

CONSUMER REACTIONS TO SPORT-EVENT SPONSORSHIP: A CASE STUDY OF THE 2006 CAPE ARGUS PICK 'N PAY CYCLE TOUR

B Knott* & K Swart†

ABSTRACT

Sport-event sponsorship has rarely undergone systematic study, and few empirical studies have looked at the effect of sponsorship on the consumer. This study investigated consumer reactions to the sponsor organisations and identified factors that influenced reactions among participants of the 2006 Cape Argus Pick 'n Pay Cycle Tour (CAPPCT). The descriptive research design consisted of self-administered questionnaires, conducted online, on the CAPPCT website. Emails containing a hyperlink to the survey were sent out to eligible participants from the CAPPCT database. A response of 213 valid answers was received. The findings indicated that event participants have a highly positive reaction to event sponsors. There are three components of this positive reaction: i) participants have a highly positive reaction toward the event; ii) they do not believe that the event is over-commercialised; and iii) the event sponsorship has a positive influence on the participants' attitudes towards behavioural intent (namely high levels of awareness of and support for sponsors, as well as influencing the image perceptions of and satisfaction with sponsors, and increased likelihood to purchase).

INTRODUCTION

There has been a dearth of research in the Special Interest Tourism (SIT) market of sport tourism, especially in South Africa (Shaffie 2005: 4). Playing a key role in both the supply and demand sides of the sport-event marketing system, sponsorship has rarely undergone systematic study, and very few empirical studies have looked at the effect of sponsorship on the consumer (Lee, Sandler & Shani 1997). Nevertheless, sport sponsorship continues to grow in popularity and value as a sport-event marketing tool, both in this country and internationally.

D'Astous and Bitz (1995) note a lack of empirical studies examining the impact of sponsorship on consumers. Most studies have tended to be broad measures of awareness and favourability, which McDonald (1991: 32) claims is no substitute for understanding perception and response. D'Astous and Bitz (1995) also conclude that consumer interest or involvement in an event has a heightened impact on sponsorship perceptions. Getz (1997: 24) notes a trend toward sponsoring events where consumers are participants and not just spectators, such as the Cape Argus Pick 'n Pay Cycle Tour (CAPPCT), which has approximately 35 000 participants annually. This study therefore aims to investigate consumer reactions to the sponsoring organisations and to identify the factors that influence consumer reactions among high-involvement consumers, namely participants of the CAPPCT 2006.

Through its phenomenal ability to generate audiences and build consumer relationships, sport has been transformed from a game into a thriving industry (Media Forum: get with the game, 1999: 63). Gwinner (1997) claims that the proliferation of leisure events and a global trend towards increased leisure pursuits in today's society has led to the growing importance of sport-event sponsorship internationally. The sponsor-event relationship is regarded as symbiotic, as corporations promote themselves through events, and events are dependent on the revenue and services that they derive from the sponsors (Getz 1997: 24). Within South Africa, sport sponsorship is at present the fastest-growing segment of the communications mix, growing by

20.4% per annum between 1985 and 2003. Total expenditure on sport sponsorship in South Africa in 2003 was valued at R3.2 billion (BMI Sport Info 2004).

Sport has traditionally been the largest and most widely used sponsorship sector, accounting for between 75 and 80% of total sponsorship spend in the UK and the US (Thwaites 1994). Thwaites further suggests that sport exhibits a number of advantages over other sectors, such as high levels of visibility and the ability to target a full range of demographic and psychographic segments. It has the potential to target mass markets or specific niches, and is easily usable for a global marketing approach, with an ability to transcend national boundaries and overcome cultural barriers. However, although the sport sector remains the most popular, other sectors, such as music, theatre, dance, art, the environment and education, are becoming increasingly popular (Duffy 2003: 84).

Despite the growing use of sport-event sponsorship, there is a dearth of academic literature to guide a company's decisions about what events to sponsor, how to leverage their sponsorship resources and what responses to expect (Speed & Thompson 2000: 226). D'Astous and Bitz (1995) noted that there was a need for research aimed at identifying and understanding the factors that influence consumer reactions towards sponsoring activities. Sponsorship research to date has not adopted any specific theoretical framework that could guide investigations of consumers' reactions to sponsorship, and there is much debate over research methodology (Speed & Thompson 2000: 226).

MEASURING CONSUMER REACTIONS TO SPORT-EVENT SPONSORSHIP

The discussion now turns more specifically to the empirical studies that have looked at the effect of sponsorship on the consumer. Most of these measure the impact of the sponsorship effort on the recall and recognition of sponsors. Turco (1995: 9–11) examined both corporate image and purchase intention effects of sponsorship awareness, finding that respondents (event spectators) indicated that they had a more favourable image of the company and that they would be more likely to purchase their products.

Lee et al. (1997: 160) noted the increasing importance of understanding consumer reaction to the sponsoring organisation and of investigating how sponsorship influences consumers. They identified three attitude constructs, based on their definition of sponsorship, namely attitude towards the event, attitude towards commercialisation, and attitude towards behavioural intent (Lee et al. 1997: 163). This is now further explained:

Attitude towards the event

An event's image is represented by the public's overall subjective perceptions of its activities (Gwinner 1997). A consistently favourable or unfavourable response to an event is formed through the accumulation of an individual's experiences over time. This factor relates to the consumers' enjoyment of the event, their support for the event and their belief that it represents a high-quality performance.

D'Astous and Bitz (1995) proposed three factors that influence the perceived image of the event: event type, event characteristics and other individual factors. Gwinner (1997) also proposes that a range of other variable individual factors are also likely to affect an individual's event image perceptions. These may be related to the number of images an individual associates with an event, the strength of each particular image and the unique experiences an individual associates with an event.

Attitude towards commercialisation

It has already been discussed that there is an increase in sponsorship-linked marketing activities surrounding sport events. This can be referred to as the "commercialisation" of sport events. Meenaghan and Shipley (1999) explain that highly commercialised categories of sponsorship are

adjudged by consumers to be similar to advertising and less deserving of goodwill. Perceived over-exploitation of events reduces the level of goodwill accorded to the sponsor.

Attitude towards behavioural intent

Consumers differ in their inclination to act on the sponsorship activity or messages of the sponsoring companies. For example, this could range from consumer awareness of sponsoring brands, to consumer willingness to purchase the products or services of sponsoring companies.

These constructs and their relationship to each other are depicted in figure 1.

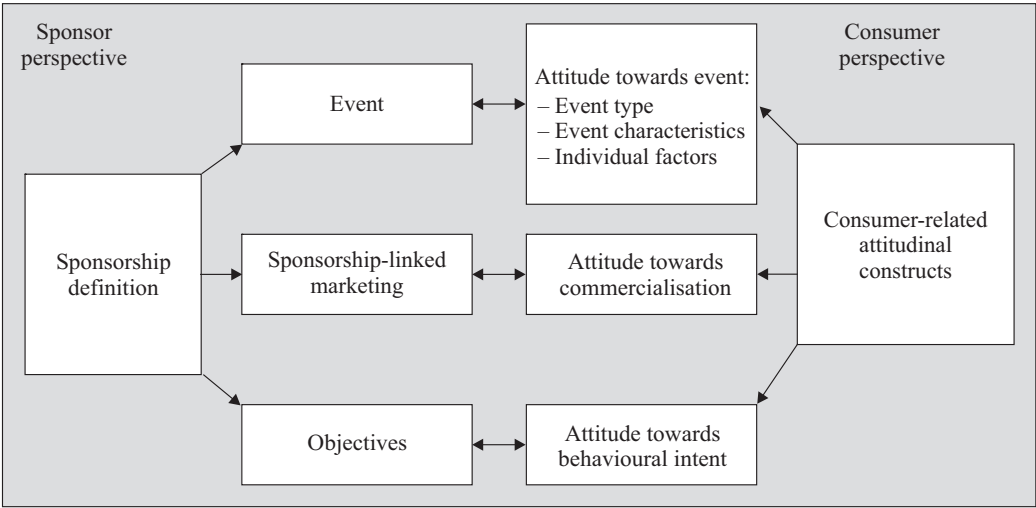


Figure 1: Relationship of attitudinal constructs (adapted from Lee et al. 1997: 163)

The above constructs led the researcher to propose the following sub-hypotheses for the first hypothesis: Ho: Consumers have a positive reaction to sport-event sponsors.

Ha: Participants have a highly positive reaction towards the CAPPCT event.

Hb: Participants have a negative reaction towards commercialisation.

Hc: Sponsorship induces a positive influence on the participants' attitude towards behavioural intent.

METHODOLOGY

The primary research objective was to identify reactions to sport sponsorship among the event participants. The researcher conducted experience interviews with selected individuals in order to gain insights into the knowledge and experience of those familiar with the general subjects of corporate sponsorship, and event marketing and management. These interviews were conducted in an informal, semi-structured manner.

The descriptive research design consisted of posting self-administered questionnaires on the CAPPCT website: <http://www.cycletour.co.za>. A general newsletter email, that included a covering paragraph explaining the study, was sent to the entire CAPPCT database of approximately 30 000 people. This explained the reason for the research and contained the link for respondents to click on, directing them to the actual hypertext mark-up language (HTML) coded survey.

Email was chosen as opposed to mail surveys due mostly to its cost effectiveness and immediacy of response. However, there were many factors that were considered when deciding which instrument to use, with some only applicable to this particular study. According to Shaffie

(2005: 67), the use of email surveys does have some drawbacks and its legitimacy as a research tool is still being questioned. However, in practice it appears that the medium is gaining popularity in use (Shaffie 2005: 67).

The survey itself was hosted on the same server as the official CAPPCT website. However, it was not visible or accessible to ordinary visitors to the site because the link did not appear on the user interface of the website. It was thus only accessible to those who received the email containing the hyperlink. In effect, respondents were invited to visit the website and complete the survey. "Hiding" the survey and distributing the link allowed a greater degree of control to be maintained over who had access to it.

The physical layout of the survey allowed the respondents to click the checkboxes in order to select their answers. The survey was designed in such a way that respondents only had to scroll down in order to view the rest of the survey, and on completion, click a "Submit" button. All the submitted answers from respondents were then gathered and captured into a Microsoft *Access* database.

RESEARCH FINDINGS

Summary profile of respondents

The respondents were mostly people who had participated in the CAPPCT a number of times, with 32.4% of the respondents having cycled in three to five events and 36.2% having cycled in six or more events. Two-thirds of the respondents (66.8%) had cycled in three or more events. The respondent profile was 82% male and 18% female. Nearly 59% of respondents fell within the two age categories of 31 to 40 years (28.2%) and 41 to 50 years (30.5%). This is similar to the average age of total race participants, which is 40 years for males and 37 years for females. According to historical race classification and income, the respondent profile is very skewed toward 'white' (84%), high-income earners, with nearly half the respondents (49.9%) earning more than R20 000 per month. Of the respondents, 52% had at least a university or a postgraduate degree, with another 37% having obtained a certificate, diploma or other industry qualification. The biggest employment categories were "administration/manager" (20.2%), "professional/doctor" (20.2%) and "businessperson" (14.1%), which accounted for over half the respondents.

These demographic results were not as representative of the general event profile as was hoped for. This is certainly a limitation in this study and perhaps related to the electronic method of the survey. All of the following findings will therefore need to take this respondent profile into consideration.

Apart from the demographics, the researcher suggests that the respondents have a high level of involvement with the event. Respondents believe that the CAPPCT is a prestigious event (91% agreement) that is held in high regard by their community (93%). Taking part in the event is of great importance to them (92%). It is not certain whether respondents are highly involved in the sport of cycling as only 43% agreed that they think about cycling all the time, although 70% cycle as often as they can.

IDENTIFYING REACTIONS TO SPONSORSHIP

Having analysed the profile of respondents, this section now looks at Research Objective #1: To identify reactions to sport sponsorship among the event participants.

The first measure of consumer reaction was to gauge respondents' awareness of the event sponsors. The two primary naming-rights sponsors, Cape Argus (96.2%) and Pick 'n Pay (96.7%), received the highest levels of awareness, as would be expected. Powerade (86.4%) and Coca-Cola (77.9%) also showed high levels of awareness, with Medi-Clinic (48.8%) the only other awareness percentage of magnitude.

Further to the respondent awareness of sponsors, respondents were asked if they held a more favourable perception of the sponsoring companies or brands as a result of their association with or sponsorship of the Cycle Tour. Just over 70% (71.4%) of total respondents agreed that they held a more favourable perception of these companies because of their sponsorship.

Lee et al. (1997: 160) identified three attitude constructs that are involved in the formation of consumer attitude or response towards the sponsor. These are: attitude towards the event, attitude towards commercialisation, and attitude towards behavioural intent. The following section now looks at each of these constructs in turn.

ATTITUDE TOWARDS THE EVENT

Consumers' attitude towards an event is represented by their overall, subjective perceptions of the event's activities (Gwinner 1997). A consistently favourable or unfavourable response to an event is formed through the accumulation of individuals' experiences over time. This factor relates to consumers' enjoyment of the event, their support for the event and their belief that it represents a high-quality performance.

From the findings, it is evident that the participants believe that the CAPPCT is a prestigious event (91% agreement) and an event that is held in high regard by their community (93%). Taking part in the event is of great importance (92%) to respondents.

ATTITUDE TOWARDS COMMERCIALISATION

There is an increase in sponsorship-linked marketing activities surrounding sport events. This can be referred to as the "commercialisation" of sport events (Lee et al. 1997: 163). Meenaghan and Shipley (1999) explain that highly commercialised categories of sponsorship are adjudged by consumers to be similar to advertising and less deserving of goodwill. Perceived over-exploitation of events reduces the level of goodwill accorded to the sponsor, negatively impacting the consumer response toward the sponsor.

The only statement with moderate agreement (54%) from respondents was 9.1, which read: "Companies that sponsor this event should not try to commercialise it." The general disagreement with the other statements is consistent with the high level of favourable perception toward sponsors already discussed. While respondents agree that companies should not try to commercialise the event, they do not appear to believe that this particular event is too commercialised (14.1%), or that the Cycle Tour brand or logo should not be used for commercial purposes (35.2%). Respondents appear to support the use of sponsorship in this event, disagreeing with the statements that sponsors should rather spend their money on improving the quality of their products/services (8.9%) or that they would prefer to see sponsors spending their money on grassroots cycling development (24.9%).

ATTITUDE TOWARDS BEHAVIOURAL INTENT

The third construct involved in the formation of consumer perception of sponsorship is the attitude of consumers toward their behavioural intent (Lee et al. 1997: 163). Consumers differ in their inclination to act on the sponsorship activity or messages of the sponsoring companies. For example, this could range from consumer awareness of sponsoring brands to influencing consumer perceptions of the sponsor, or to consumer willingness to purchase the products or services of sponsoring companies.

Participants were asked their agreement with a range of statements, using an eight-item, five-point Likert-type scale, from 1 (strongly agree) to 5 (strongly disagree), with 3 being "unsure". There appears to be strongest agreement that the sponsorship has (with mean scores in brackets) made participants aware of the sponsors (2.20) and more likely to support the sponsor over competing companies (2.26). The responses to statements 10.2 and 10.7 (with mean scores in

brackets) support the fact that respondents are more likely to buy the sponsors products (2.55) and do not agree that sponsorship has no impact on their purchasing behaviour (2.97).

The results indicate that (with mean scores in brackets) respondents were uncertain as to whether the sponsorship allowed them to interact/communicate with or relate to the company on a more personal level (2.87), although they do tend to agree that the event sponsorship has affected/influenced them more than the company's conventional advertising (2.42).

CONCLUSIONS AND RECOMMENDATIONS

Major hypothesis 1

Ho: Participants have a positive reaction to event sponsors

This hypothesis cannot be rejected. There was a very high awareness rating for the two joint primary sponsors, Pick 'n Pay and Cape Argus, with over 96% of respondents aware of these sponsors. Just over 70% (71.4%) agreed that they held a more favourable perception of the sponsoring companies because of their sponsorship.

There was very high agreement with a range of statements given to explain this favourable reaction, with agreement ranging between 92 and 98%. These statements were:

"I appreciate the sponsor's commitment to this event over the years."

"I am grateful to the sponsor for making it possible for this event to take place."

"By sponsoring this event, the sponsor has made a positive contribution to society."

"I appreciate that the sponsor has shown their commitment to cycling through a range of other activities, projects and initiatives."

"I have enjoyed participating in events sponsored by this company/brand."

The researcher thus concludes that the awareness and favourability towards event sponsors among participants is significant enough for the acceptance of this first hypothesis.

As discussed earlier, the reaction to sponsors is broken up into three components: reaction towards the event, reaction towards commercialisation and reaction toward buying behaviour. These are now dealt with in turn, as sub-hypotheses:

SUB-HYPOTHESES

Ha: Participants have a highly positive reaction towards the event

This sub-hypothesis cannot be rejected. Consumers' attitude towards an event is represented by their overall subjective perceptions of the event's activities (Gwinner 1997). A consistently favourable or unfavourable response to an event is formed through the accumulation of individuals' experiences over time. This factor relates to consumers' enjoyment of the event, their support for the event and their belief that it represents a high quality performance.

There was very high agreement with the following statements posed, ranging from 91 to 93% agreement:

"People in my community think very highly of the Cape Argus Pick 'n Pay Cycle Tour."

"It is considered prestigious to participate in the Cape Argus Pick 'n Pay Cycle Tour."

"Taking part in the Cape Argus Pick 'n Pay Cycle Tour is very important to me."

Once again, this high level of agreement did not significantly differ by any demographic factors tested.

Hb: Participants have a negative reaction towards commercialisation

This sub-hypothesis cannot be accepted. There is an increase in sponsorship-linked marketing activities surrounding sport events. This can be referred to as the "commercialisation" of sport events (Lee et al. 1997: 163). Meenaghan and Shipley (1999) explain that highly commercialised categories of sponsorship are adjudged by consumers to be similar to advertising, and less

deserving of goodwill. Perceived over-exploitation of events reduces the level of goodwill accorded to the sponsor, negatively impacting the consumer response toward the sponsor.

From the findings it appears that respondents do not believe that the event is too commercialised. They would not like sponsors to rather spend their money on improving their products/services, and would generally not prefer sponsors to spend their money on “grassroots” cycling development rather than on event sponsorship.

Hc: Sponsorship induces a positive influence on the participants' attitude towards behavioural intent

This sub-hypothesis cannot be rejected. Consumers differ in their inclination to act on the sponsorship activity or messages of the sponsoring companies. For example, this could range from consumer awareness of sponsoring brands to influencing consumer perceptions of the sponsor, or to consumer willingness to purchase the products or services of sponsoring companies (Lee et al. 1997: 163).

It appears that the strongest consumer reaction to sponsorship may be greater awareness of the company or brand. Respondents showed high levels of agreement with the two statements:

Knowing of the sponsorship . . .

- made me more aware of the company/ brand and its products.
- made me more likely to support this company over its competitors.

Although less significantly than awareness, respondents also agreed that the sponsorship influenced their purchasing behaviour and image perceptions of the sponsors, agreeing with the statements:

Knowing of the sponsorship . . .

- made me more likely to buy the company's products.
- gave me greater satisfaction in using the company's products.
- changed my perceptions of the company.

There was general disagreement that sponsorship had no impact on respondents' purchasing decisions. Linking these responses with the earlier strong agreement for support over competitors, it appears that sponsorship directly impacts respondent buying behaviour.

CONCLUDING REMARKS

It is envisaged that this investigation of participants' reactions to sponsorship, and factors influencing these reactions, will provide the Cape Town Cycle Tour Trust with a greater understanding of the effectiveness of the event sponsorship, which will aid the vital event management functions of sponsor feedback, satisfaction and procurement. By contributing toward the limited knowledge base of sport-event sponsorship in South Africa, the study provides useful insights for corporate marketers wanting to use sport as a brand-building tool, as well as for sport-event managers wanting to procure and leverage sponsorship opportunities.

The CAPPCT is one of a few major sport events that occurs annually in South Africa, still having the potential for greater development through a better understanding of sport-event sponsorship. Current and potential sponsors in turn will gain a better understanding of the effectiveness of the medium, rationalising their investment commitment to sport events.

As part of a broader study of key events in the Western Cape region and KwaZulu-Natal, the study provides a more holistic understanding of the management of sport events. South Africa is recognising the impact of the sport tourism market on the economy and as a nation-building tool. It is hoped that the results of this study will be useful for stakeholders of future major events in South Africa, particularly in light of the FIFA World Cup to be hosted in South Africa in 2010.

REFERENCES

- BMI Sport Info. 2004. *Sponsorwatch*. Unpublished trade report.
- Churchill, G. 1995. *Marketing research: methodological foundations*, 6th ed. Fort Worth, TX: Dryden.

- Collins concise dictionary*, 2nd ed. 1988. Glasgow: Collins.
- Crowley, M. 1991. Prioritising the sponsorship audience. *European Journal of Marketing*, 25(11): 11–21.
- Cycle Tour. n.d. Online at: <http://www.cycletour.co.za> (accessed 15 February & 5 December 2006).
- D'Astous, A. & Bitz, P. 1995. Consumer evaluations of sponsorship programmes. *European Journal of Marketing*, 29(12). Online at: <http://www.emerald-library.com> (accessed 10 June 2005).
- Duffy, N. 2003. *Passion branding*. Chichester: John Wiley.
- Erdogan, B.Z. & Kitchen, P.J. 1998. Managerial mindsets and the symbiotic relationship between sponsorship and advertising. *Marketing Intelligence and Planning*, 16(6): 369–374.
- Getz, D. 1997. *Event management and event tourism*. New York: Cognizent Communication.
- Getz, D. 1998. Trends, strategies and issues in sport event tourism. *Sport Marketing Quarterly*, 7(2): 8–13.
- Groenewald, A. 2006. Interview with the CEO of the Events Trust on 5 February, Cape Town.
- Gwinner, K. 1997. A model of image creation and image transfer in event sponsorship. *International Marketing Review*, 14(3). Online at: <http://www.emerald-library.com> (accessed 10 June 2005).
- Hooper, J. 2003. *Octagon – ahead of its game*. Unpublished trade report.
- Kotler, P. 1997. *Marketing management*, 9th ed. Upper Saddle River, NJ: Prentice Hall International.
- Lee, M., Sandler, D. & Shani, D. 1997. Attitudinal constructs towards sponsorship scale development using three global sporting events. *International Marketing Review*, 14(3). Online at: <http://www.emerald-library.com> (accessed 10 June 2005).
- McDonald, D. 1991. Sponsorship and the image of the sponsor. *European Journal of Marketing*, 25(11): 31–38.
- Media Forum 1999. Get with the game. *Marketing Mix*, 17(6): 63–65.
- Meenaghan, J. 1983. Commercial sponsorship. *European Journal of Marketing*, 17(7): 5–67.
- Meenaghan, T. 1991. The sponsorship medium. *European Journal of Marketing*, 25(11): 5–10.
- Meenaghan, T. & Shipley, D. 1999. Media effect in commercial sponsorship. *European Journal of Marketing*, 33(3): 15–22.
- Parker, K. 1991. Sponsorship: the research contribution. *European Journal of Marketing*, 25(11): 22–30.
- Quester, P. & Farelly, F. 1998. Brand association and memory decay effects of sponsorship: the case of the Australian Formula One Grand Prix. *Journal of Product and Brand Management*, 7(6): 539–556.
- Shaffie, R. 2005. *Profile of international participants of the 2004 Cape Argus Pick 'n Pay Cycle Tour*. Unpublished MBusSc thesis. Cape Town: University of Cape Town.
- Speed, R. & Thompson, P. 2000. Determinants of sports sponsorship response. *Journal of the Academy of Marketing Science*, 28(2): 226–238.
- Sports Marketing Surveys. 2005. *The world sponsorship monitor*. Unpublished trade report.
- Standeven, J. & De Knop, P. 1999. *Sport tourism*. Chicago, IL: Human Kinetics.
- Thwaites, D. 1994. Corporate sponsorship by the financial services industry. *Journal of Marketing Management*, 10: 743–763.
- Turco, D.M. 1995. The effects of sport sponsorship on product recall and corporate image. In Grant, K. & Walker, I. (Eds), *World Marketing Congress*, 7(3): 9–11.
- Turco, D.M., Riley, R. & Swart, K. 2002. *Sport tourism*. Morgantown, WV: Fitness Information Technology.

*** Mr Brendon Knott is a lecturer in the Sport Management department and Dr Kamilla Swart is head of the Centre for Tourism Research in Africa in the Faculty of Business at the Cape Peninsula University of Technology, Cape Town, South Africa.**