports Event in New Zealand

Nicholas J Ashill
School of Business and Public Management
Victoria University, Wellington New Zealand

John Davies

School of Business and Public Management

Victoria University, Wellington New Zealand

Anthony Joe
School of Business and Public Management
Victoria University, Wellington New Zealand

Abstract

Despite the growing interest in sponsorship in the marketing literature, there have been few documented research efforts devoted to understanding the value or effect of sponsorship or evaluating the results for a sponsorship effort. As a step towards better understanding the effects of sponsorship on consumers, Lee et al (1997) developed and empirically tested scales to measure consumer attitudes towards sponsorship of global sports events. This paper presents the findings of a study that replicates the work of Lee et al (1997) on the measurement of consumer attitudinal constructs towards sponsorship. In particular, the study focuses on evaluating the psychometric properties of three sponsorship constructs in the context of an annual national sporting event in New Zealand. Using a mail questionnaire, 370 respondents were surveyed for their attitudes towards sponsorship of the National Provincial Rugby Championship (NPC). The results of the study demonstrate reliable and valid scales for three consumer attitudinal constructs towards sponsorship, and widen the scope of application for these scales as a research tool.

Introduction

The use of sponsorship as a promotional activity has grown tremendously in recent years. Sponsorship has developed from a philanthropic activity conducted on the whim of the CEO, to a highly integrated market-oriented activity (Cornwell and Maignan 1998). Between 1989 and 1994 sponsorship expenditures in the United States more than doubled, increasing from \$2.1 billion to \$4.25 billion (Kate 1992, Smith et al. 1995 cited in Cornwell and Maignan, 1998). Additionally, according to the International Events Group, in 1996, sponsorship expenditure reached \$5.4 billion in the United States and an estimated \$13.4 billion world-wide (Cornwell and Maignan, 1998; Shani and Sandler, 1996). Sports are the main recipients with an estimated 65 percent of total sponsorship spending. Interestingly, these figures only represent a fraction of the corporate investments into sponsorship. The figures reflect the fees paid for sponsorship rights and do not include expenditures for supporting advertising, event signage and other forms of promotion expenditures. For example, on a single event such as the 1996 Olympic Games, companies spent \$5 billion world wide on campaigns, promotions and events to leverage their association (Cornwell and Maignan, 1998). In New Zealand, sports sponsorship is also gaining prominence in the marketing mix (Young 1998). An increasing number of New Zealand companies are moving beyond more traditional marketing media and linking in to the values and emotion of being associated with a specific sport. Examples of recent corporate sponsorship include Adidas sponsorship of the New Zealand Rugby Union, Vodafone sponsorship of the World Cup of Netball and the multitude of corporate sponsors associated with the Millenium-spanning America's Cup.

Within the sports arena generally, sponsorship has become commonplace. Many sporting events¹ rely on sponsorship for funding and cannot exist without the monetary backing of corporations (Lee et al 1997). However, there is growing concern that sports organisations have over-commercialised due to excessive sponsorship-linked marketing

¹ An event represents any sponsorship situation (i.e., event, cause or activity) which spans a single day, weekend or period of months. A sporting event may be multi-sport or single sport activity, a multi-period or single period activity.

activities. At the core of this concern is the impact on and reaction of the consumers (or viewers of the sport) to the growing use of sponsorship to stage these sports events (Lee et al 1997).

Despite widespread acceptance of sponsorship activities amongst sponsorship and marketing practitioners, the field has attracted limited empirical research amongst the academic community (Cornwell and Maignan, 1998; Meenaghan 1998; Speed and Thompson 2000). Research to date has been largely descriptive and piecemeal. Many companies are investing large amounts of resources into sponsorship related activities without assessing or knowing the actual impact on their target customers. Sandler and (1989) contend that very few efforts have been devoted to understanding the value and effectiveness of sponsorship or evaluating the results from a sponsorship effort. Research, which examines consumer reactions to sponsorship programmes, should therefore be invaluable in guiding marketing management decisions.

Lee et al (1997) state that the earlier body of research has focused on investigating sponsorship from the sponsoring company's perspective. Indeed, in a comprehensive review of sponsorship research, Cornwell and Maignan (1998) identify three main streams of investigation. These streams relate to the conceptual and operational definition of sponsorship, and include defining sponsorship (e.g., Meenaghan, 1983; Gardner and Shuman, 1987; Otker 1998), the description of its evolution in a particular country or industry (e.g., Meerabeau et al., 1991; Asimakopoulos, 1993; Thwaites et al 1997; McCarville et al 1998) and the identification and understanding of sponsoring company objectives (e.g. McDonald, 1991; Meenaghan, 1991; Kuzma, Shanklin and McCally, 1993; Meenaghan 1998).

It is a gainsay that demonstrating the commercial impact of sponsorship is probably the best way to legitimise it as a marketing technique. Despite the currency of this view, practitioners and academics alike have been slow to measure the effects of sponsorship programmes. According to Cornwell and Maignan (1998), research assessing how sponsorship influences consumers is still in its infancy To date, there have been a limited

number of empirical studies investigating the effect of sponsorship on the consumer (Lee et al 1997). Moreover, few theoretical frameworks exist which are suitable to guide investigations of consumer reaction to sponsorships (Speed and Thompson 2000). Instead, the sponsorship literature has tended to focus on measurement techniques believed to be most appropriate for evaluating the effectiveness of sponsorship in ways that complement rather than reflect consumer reaction (e.g., Pham, 1991; Meenaghan 1991; Javalgi et al., 1994; Nicholls, Roslow and Laskey, 1994).

Typically, empirical investigations into the effects of sponsorship on the consumer have shown small or ambiguous effects. For example, Javalgi et al. (1994) measured the corporate image of five sponsors and the impact that sponsorship had on the consumers' perception of the sponsor's image. The results showed that the effect of the sponsorship varied widely, ranging from a clear improvement in image for some sponsors to a negative impact for others. Similarly, Nicholls, Roslow and Laskey (1994) in examining impact on brand preferences found that sponsorship facilitated a steady growth in brand preference for only one out of the nine brands they surveyed.

McDaniel and Kinney (1996) have attributed the lack of comprehensive empirical investigations to the fact that there has been no one widely accepted definition of sponsorship that can guide research. In a similar vein, Cornwell and Maignan (1998) add that without a clear specification of the phenomenon of interest, researchers have had difficulties in moving from descriptive to explanatory analyses. Additionally, they claim that the lack of a widely accepted definition has obstructed the development of theoretical frameworks or conceptual models on which significant sponsorship research can be based upon.

Therefore, an important prelude to the development of an appropriate level of rigour in empirical studies is a definition that can guide future research (Lee et al 1997). In their recent study, Lee et al (1997) attempted to synthesise the work of previous researchers by developing a single comprehensive and coherent definition. They then used this definition to build constructs of consumer attitude towards sponsorship as well as

developing scales to measure these constructs. Although this research did not conduct a full scale construct validation process, the scales and constructs were empirically tested and validated using three global sporting events: the 1992 Winter Olympic Games and Summer Olympic Games (two multi-sport events) and the 1994 World Cup Soccer (a single-sport event).

However, in order for the constructs and scales to be useful for future research, it is necessary to be able to confirm the generalisability of the constructs and scales across various sponsorship situations. As a consequence, this study seeks to extend the work of Lee et al (1997) by examining the validity of their sponsorship scales to a national sporting event in New Zealand. The research conducted by Lee et al (1997) was based upon two multi-sports events and one single-sport event single, each were global in nature in terms of participation and exposure, and surveys were conducted in the United States. The purpose of this investigation is to examine the validity of the sponsorship operation definition, the consumer attitude constructs and the measurement scales developed by Lee et al (1997) within a different sponsorship context (a national level sports competition in New Zealand).

The specific objectives of this research on sponsorship are:

- a) To add to the theory and knowledge base of consumer response towards sponsorship efforts, and
- b) To test and validate the constructs of consumer-related attitudes towards sponsorship developed by Lee et al (1997).

The paper is divided into four parts. The first begins provides a discussion of the evolution of a definition of sponsorship followed by the explication of the development of the sponsorship constructs and measurement scales to be tested. The section outlines different definitions of sponsorship, including the definition operationalised by Lee et al (1997), and covers issues of construct measurement, instrument administration, and

reliability and validity assessment. The second section discusses the research approach used in this investigation and explains the method by which the constructs were tested. The final section presents key findings, offering some concluding remarks and comments on research limitations. Implications for future research and marketing management practice are also discussed.

A Definition of Sponsorship

In order to legitimise sponsorship as a marketing activity clearly distinct from other established communication activities, researchers have sought to clarify and refine an appropriate definition. Several attempts have been made at defining sponsorship. Meenaghan (1983) proposed " . . . sponsorship can be regarded as the provision of assistance either financial or in-kind to an activity by a commercial organisation for the purpose of achieving commercial objectives". However, Cornwell and Maignan, (1998) argue that this definition is not comprehensive as it does not specify communication objectives and does not allow for non-commercial sponsorships.

Similarly, Gardner and Shuman (1987) offer a similar view, stating that: "Sponsorship is investing in causes and/or events to support overall corporate objectives (e.g. by enhancing corporate image) or marketing objectives (such as increasing brand awareness)." However, Lee et al (1997) argue that although this definition explains the commercial nature of sponsorship as an investment to achieve certain objectives, it is too general and does not help to distinguish between various types of investment. In addition, the definition does not recognise the sponsoring company's need to gain leverage from its sponsorship status.

While the preceding attempts to define sponsorship do emphasise the commercial nature of sponsorship as an investment to achieve certain objectives, they do not provide comprehensive coverage of the marketing and communication efforts undertaken by sponsors to leverage their status as a sponsor. Cornwell (1995) defined these activities as

"sponsorship-linked marketing", that is "the orchestration and implementation of marketing activities for the purpose of building and communicating an association to a sponsorship". As articulated by Lee et al (1997), such activities include use of the official sponsor title, use of event logo on products, preferred seating for hospitality purposes, signage in the event venues and all other associated advertising and promotions. These factors have been consequentially incorporated into Lee et al's (1997) definition of sponsorship. Sponsorship is:

"The provision of resources (e.g. money, people, equipment) by an organisation directly to an event, cause or activity in exchange for a direct association (link) to the event, cause or activity. The providing organisation can then engage in sponsorship-linked marketing to achieve either their corporate, marketing or media objectives."

This definition is considered to be broad enough to include any kind of sponsorship situation, whilst, at the same time, providing specific guidelines to distinguish between "true" sponsors and other organisations who might also use the event, cause or activity to achieve their objectives. The definition requires that a sponsor's support be directly to the event and that the main benefit gained will be the provision to leverage the organisation's sponsorship status through sponsorship-linked marketing in order to achieve specific objectives.

Indirectly supporting this definition, Cornwell and Maignan (1998) have proposed a similar description of sponsorship. In their extensive review of the sponsorship literature, they have suggested that definitions of sponsorship involve two main activities: (1) an exchange between a sponsor and a sponsee whereby the latter receives a fee and the former obtains the right to associate itself with the activity sponsored and (2) the marketing of the association by the sponsor (i.e. sponsorship-linked marketing).

Problems of definition have contributed to a limited understanding of how consumers react to sponsorship effects. Despite the absence of specific empirical evidence,

academics and practitioners alike generally agree that as a communications vehicle, sponsorship works differently in comparison with other communication tools (e.g., Hastings, 1984; Meenaghan 1991 1998). Lee et al (1997) argue that if sponsorship does indeed work differently, then models transposed from other arenas, such as advertising, cannot be used to explain the effects of sponsorship fully. Cornwell and Maignan (1998) in their review of sponsorship research, contend that a major difficulty in the evaluation of sponsorship lies in differentiating its effects from those of other communications vehicles. Similar arguments have been presented by McDonald (1991) who suggests that traditional measures of awareness, familiarity and preference are meaningless because they only evaluate the propensity of spectators and participants in an event, to remember a product or company they already implicitly endorse. McDonald (1991) identifies a need for more accurate measures of sponsorship effects, for example evaluating sponsor association with ideas such as friendliness, goodness, or closeness to the community.

Clearly then, these arguments suggest the need to develop a distinct conceptual model to better understand sponsorship. Lee et al (1997) argue that their more encompassing definition clarifies how a potential sponsor can leverage the sponsor status. Lee et al (1997) used their revised definition to develop a set of consumer-related attitudinal constructs and to test their validity across a series of global events. Specifically, three constructs were developed from the revised definition: attitude towards the event, attitude towards commercialisation, and attitude towards behavioural intent. Figure 1 illustrates the conceptual framework between sponsorship definition and consumer-related attitudinal constructs.

"Attitude towards the event" is the first construct. By definition, each sponsorship involves a direct tie to an event. Consumers might have variable attitudes towards different events, which, in turn, would impact on the effectiveness of the sponsorship in achieving its objectives. The construct reflects how consumer attitude towards an event represents an accumulation of individual experience with an event over time. This attitude could be positive or negative. The construct also relates to consumer enjoyment

of the event, their support for it, and their belief that the event manifests high quality of performance (Lee et al 1997).

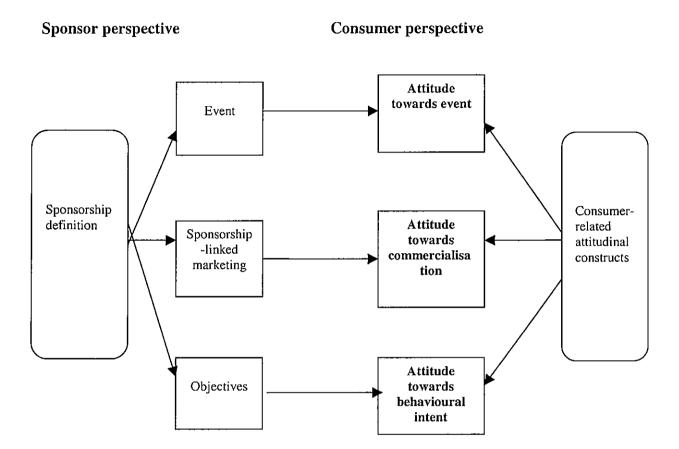


Figure 1.Conceptual relationship between sponsorship definition and consumer-related attitudinal constructs. (Lee et al 1997).

"Attitude towards commercialisation" is a second construct. Most sponsors leverage their association with events through sponsorship-linked marketing. This construct reflects consumer reaction to sponsorship linked marketing activities, which may be affecting consumer attitude towards events and their sponsors (Lee et al 1997).

"Attitude towards behavioural intent" is a third construct. Typically, the objectives of sponsoring companies revolve around their current and prospective customers (such as increasing corporate awareness or improving brand image). In this context, a successful

sponsorship effort depends on consumers' inclination to act on, or be influenced by the sponsorship status or arrangements of the sponsoring companies. For example, this inclination can be manifest in a consumer's willingness to purchase the sponsoring companies products and/or pay more attention to a sponsor's promotional activities (Lee et al 1997).

Lee et al (1997) successfully validated these consumer-related attitudinal constructs and their associated measurement scales through their exploratory empirical research investigations. Surveys were conducted using three global events as settings (the 1992 Winter and Summer Olympics and the 1994 World Cup Soccer). The construct items generated and used to measure the three attitudinal constructs were modified from the list of attitude and intention questions dealing with sponsorship and sport produced by Sandler and Shani (1998) to reflect the constructs outlined in Figure 1.

Analysis of all three global events revealed similar findings, and three distinct attitudinal constructs emerged across all settings. Reliability measures ranged from 0.63 to 0.79 for the construct "attitude towards the event", 0.66 to 0.75 for the construct "attitude towards commercialisation", and 069 to 0.77 for the construct "attitude towards behavioural intent", thus indicating acceptable internal reliabilities for the scales (Robinson et al 1991; Hair et al 1998).

Research Methodology and Instrument Administration

The study extends the application of the attitudinal constructs developed by Lee et al (1997) from the global level to the national level by examining a national-level single-sport competition, the National Provincial Championship (NPC) of New Zealand's national sport, rugby. The New Zealand NPC is the largest annual sporting event in New Zealand and attracts many spectators and television viewers throughout the country. Its popularity throughout New Zealand makes it a premier platform for corporate sponsorship activities. The competition is Air New Zealand's major domestic

sponsorship. It incorporates all 27 provincial rugby unions in a three-division competition run by the New Zealand Rugby Football Union (NZRFU), with Air New Zealand being the naming rights sponsor and official airline.

The survey population represented 'NPC followers' in New Zealand. An 'NPC follower' was identified as an individual who either watches the first division NPC on television and/or attends first division NPC matches in person. To reach the NPC viewing public, the subscription base of a national rugby magazine was targeted as providing an appropriate frame of rugby followers. The research used a self-administered mail survey, which was sent out to a random sample of 370 'New Zealand Rugby News' subscribers.

The measurement scales used in the study were adapted from Lee et al (1997). Other than changes in wording to fit the specific context of the NPC in New Zealand, no changes were made to the items used to measure the three construct scales. The survey consisted of 42 questions, of which 20 were a list of attitude and intention questions dealing with sponsorship and sport (in this case the NPC). The questionnaire was arranged to avoid identification of the Lee et al (1997) scales. This questionnaire structuring allowed for a more appropriate test of scale validity and reliability since the relationship between the adjusted scale items would be less obvious when embedded in a larger questionnaire. Pilot testing suggested that the instrument would take about 15 minutes to complete.

Each consumer-related attitudinal construct (attitude towards the event, attitude towards commercialisation, and attitude towards behavioural intent) was measured using a set of measurement items each using a 7-point Likert scale. 5 items were used for 'attitude towards the event', 8 items for 'attitude towards commercialisation', and 7 items for 'attitude towards behavioural intent'. The respondents were given a statement relating to, but not explicitly identified as belonging to, one of the three attitudinal constructs, and then asked to indicate on the 7-point scale whether they disagreed or agreed with the statement.

A 7-point likert scale was chosen for a number of reasons. First, it was implemented in the original study by Lee et al (1997); second, as indicated by Munshi (1990), a 7-point scale facilitates lower measurement error and a correspondingly higher precision. The 7-point likert provided interval data that facilitates the use of descriptive statistical multivariate analysis tools such as factor analysis and other data verification/analytical tools, such as Cronbach's Alpha test.

Based on pretests with five 'NPC followers', modifications were made to the survey instrument questions to fit the context of the NPC. In order to bolster response rates, a covering letter assuring anonymity was included with the main survey, as well as a prepaid return envelope. An incentive was also offered to increase the response rates (all respondents would enter a prize draw for tickets to the next local NPC game). The surveys were sent out 3 weeks after the start date of the NPC in order to allow individuals to build sufficient opportunities for exposure to the competition and its sponsors. The initial mail-out saw 92 survey questionnaire instruments returned, a response rate of 25%. A follow up mail-out of 110 surveys went sent to a random sample of the remaining non-respondents two weeks after the first mail out. These 'reminders' contained another survey instrument, another pre-paid return envelope and a modified covering letter stating that their input was still required. This resulted in a further 23 returns, giving a total of 115 valid surveys. The final response rate was 31%.

A very high proportion of New Zealand Rugby News respondents were male (91 percent), with the largest proportion falling in the 25-34 age group category. Table 1 shows the age range of respondents, and gender within each age category. The gender balance in all age categories is heavily skewed towards male subscribers.

 Table 1. NPC Followers - NZ Rugby News Respondents

Age Group	Frequency	%	Male (%)	Female (%)
15-24	22	19	22 (100)	0
25-34	30	27	25 (83)	5 (17)
35-44	22	19	19 (88)	3 (12)
45-54	22	19	17 (78)	5 (22)
55-64	13	11	12 (90)	1 (10)
65 and over	6	5	5 (80)	1 (20)
Total	115	100		

Assessment of Reliability and Validity

Lee et al (1997) tested their measurement scales for validity and reliability using factor analysis and Cronbach's Coefficient Alpha. Similarly, this study conducted correlation and factor analysis to examine the validity of the measurement items as they relate to the three consumer-related attitudinal constructs.

First, a matrix of correlation coefficients was generated for all construct items or variables. Rule of thumb suggests that construct item validity requires inter-item correlations to be at least 0.30 (Robinson et al 1991; Kinnear and Gray 1994; Hair et al 1998). The sample size of over 100 provided an adequate basis for the identification of significant correlations between variables. All items representing subcomponents of the same scale were all significantly (p<0.001) and highly correlated across all three attitudinal constructs. The inter-item correlations ranged from 0.43 to 0.77 for "attitude towards the event", from 0.48 to .62 for "attitude towards commercialisation", and from 0.42 to .66 for "attitude towards behavioural intent". This analysis suggests strong correlations for those items belonging to the same scale.

Exploratory factor analysis was then undertaken to indicate the factorial validity of the scales. The purpose of factor analysis is to examine linkages between variables in terms

of their ability to "explain" variability in the data, when grouped as sub-sets of variables i.e., as factors. The empirical grouping of items or variables as "factors" that mirror the theoretically developed construct items, would then provide a measure of face validity for the constructs. The factor loadings are shown in Table 2. Based on principal component factor analysis used with varimax rotation, all 20 items divided cleanly into three factors previously identified as "attitude towards the event" (5 items), "attitude towards commercialisation" (8 items) and "attitude towards behavioural intent" (7 items). No items were removed due to insufficient loading levels.

Interpretation of the final rotated factors focused on the conceptual framing and analysis of the domains of the three sponsorship constructs and on the larger factor loadings (over 0.40). The results suggest that the 3 factors can be interpreted in line with the original definitions of the three attitudinal constructs from which items were drawn, indicating that there are three relatively distinct attitudes towards sponsorship as originally conceptualised by Lee et al (1997).

Factor 1 corresponds to the "attitude towards the event", with five items: enjoyment of the team progress, support for my NPC team, the NPC as a symbol of the New Zealand spirit of competitiveness, the NPC exemplifying rugby sport at its best, and the enthusiasm of players and spectators for the event. Lee et al (1997) reported similar findings for the three global sporting events, with the exception of the enthusiasm variable.

Factor 2 corresponds to the "attitude towards the commercialisation" construct, with eight items: profit focus of NPC sponsorship, product quality/sponsorship trade-off, the extent of commercialisation, the impact of commercialising the NPC logo, the effectivness of sponsorship activities as a promotions vehicle, the extent to which NPC identify/meaning is submerged by sponsorship related activities, and the extent to which the NPC is supported with official sponsorship just to meet profit objectives.

Finally, Factor 3 corresponds to the "attitude reflecting behavioural intent", with seven items: the likelihood of purchasing the sponsor's products, attention given to the NPC logo when purchasing products, the relative influence of sponsorship relative to regular advertising, intent/willingness to recommend products to others, attention given to official sponsor advertising, willingness of an individual to pay higher prices for products of official sponsors, and the extent to which official sponsorship impacts on the purchase decision.

In summary, the analysis adds support to the validation of the proposed consumer-related attitudinal constructs advocated by Lee et al (1997) in that our findings show a similar pattern of factor loadings. However, Lee et al (1997) reported only twelve items as loading significantly onto the three constructs (four items per construct). No reasons were given for this but it is assumed that the other eight items had low factor loadings and were omitted. In this study, additional items have been found to load cleanly into the three factors: enjoyment of team progress (factor 1: "attitude towards the event"); the extent to which NPC identity/meaning is submerged by sponsorship activities, the effectiveness of sponsorship activities as a promotions vehicle, the extent to which the NPC is supported with official sponsorship just to meet profit objectives, and the profit focus of NPC sponsorshop (factor 2: "attitude towards commercialisation"); and the intent/willingness to recommend products to others, willingness to pay higher prices for products of official sponsors, and attention given to official sponsor advertising (factor 3: "attitude towards behavioural intent").

The reliability of the items used to measure the three attitudinal constructs was tested using Cronbach's Coefficient Alpha. Reliability is an assessment of the degree of internal consistency between multiple measurements of a variable. The reliability coefficient assesses the consistency of the entire scale, with Cronbach's Alpha being the most widely used measure. The generally agreed upon lower limit for Cronbach's Alpha is 0.70 (Hair et al 1998), although it may be allowed to decrease to 0.60 in exploratory research. In the original study conducted by Lee et al (1997), 12 items showed increasing reliability as they were refined and tested over the three global sporting events.

Reliability scores for all three constructs indicate very high internal reliabilities for the scales. The results of the factor analysis are shown below in Table 3. The three consumer sponsorship scales show high levels of reliability which exceed recommended values used elsewhere in the literature (see Nunally and Bernstein's 1994 guidelines for exploratory research) - Cronbach's alpha 0.82 for "attitude towards the event", 0.83 for "attitude towards commercialisation", and 0.86 for "attitude towards behavioural intent". These high reliability scores provide support for the acceptance of the measurement scales used to measure the three attitudinal constructs in this sponsorship context.

Construct	Cronbach's Alpha	
Attitude towards event	0.82	
Enjoy, support, spirit, best, and enthusiasm		
Attitude towards commercialisation		
ProfitFocus, SponQual trade-off, TooComm, Commerl,	0.83	
LogoComm, LostIdentify, SpendEffect and ProfitMotives		
Attitude towards behavioural intent	0.86	
Purchase, LogoImportance, SponsInfluence, Recommend,	0.80	
Attention, HigherPrices and PurchaseImpact		

Note:

Each Cronbach Alpha was calculated based only on those items which are highly loaded (italics) i.e., greater than 0.60

Table 3. Reliability Analysis Results

Discussion and Conclusions

This research has sought to validate the use of sports sponsorship constructs relevant to global sports events (single sport and multi-sport) by examining the appropriateness of those constructs when used in the context of a national sports event. In particular, this study has sought to validate the global sports sponsorship constructs developed by Lee et al (1997) by extending their use to a major single sport event specific to New Zealand. The results of this study appear to support the conceptual and empirical work of Lee et al

(1997), and provide further face validity to the sponsorship definition advocated by these scholars. The three factor constructs identified by Lee et al (1997) were replicated for this study of a national sporting event providing face validity of the sponsorship definition provided by Lee et al (1997). Additionally, the results of this study provide similar acceptable levels of reliability and validity characteristics despite differences in the sample and sponsorship context, that is, here we were examining attitudes towards a national rugby championship rather than a global sporting event.

The findings therefore provide a further demonstration of the general applicability of the identified constructs and measurement scales for different types of sponsorship contexts. The results suggest a widening of the scope of application for these constructs and scales as a research tool. By confirming the appropriateness of the measurement properties of the three consumer-related sponsorship constructs, the research continues the progress towards the development of a comprehensive model of sponsorship.

To date, much of the literature examining the impact of sponsorship on the consumer have provided inconclusive findings. This study has provided some consolidation in the ongoing development of consumer sponsorship frameworks, constructs and measures that can make a contribution to future work in this arena. As Cornwell and Maignan (1998) state, "more conceptual work is needed to legitimise sponsorship as an activity differentiated from traditional communications and promotions".

As sponsorship becomes an increasingly important part of the promotional mix, it is imperative that managers are able to assess its impact on their target market consumers. Many companies are investing large amounts of resources into sponsorship related activities without assessing or knowing the actual impact on the consumer. Like most marketing activities, consumer reactions to sponsorship programmes should guide managerial decisions. The findings of this research provide marketing managers with practical tools, constructs and measurement scales to assess consumer attitudes towards their sponsorship-linked activities. Clearly, sponsorship has grown in importance when considered alongside other communications 'tools' in the promotions mix. Therefore,

research which examines consumer reactions to sponsorship programmes should be invaluable in guiding marketing management decisions.

This study also makes a contribution to the development of research in the area of consumer effects of sponsorship. Developing effectiveness measurement tools should be a central focus for both academics and practitioners alike. Although seemingly difficult to measure, research needs to gain a better understanding of consumer effects, such as differentiating long-term brand and corporate awareness aspects from short-term promotional effects (Cornwell and Maignan, 1998). The goals of sponsorship typically include enhancements of brand awareness and image. In measuring sponsorship effects, this study provides some useful insights for sponsoring organisations about the measurement of awareness and preferences engendered in this case by the NPC sponsorship. Cornwell and Maignan (1998) suggest that brand equity may afford a useful framework for the analysis of brand-related sponsorship effects. According to Keller (1993), "brand equity . . . occurs when the consumer is familiar with the brand and holds some favourable, strong, and unique brand associations in memory" (Keller 1993, p. 2). One of the outcomes of a successful sponsorship is therefore a strengthening of brand equity. Any investigation of the effects of sponsorship should thus consider both brand awareness and brand image given that the effective building of brand image is predicated upon an established and appropriate understanding of the brand.

Limitations and Research Directions

While this study has been successful in replicating the work and findings of Lee et al (1997), the results should be taken with some caution. Like Lee et al (1997), this research did not conduct a full scale construct validation process as advocated by Churchill (1979). The research replicated the work of Lee et al (1997) and can only therefore provide face validity for the consumer-related sponsorship constructs advocated by these authors. Future research should seek to establish full scale construct validity for the proposed sponsorship constructs.

A second limitation arises from the generalisability of this research. The goal of this research was to extent the generalisability of the consumer-related sponsorship constructs across various sponsorship situations. This can only be achieved by conducting the same study using different settings. The original study by Lee et al (1997) was conducted in America and used three global sporting events (the 1992 Winter & Summer Olympics and the 1994 World Cup Soccer). The research reported here used a national-level rugby competition in New Zealand. Although the sponsorship situation was different (i.e. a different country, at a national level and using a competition), the results cannot necessarily be generalised to other events and sponsorship situations (e.g. Art & music events). Further studies using other sponsorship settings are needed to build confidence in the robustness of the attitudinal constructs designed to capture attitudes towards sponsorship activities.

Thirdly, the sample populations used in this research and in the Lee et al (1997) study comprise highly involved consumers. In this case, the choice of sample frame almost guarantees capture of those who have an interest in rugby as a sporting activity. The findings may not therefore be readily applied to those consumers of the event who have no interest in this type of sport, that is, who may not be sports/rugby fans, but who may be seeking a broader "entertainment" value through their participation in the event.

The results of this study facilitate future sponsorship research by reinforcing the validity of the sponsorship definition advocated by Lee et al (1997). That Lee et al's (1997) three constructs also emerged in the NPC study provides a further contribution to the face validity of the sponsorship definition advocated by Lee et al (1997). Furthermore, validation of these constructs is a step towards the development of a comprehensive model of sponsorship. Identifying, developing and refining additional constructs, and attempts to provide marketing managers with a better understanding of the linkage between such constructs and behavioural outcomes of sponsorship should be a major focus of future sponsorship research.

References

- Asimakopoulos, M.K. (1993), "Sport Marketing and Sponsoring: The Experience of Greece", Sport Marketing Quarterly, 2 (3), pp. 44-48.
- Churchill, G A. (1979), "A paradigm for developing better measures of marketing constructs", *Journal of Market Research*, Feb, pp. 64-73.
- Cornwell, T. (1995), "Sponsorship-linked marketing development", *Sports Marketing Quarterly*, **4** (4), pp. 3-24.
- Cornewell, T.B. and Maignan, I. (1998), "An International Review of Sponsorship Research", *Journal of Advertising*, **27** (1), pp. 1-21.
- Gardner, M.P. and Shuman, P. (1987), "Sponsorship: An Important Component of the Promotion Mix", *Journal of Advertising*, **16** (1), pp. 11-17.
- Gwinner K. (1997), "A model of image creation and image transfer in event sponsorship", *International Marketing Review*, **14** (3), pp. 145-154.
- Hair, J.F, Anderson, R.E, Tatham, R.L, and Black, W.C. (1998), *Multivariate Data Analysis*, Prentice-Hall International, Inc, 5th edition.
- Hastings, G.B. (1984), "Sponsorship Works Differently from Advertising", *International Journal of Advertising*, 3, pp. 171-176.
- Javalgi R, Traylor M, Gross A, and Lampan E. (1994), "Awareness of sponsorship and corporate image: An empirical investigation", *Journal of Advertising*, **23** (4), pp. 47-58.
- Keller, K.L. (1993), "Conceptualizing, Measuring, and Managing Consumer-Based Brand Equity", *Journal of Marketing*, **57** (1), pp. 1-22.
- Kinnear, P.R. and Gray, C.D. (1994), SPSS for Windows made simple, Psychology Press: Erlbaum (UK) Taylor and Francis.
- Kuzma J, Shanklin W, and McCally J. Jr. (1993), "Number one principle for sporting events seeking corporate sponsors: meet benefactor's objectives", *Sports Marketing Quarterly*, **2** (3), pp. 27-32.
- Lee M, Sandler D, and Shani D. (1997), "Attitudinal constructs towards sponsorship Scale development using three sporting events", *International Marketing Review*, 14 (3), pp. 124-133.

- McCarville, R.E, Flood, C.M. and Froats, T.A. (1998), "The Effectiveness of Selected Promotions on Spectators' Assessments of a Nonprofit Sporting Event Sponsor", *Journal of Sport Management*, 12 (1), pp. 51-32.
- McDaniel S, and Kinney L. (1996), "Ambush marketing revisited: an experimental study of perceived sponsorship effects on brand awareness, attitude toward the brand, and purchase intention", *Journal of Promotion Management*, 3, pp. 41-167.
- McDonald, C. (1991), "Sponsorship and the Image of the Sponsor", European Journal of Marketing, 25 (11), pp. 31-38.
- Meenaghan, J. (1983), "Commercial Sponsorship", European Journal of Marketing, 7 (7), pp. 5-71.
- Meenaghan, J. (1991), "The Role of Sponsorship in the Marketing Communications Mix", *International Journal of Advertising*, **10** (1), pp. 35-47.
- Meenaghan, J. (1998), "Current developments and future directions in sponsorship", International Journal of Advertising, 17 (1), pp. 3-28.
- Meerabeau, E, Gillet, R, Kennedy, M, Adeoba, J, Byass, M and Tabi, K. (1991), "Sponsorship and the Drinks Industry in the 1990's", European Journal of Marketing, 25 (11), pp. 39-56.
- Munshi, J. (1990), "A method for constructing Likert Scales", (Working paper) http://munshi.sonoma.edu/working/LIKERT.HTML.
- Nicholls, J.A.F, Roslow, S, and Laskey, H.A. (1994), "Sports Event Sponsorship for Brand Promotion", *Journal of Applied Research*, **10** (4), pp. 35-40.
- Nunally, J.C and Bernstein, I.H. (1994), Psychometric Theory, McGraw-Hill, Inc.
- Otker, T. (1998), "Exploitation: The Key to Sponsorship Success", European Research, 16 (2), pp. 77-85.
- Pham, M.T. (1991), "The Evaluation of Sponsorship Effectiveness: A Model and Some Methodological Considerations", *Gestion 2000*, pp. 47-65.
- Pope N. (1998), "Consumption values, sponsorship awareness, brand and product use", *Journal of Product and Brand Management*, 7 (2), pp. 146-152.
- Robinson, J.P, Shaver, P.R and Wrightsman, L.S. (1991), "Criteria for Scale Selection and Evaluation", in *Measures of Personality and Social Psychology Attitudes*, J.P.

- Robinson, P.R. Shanver, and L.S. Wrightsman (eds.). San Diego, Calif.: Academic Press.
- Sandler D, and Shani D. (1989), "Olympic sponsorship vs. 'ambush' marketing: who gets the gold?", *Journal of Advertising Research*, **29** (Aug-Sep), pp. 9-14.
- Sandler D, and Shani D. (1993), "Sponsorship and the Olympic Games: the consumer perspective", *Sports Marketing Quarterly*, **2** (3), pp. 38-43.
- Shani, D and Sandler, D. (1996), "The sports event pyramid", *Marketing News*, 26 August, p. 16.
- Speed, R and Thompson, P. (2000), "Determinants of sports sponsorship response", Academy of Marketing Science Journal, 28 (2), pp. 226-239.
- Thwaites, D, Black, A.J, and Aguilar-Manjarrez, R. (1997), "Corporate Sponsorship of UK Horseracing: Theory and Practice", *European Journal for Sport Management*, 4 (1), pp. 26-48.
- Young, C. (1998), "Building on Sponsorship", *Marketing Magazine*, September, pp. 33-34.

Table 3. Results of the 1997 NPC Exploratory Factor Analysis (rotated factor matrix)

Constructs and Factor Loadings

Measurement Items	Factor 1 Attitude towards event	Factor 2 Attitude towards commercialisation	Factor 3 Attitude towards behavioural intent
I enjoy following the progress of the NPC (ENJOY)	0.817	-0.176	-0.005
I consider myself a strong supporter of my NPC team (SUPPORT)	0.742	-0.107	0.244
The NPC symbolises the New Zealand spirit of competitiveness (SPIRIT)	0.781	-0.111	0.128
The NPC is an example of rugby sport at its best (BEST)	0.704	-0.009	0.273
I like the NPC because of the enthusiasm of players and spectators (ENTHUSIASM)	0.763	0.003	0.188
Companies that sponsor the NPC are doing it mainly to increase their profits (PROFITFOCUS)	-0.110	0.621	0.008
Instead of spending their money on NPC Sponsorship, the company should improve the quality of their products (SPONQUAL TRADE-OFF)	0.126	0.602	0.153
I feel that the NPC is too commercialised (TOOCOMM)	-0.240	0.654	-0.009
Official sponsors of the NPC should not try to commercialise it (COMMERCL)	-0.207	0.726	0.006
The NPC logo should not be used for commercial purposes (LOGOCOMM)	0.197	0.704	-0.003
The NPC is losing its original meaning due to excessive sponsorship (LOSTIDENTITY)	-0.009	0.842	-0.007
Sponsorship of an event is not a good way of spending company promotional money (SPENDEFFECT)	-0.001	0.637	-0.001
Advertising an official sponsorship status indicates that the company supports the NPC just for profit motives (PROFITMOTIVES)	-0.190	0.634	0.122
I am more likely to buy products from companies that are official sponsors (PURCHASE)	0.235	0.006	0.855
When I purchase a product, I look for the NPC logo (LOGOIMPORTANCE)	0.009	0.177	0.780
My purchase decision is more influenced by a company's sponsorship of the NPC than by the company's advertising (SPONSINFLUENCE)	0.163	0.006	0.774
I would recommend products of official sponsors of the NPC to my friends (RECOMMEND)	0.256	0.001	0.770
I tend to pay more attention to the advertising by official sponsors of the NPC (ATTENTION)	0.006	0.002	0.717
I am willing to pay somewhat higher prices for products of official sponsors of the NPC (HIGHERPRICES)	-0.009	-0.005	0.632
The fact that a company is an official sponsor has no impact on my purchase decisions (PURCHASEIMPACT) ^a 'Notes:	-0.007	-0.444	0.602

'Notes:

Extraction Method: Principal Component Analysis, Kaiser Normalization and Varimax rotation with convergence in 5 iterations. Interpretation of the final rotated solution focuses on the larger factor loadings over 0.40 (shaded areas) and conceptual meaning of the three sponsorship constructs.

^a The item Impact is reverse coded.

WORKING PAPER SERIES

The main purpose of this series is to reach a wide audience quickly for feedback on recently completed or in progress research. All papers are reviewed before publication.

A full catalogue with abstracts and details of other publications is available, for enquires and to be included in our distribution list, write to:

Angela Dolan Manager Administration Services GSBGM, Victoria University of Wellington, PO Box 600, Wellington, New Zealand Tel: (04) 463 5366: Fax: (04) 463 5454

Code in bold denotes order number, eg: WP 1/99

--- Group denotes the author's academic discipline Group (note this does not necessarily define the subject matter, as staff's interests may not be confined to the subjects they teach).

WP 1/95 Management Group

Gilbertson, D.K., Wright, H., Yska, G, Gilbertson, D.W. and 1994 Students of MGMT 306 'Kiwi entrepreneurs: A study.'

WP 2/95 Management Group

Cavana, R. Policy issues related to coastal and international shipping in New Zealand'

Shipping policy issues. *Transportant: The Journal of the Chartered Institute of Transport in New Zealand* 1995, Vol 25, No 2, 17-19.

WP 3/95 Information Systems Group

Bonner, Marcus 'On seeing information systems as bridges'

WP 4/95 Management Group

Cavana, Bob, Rob Crozier, Barrie Davis and Perumal Pillai 'A survey of academic staff attitudes towards the system of academic titles used in New Zealand universities'

Attitudes Towards Reclassifying Academic Titles in New Zealand Universities. *The Journal of Higher Education Policy and Management 1996, Vol 18, No 1.*

WP 5/95 Econometrics Group

Krawczyk, J.B. and G. Zaccour 'Pollution management through levies and subsidies'

WP 6/95 Marketing Group

Ashill, Nicholas and Malcolm Wright 'Marketing information systems - A review and reconceptulisation'
WP 7/95
Information Systems Group

Casey, Mary-Ellen 'An exploratory study into the use of information technology as an important enabler of organisational differentiation in the financial sector'

WP 8/95 Economics Group

Boles de Boer, David and Lewis Evans The economic efficiency of telecommunications in a deregulated market: the case of New Zealand'

WP 9/95 Management Group

Mabin, Victoria J. 'Using spreadsheet optimisation facilities as a decision aid within the theory of constraints framework'

WP 10/95 Economics Group

M. Khaled, M.D. Adams and M. Pickford Estimates of scale and scope economies in the New Zealand life insurance industry.'

WP 11/95 Economics Group

John A. Carlson and Robert A. Buckle 'Price duration with two-sided pricing rules'

In Karl Heinrich Oppenlaender and Guenter Poser (Eds.) Business Cycle Surveys: Forecasting Issues and Methodological Aspects. Aldershot, Avebury. 1996: 101-118.

WP 12/95 Economics Group

Ganesh Nana 'Developing a multi-sectoral CGE model of the New Zeland economy.'

Money and Finance Group and Economics Group

Stephen Burnell, Lewis Evans and Shuntian Yao 'Network games: The optimal network contract and the efficiency of bypass in oligopolistic network industries under light regulation'

WP 14/95

Economic History Group

Gordon Boyce 'The Nickel Syndicate, 1901 - 1939'

WP 15/95

Money and Finance Group

Jan Whitwell 'Monetary disinflation with inflation inertia: Central bank autonomy in an open economy'

WP 16/95

Economics Group

Emery, H. Daniel V. Gordon and Doug McClintock 'On the efficacy of construction site safety inspections.'

WP 17/95

Economics Group

Ganesh Nana 'An inter-temporal CGE model with fiscal and sector balances'

WP 18/95

Economics Group

Jie Zhang 'Government debt, human capital, and endogenous growth'

WP 19/95

Accountancy Group

Zahirul Hoque and Manzurul Alam 'Quality management and accounting in a New Zealand service organisation: Towards an institutional perspective on management accounting'

WP 20/95

Economics Group

Paul Calcott 'Can we test for supplier-induced demand by comparing informed with uninformed consumers?"

WP 1/96

Management Group

M.W. Lee, J. Bennett, R.J. Taylor and R.Y. Cavana 'A dynamic simulation model for possum and gorse control on a farm woodlot.'

> R.Y.Cavana, M.W.Lee, J.Bennett & R.J.Taylor. 1996. Possum and gorse control on a farm woodlot in New Zealand: A system dynamics analysis. Asia-Pacific Journal of Operational Research, Vol 13, No. 2, pp. 181-207.

WP 2/96

Economics Group

Jie Zhang 'Optimal public investments in education, and endogenous growth'

Economics Group

Paul Tompkinson 'The benefits of tariff reductions in the presence of psychological adjustments costs.' WP 4/96 **Economics Group**

Shuntian Yao 'A note on the decision of a sales maximizer in response to the increase of per unit cost.'

WP5/96 **Economics Group** Karen Palmer and Margaret Walls 'Optimal policies for solid waste disposal: taxes, subsidies and

standards' WP6/96

Economics Group

Margaret Walls and Jean Hanson 'Distributional impacts of an environmental tax shift: the case of motor vehicle emission taxes.'

WP7/96

Economics Group

Lloyd S Shapley and Shuntian Yao 'Dynamic properties of the Nash equilibrium.'

WP 8/96

Accountancy Group

Kamran Ahmed, Kazi Feroz Alam and Manzurul Alam 'An empirical study of factors affecting accounting students' career choice in New Zealand'

WP9/96

Accountancy Group

Andrew MC Smith and Paul V Dunmore 'Tax Avoidance and the Financial Structures of Non -Resident Controlled Companies in New Zealand'

WP10/96

Econometrics Group

L Fraser Jackson. Relative Prices and Inflation.'

WP11/96

Public Policy Group

Robert Gregory. 'Reserve Bank independence, political responsibility, and the goals of anti-democratic policy: A political 'Cri de Coeur' in response to an economist's perspective.

WP12/96

Economics Group

Robert A. Buckle and John A. Carlson. 'Inflation and asymmetric price adjustment.'

WP13/96

Econometrics Group

J.B. Krawczyk, O. Pourtallier and M. Tidball. 'Modelling and solution to the municipal effluent management problem.

WP14/96 Economics Group

Viv B. Hall and David Rae. 'Fiscal expansion, interest rate risk premia, and wage reactions: Some illustrative simulations with NBNZ-DEMONZ.'

WP15/96 Economics Group

Viv. B. Hall, Kunhong Kim and Robert A. Buckle. 'Pacific rim business cycle analysis: Dating, volatility and synchronisation.'

WP16/96 Management Group

S. Davenport, C. Grimes and J. Davies. 'Collaboration and organisational learning: A study of a New Zealand collaborative research programme.'

WP1/97 Information Systems Group

Marcus Bonner and Mary-Ellen Casey. 'The informated individual - a consideration of importance to the business organisation.'

WP2/97 Management Group

R.Y. Cavana, I.G. Harrison, F.E.B. Heffernan and C.C. Kissling. 'Freight transport industry in New Zealand.'

WP3/97 School of Economics and Finance

Steffan Berridge and Jacek B Krawczyk. 'Relaxation Algorithams in finding Nash Equilibria.'

WP 4/97 School of Economics and Finance

Margaret Walls and Karen Palmer. 'Upstream Pollution, Downstream Waste Disposal, and the Design of Comprehensive Environmental Policies'

WP 1/98 School of Economics and Finance

John Haywood and Granville Tunnicliffe Wilson. 'Selection and Estimation of Trigonometric Component Models for Seasonal Time Series'

WP 2/98 School of Economics and Finance

Roger J Bowden, 'CAPM and Empirical Embedding: When is 'near enough', good enough?'

WP 3/98 School of Economics and Finance

Roger J Bowden, 'The Discrete Time Beta'

WP 4/98 School of Economics and Finance

Viv B Hall, 'Assessing Structural Adjustment and Economic Reform: the Case of New Zealand'

WP 5/98 School of Economics and Finance

Jacques Poot and Jacques J Siegers, 'The Macroeconomics of Fertility in Small Open Economies: A test of the Becker-Barro Model for the Netherlands and New Zealand'

WP 6/98 School of Business and Public Management

Nicholas J. Lee and John W. Cadogan, "Factors Influencing Sales Manager Effectiveness: Preliminary Findings and Future Research Directions"

WP 7/98 School of Business and Public Management

Nicholas J. Ashill, Lisa J. Casagranda and Peter M. Stevens, "Creating Competetive Advantage Using the Internet in Primary Sector Industries"

WP 1/99 School of Business and Public Management

Robert Y. Cavana, Paul J. Carroll, Mark B. Lockhart and Ronald J. Peake, "Hawkes Bay Apple and Pear Growers' Attitudes towards the proposed Deregulation of the Pipfruit Industry in New Zealand"

WP 2/99 School of Economics and Finance

Olivier Jeanne and Andrew K. Rose, "Noise Trading and Exchange Rate Regimes"

WP 3/99 School of Business and Public Management

Robert Y. Cavana and Leslie V.Clifford, "The Matrix, the Spiderweb and the Influence Diagram:

Developments in Systems Thinking at the New Zealand Customs Service".

WP 4/99 School of Economics and Finance

Jacques Poot, 'Reflections on Local and Economy-wide Effects of Territorial Competition'

WP 5/99

School of Economics and Finance

John Haywood and Granville Tunnicliffe Wilson, 'An improved state space representation for cyclical time series'

WP6/99

School of Business and Public Management

Nicholas J. Ashill and David Jobber, 'A Conceptual Framework of MkIS Design: The Impact of Environmental Uncertainty Perceptions, Decision-Maker Characteristics and Work Environment Factors on the Perceived Usefulness of Marketing Information Characteristics'

WP 1/00

School of Economics and Finance

Philip S. Morrison, Kerry L. Papps and Jacques Poot, 'Local Labour Markets, Migration and Wage Determination: Theory and Evidence for the Wage Curve in New Zealand'

WP 2/00

School of Business and Public Management

Robert Stephens, Paul Frater and Charles Waldegrave, 'Below the Line: an Analysis of Income Poverty in New Zealand, 1984 – 1998'

WP 3/00

Graduate School of Business and Government Management

Paul M. Dickie, 'Corporate Debt/Equity Ratios and the Korean Financial Crisis'

WP4/00

School of Business and Public Management

Nicholas J. Ashill, John Davies and Anthony Joe, 'Sponsorship Scale Development: A Study of a National Sports Event in New Zealand'.