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S P O N S O R S H I P I N C O N T E X T

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D E D I C A T I O N

To my wife Gerardine, mother Hannah
and the loving memory of my father
Arthur.

'I have learned throughout my life
as a composer chiefly through my
mistakes and pursuits of false
assumptions, not by my exposure
to founts of wisdom and knowledge.'

Igor Stravinsky

'Between our birth and death we may
touch understanding, as a moth
brushes a window with its wing.'

Christopher Fry

A C K N O W L E D G E M E N T S

Due credit must be given to my mentors David Corkindale and Sherril Kennedy. The combination of David's cogitations and Sherril's confidence provided those all too necessary supplements to my occasional lapses.

I also extend my appreciation to Professor Gordon Wills and indeed the entire marketing department at Cranfield for creating the kind of atmosphere which has greatly aided my studies. Professor Harry Henry and Lucifer are thanked for their sagacity and wit - a potent combination.

My fellow doctoral students both past and present are to be warmly thanked for their friendship, encouragement, not to mention lifts to and from railway stations and occasional telephone sales calls - and sharing.

All of those people 'at the sharp end' deserve great thanks for the time which they so freely gave and the enthusiasm which they have had for this research.

The moral support of Gerardine has sustained me throughout. Her pragmatism and ability to put things in perspective have been unfailing.

Finally, I thank God for his constancy.

A B S T R A C T

The research described in this thesis is aimed at initiating a factually-based knowledge of the sponsorship of leisure pursuits as a promotional tool. Research to date has been scant leaving the subject largely in the realms of supposition.

The finding of this research can be classified under three headings:

- 1 A description of the overall sponsorship process
- 2 The evaluation of sponsorship
- 3 The implications for marketing management in general.

Based upon the first phase of field research the author constructs an overview of the sponsorship process. This demonstrates the wide range of industries which engage in sponsorship, identifies decision-making factors, sponsorship effects, and evaluation. Sponsorship is seen to be employed mainly in a strategic role, in that it is used to contribute to long term objectives. Marked disparities are observed between the effects claimed for sponsorship and the incidence of those claims being supported by evaluation.

In the second phase of research the evaluation methods adopted by sponsors are thoroughly investigated. It is observed that sponsorship objectives are generally too vague for worthwhile evaluation to be possible. Moreover, available information is not used properly as an input to improved practice. It is perceived that sponsorship can have a much more powerful role to play than is commonly understood. As a new means of promotion, sponsorship can imbue a brand or company with the particular characteristics which the relevant sport or art possess. It provides an additional vehicle for communication and is a novel means for targeting particular groups of people.

Thirdly, are the implications of the research for marketing management in general. From the literature review it is argued that there should be a direct relationship between decision-making and evaluation. Evaluation is the link which feeds information about the results of decisions back into better subsequent decision-making; and central to this process are well-defined objectives. The failure by managers to fully appreciate and practice this process is underlined.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction to the Area of Study

During the nineteen-seventies, Britain has had to endure the most serious economic difficulties since the great depression of the 'thirties. Despite the apparent austerity which has underlain this period of time, one has been able to witness the considerable expansion of a seemingly new commercial activity, namely the sponsorship of recreational pursuits.

To the general observer of business behaviour, sponsorship appears as a new way of publicising a company or product. The ubiquity of sponsorship can be attested to whenever televised sport is watched, its presence can be observed in probably every newspaper edition in the country, and even an evening's entertainment at the Royal Opera House at Covent Garden is often the product of sponsorship.

Despite the rapid growth of sponsorship it remains very much an enigma, lacking any substantive body of knowledge and being greatly unresearched. This research sets out to develop an empirically sound understanding of sponsorship; to identify its effects and their evaluation and to make proposals for improving the management of sponsorship.

Historically, sponsorship was generally used to describe the function performed by Godparents at baptisms, to represent a person acting as a surety for another, a person who introduced a proposal for legislation, or someone who subscribes to a charity. Its usage in the present context can be traced to about 1930 when the expression was used to define the action of a business firm or person paying for a broadcast programme which introduces advertisements of a commercial product.

This thesis is based upon the sponsorship (i.e. giving of support) which commercial organisations engage in with leisure pursuits.* Leisure is

*This research is based upon companies actively engaged in sponsorship and not upon those which have ceased sponsoring or those which have never been engaged in sponsorship.

defined as 'non-working time which is not already committed to some other necessary activity'.¹ The leisure pursuits concerned can be broadly identified as being either sporting pastimes or artistic activities. In other words these are activities which are generally regarded as being recreational. It has to be acknowledged that leisure is in itself the basis of a large and rapidly expanding industry. Sports goods companies achieved sales in the UK of some £190 million during 1977.² However, the essential feature of the leisure industry is that it seeks to supply a demand which arises from the public's non-working time.

In terms of the resources expended, sponsorship of sport is far more significant than that of the arts. As will be discussed later, the major reason for the predominance of sports sponsorship is the high level of interest in sport both in terms of active participation and spectatorship. Linked to this considerable interest in sport is the fact that televised sport is extremely popular. Given the combination of high interest in sport and the fact that the population of the UK aged 5 and over spent on average 20 hours per week watching television, according to research undertaken in 1977³ it is readily appreciated that sport presents itself as an attractive promotional opportunity.

Regarding the arts, the major area of interest lies in the performing arts, notably concerts, opera, ballet and to a lesser extent theatre. The visual arts are of significantly less importance in terms of attracting sponsorship funds.

Two factors which have been important in facilitating the growth of the leisure industry are the increase in the amount of leisure time available and the growth of discretionary income. Throughout the century the length of the official working week has gradually declined from 53 hours to 40 hours. In addition, early retirement and increased life

⁺ Sponsorship of students on educational courses, Members of Parliament, and all such non-leisure pursuits are not included in this research.

expectation have combined to give more leisure time to people, and holiday entitlements have grown. The rise in the standard of living can be seen in the way food expenditure per household has gradually declined as a percentage of total expenditure. Appendix 1 shows how consumers' expenditure has altered between 1961 and 1976. Of the 29 groups of items listed, expenditure on entertainment and recreational goods has shown the fifth highest growth rate, a real increase in spending of 92%.

Set against this background it can be appreciated that such an area of growth will have considerable commercial implications. For instance there are the increased sales of goods and services associated with leisure, and with sport attracting television coverage there presents an opportunity for receiving media coverage through the sponsorship of sport. Rising costs have hit sport and the arts no less than other areas and so they have been actively encouraging the interest of commercial organisations. Indeed it is the firm view of many commentators that much motor racing would be likely to vanish were it not for sponsorship.

Sponsorship of entire broadcast programmes is a feature of the broadcasting media in the USA and many other countries but not of the United Kingdom. However, recent proposals of the Annan Committee on the future of broadcasting in the UK suggest that a change may not be far off. The Committee's report proposed the setting up of a fourth television channel to be run by a Television Foundation. It is envisaged that at least part of the Foundation's income would be derived from the sponsoring of programmes by business organisations on the lines of United States Public Service Broadcasting. It would seem reasonable to assume that the type of programme sponsored and how it relates to the sponsor Company's objectives, products, and image has important implications for the success of the sponsorship. This is similar to the question of how the choice of leisure activity sponsored, affects the outcome of a sponsorship. Therefore, this research will provide a point of reference should the Annan proposals be enacted.

An essential feature of sponsorship is that the donor expects to receive some reward and as such

it should not be confused with altruism. In its purest form altruism would mean the anonymous giving of assistance. This research relates to those instances where the giver of support (i.e. the sponsor) expects to receive some type of commercial benefit in return for the aid which he provides the recipient recreational activity (i.e. the sponsored). Thus patronage, charitable donations and all such gestures of philanthropy do not fall within the scope of this research.

1.2 The Research in Perspective

The author's early desk research revealed a paucity of information about the subject and this meant that this study would have to be broad in its approach. This absence of any body of knowledge on sponsorship has necessitated that the scope of the research has developed as the actual research has progressed. It was perceived that there was a need to provide a comprehensive overview of sponsorship and the variables which interact to create this activity. Little more than a cursory delving into the subject rapidly gives a clear view that sponsorship is one of the most contentious commercial developments of recent times. As the research progressed, it became clear that the key to the understanding of sponsorship lay in the evaluation of the activity. Ultimately the question of what sponsorship is can only be answered in the light of the results of evaluation, i.e. its actual effects.

Not only does a study of evaluation shed light upon what role sponsorship fulfils, but it contributes to the understanding of how management approaches the validation of marketing activities in general.

Probably the most burning issue relating to advertising is that of measuring its effectiveness. The argument concerning whether sales are a viable dependent variable, and if not, whether communications objectives represent valid measures of effect is far from resolved. It is intended that the research discussed in this thesis will focus fresh attention upon some of the fundamental

issues relating to the evaluation of marketing communications activity. During the course of this research it was discovered that the way in which companies attempt to validate the effects of their sponsorship is an issue which had hitherto been entirely unresearched. Consequently, it was appreciated that a unique opportunity existed to examine the validation of a recent addition to the marketing communications armoury and to identify ways in which this aids the understanding of marketing communications validation in general.

The chapter which reviews the literature upon evaluation is aimed at looking at the subject from a broad viewpoint. By this it is meant that an attempt has been made to identify and examine the fundamental aspects of evaluation. Firstly, what is the meaning of evaluation? In common with many terms, its meaning is tacitly assumed to be understood by everyone. The function of evaluation is considered and the essential features of evaluation are identified and discussed. It is the author's firm belief that such a 'going back to basics' approach is entirely necessary because of the nature of the short-comings concerning the way companies approach sponsorship evaluation. Despite the crusading of those people who have strived for a considerable length of time to make marketing a more rigorous discipline, the empirical data obtained through this research has highlighted the fact that marketing management has still to appreciate many of the basic issues involved in adopting a critical approach to their work. Thus the literature review aims to draw fresh attention to the essential elements associated with evaluation. It is hoped that this fundamental and practical approach will enable the wood to be seen from the trees once more. Until the very basics of a subject are understood it is unlikely that more subtle aspects of it will be usefully considered. Hence, it is intended that this research will force marketing management to look squarely and honestly at the way in which they perform their functions. Hopefully this will facilitate a clearer approach to the problems with which they must grapple.

1.3 Defining Sponsorship

Sponsorship is a subject which is often written about but which is rarely defined. It seems to be assumed that everyone knows what sponsorship is and therefore definition is unnecessary. Indeed, of over one hundred articles which have been reviewed only one attempted to define sponsorship. Three further definitions have been proposed in reports compiled upon sponsorship and a fifth definition is to be found in the sponsorship brochure written for the Royal Philharmonic Orchestra.

This dearth of definitions appears to be related to the comparative absence of well-considered writing upon the subject, a point made by the author in a recent edition of 'Marketing'.⁴ Commentators on the subject often skate the surface of sponsorship by using the press cuttings of equally unpenetrating minds. This research is the first detailed attempt in this country to identify an empirical basis to many of the issues involved in sponsorship. In order to be accurate a definition has to be based upon a significant amount of knowledge. As the degree of knowledge about sponsorship is limited it is hardly surprising that definitions are lacking both in number and validity. There follows a discussion on the five definitions which have been found.

- 1 'Sponsorship is a gift or payment in return for some facility or privilege which aims to provide publicity for the donor.'

Sports Council, 1971⁵

This definition gives the idea of sponsorship as being some kind of transaction or contract, i.e. one party gives something to the other in return for some sort of consideration. However, the use of the word 'gift' is inappropriate since gifts are made with no expectation of receiving in return. Furthermore, to say that the benefit aimed for is publicity is, as will be shown, too narrow a judgement. The term publicity is a most

imprecise one, saying nothing about the effects to which it is hoped the publicity will contribute. This inadequacy is all the greater because in many instances sponsorship is used to achieve other aims such as providing hospitality to clients in order to cement trade relationships, to improve staff morale, to gain new distribution outlets for one's products, or even to facilitate the granting of planning permission.

- 2 'Sponsorship has two distinct defining characteristics and is best described as the provision of financial or material support (a) for some independent activity which is not intrinsic to the furtherance of commercial aims, but (b) from which the supporting company might reasonably hope to gain commercial benefit.'

System Three, 1972⁶

Whilst the above definition is more precise than that of the Sports Council, it is unrealistic regarding the limitations which part (a) imposes. There are indeed instances where a leisure activity may use the products of a particular company which is sponsoring it. This is especially so where sports goods manufacturers are sponsoring sport or where a motor car manufacturer may be sponsoring motor racing.

- 3 'Sponsorship is the donation or loan of resources (men, money, materials, etc.) by private individuals or organisations engaged in the provision of those public goods and services designed to improve the quality of life.'

Royal Philharmonic Orchestra (RPO),
1974⁷

This definition has two principal drawbacks in that it fails to point out that the sponsor expects to receive some form of return and its definition of the nature of the sponsored activity is too woolly. It is useful insofar as it mentions that the assistance given may not necessarily be a straightforward cash grant but might also include materials and manpower.

- 4 'Patronage, by both definition and usage, is essentially an altruistic activity carried out with no expectation of return other than the satisfaction of knowing that good is being done. Subsidy is grant in aid derived from national or local government sources. Sponsorship, a term in common use where sport is concerned, implies a financial outlay with some form of material benefit as its primary justification.'

Keith Diggle, 1975⁸

Diggle has drawn a strong distinction between sponsorship, i.e. a relationship in which both partners benefit, and patronage, and is to be commended. However, it would have helped his definition if he were to have provided a little more description about the characteristics of the sponsor and sponsored.

- 5 'The essential elements of the term sponsorship as it is used in the UK today are: (i) a sponsor makes a contribution in cash or kind - which may or may not include services and expertise - to an activity which is in some measure a leisure pursuit, either sport or within the broad definition of the arts, (ii) the sponsored activity does not form part of the main commercial function of the sponsoring body (otherwise it becomes straightforward promotion, rather than sponsorship), (iii) the sponsor expects a return in terms of publicity.'

Economist Intelligence Unit (EIU), 1977⁹

The EIU definition rightly describes the dynamics of the way sponsorship operates in part (i) by giving an idea of an organisation providing some form of aid to a

leisure activity. However, part (ii) of the definition imposes similar restrictions to those discussed by System Three, namely it defines sponsorship on too limited a basis. For example, this would exclude the considerable proportion of horse and greyhound racing sponsorship by bookmaking organisations, the involvement which many sports goods companies have with sports using their products, sponsorship of motor sport by the automotive and petroleum industries as well as many others. Furthermore, to say that the sponsor expects a return in terms of publicity is too simple an interpretation.

It is this author's belief that the essential defining characteristics of sponsorship are that a commercial organisation provides material assistance to a recreational activity in order to gain some cost-effective commercial advantage. The activity sponsored may or may not use the sponsor's goods in order to function but must be a leisure activity which is organised and administered as an entity entirely independent of the sponsoring organisation. In other words the organisers and officials, participants, and enthusiasts engage in the sport, or whatever, totally independent of the commercial functioning of any sponsoring company. In conclusion, the author defines sponsorship in the following way:

- 1 A commercial organisation (sponsor) provides resources for the benefit of a leisure activity (sponsored).
- 2 The sponsor does so with the expectation of gaining some commercially valuable benefit.

NB This benefit is achieved as a consequence of the sponsor's chosen target audience being able to clearly perceive the relationship between the sponsor and sponsored.

- 3 The sponsored activity consents to the sponsor company using a facility it has to offer in exchange for the resources it accordingly receives.

NB There may or may not be an actual product usage relationship between the sponsor and the sponsored.

1.4 The Position of Sponsorship within a Company's Sphere of Operation

Essentially sponsorship is a means by which companies seek to exert some favourable influence upon their market. Be the sponsor's target domestic customers or industrial customers, actual or potential purchasers, the company wishes to use sponsorship as a method of strengthening its competitive position within a relevant target group. Through the medium of sponsorship a company is promoting its interests, whatever form they happen to take. Promotion is defined by Brink and Kelley as:

' . . . the co-ordination of all seller-initiated efforts to set up channels of information and persuasion to facilitate the sale of a good or service, or the acceptance of an idea.'¹⁰

Whether a channel is essentially one of information or persuasion it is nonetheless one of communication. Thus the promotion of business interests is a communications process. In their classic book Hovland, Janis, and Kelley define communication as being:

' . . . the process by which an individual transmits stimuli to modify the behaviour of other individuals.'¹¹

This places sponsorship firmly within the context of marketing communications. As such this provides a point of reference from which to consider the subject. It facilitates an appreciation of the type of effects for which sponsorship may be used to achieve as well as the identification of other relevant concepts. The term communication refers to the conveyance of some form of message from an originating source to a destination by means of some vehicle of message transference. This is a greatly simplified interpretation of a highly complex matter which has been described more fully by Eisenson, Auer and Irwin in their book on the psychology of communication, published in 1963.

'Any communication act begins with an idea, concept or proposition in the mind of the communicator. He then encodes the idea into a communication consisting of audible and visual symbols. The receiver is an individual who decodes the symbols into terms meaningful to him, and the communication

or at least a facsimile of it, reaches his mind and elicits some kind of response. This response may be covert only. It may also be overt, in clearly distinguishable physical movement or vocal response, apparent to the communicator and acting as a 'feedback' from the impact of his initial communication. Thus his further communication may be affected by his own reaction to his hearer's response.'¹²

Corporate organisations engage in many forms of communication with a wide variety of target audiences. Although customers form the most widely recognised group, companies also variously communicate with employees, potential employees, competitors, suppliers, financial institutions, shareholders, opinion leaders and government, both local and national. However, this research concerns itself with marketing communications, which relates to the way companies communicate with the various sub-groups of actual and potential customers who comprise the market for their products. In places the author does mention aspects of sponsorship which relate to non-customer target audiences, but they are peripheral to the main thrust of the study.

In simple terms the process comprises three elements; source, message, and receiver; and two processes, encoding and decoding. Research upon and consideration of marketing communication since the turn of the century has been vast, with the ultimate goal of being able to precisely predict the relationship between source and message and response evoked. For communication to be effective it must incorporate the basic principles of communication to which the behavioural sciences have made a considerable contribution. At the beginning of the process the source has to determine what it is that he wishes to communicate. By means of encoding, the source converts his message into a set of symbols such as words, gestures, and pictures in such a way as to maximise the accuracy with which the source receives and understands the message. Consequently the development of more effective communications entails a greater understanding of each element of the mechanism. The elements are shown in Figure 1.1.

FIGURE 1.1

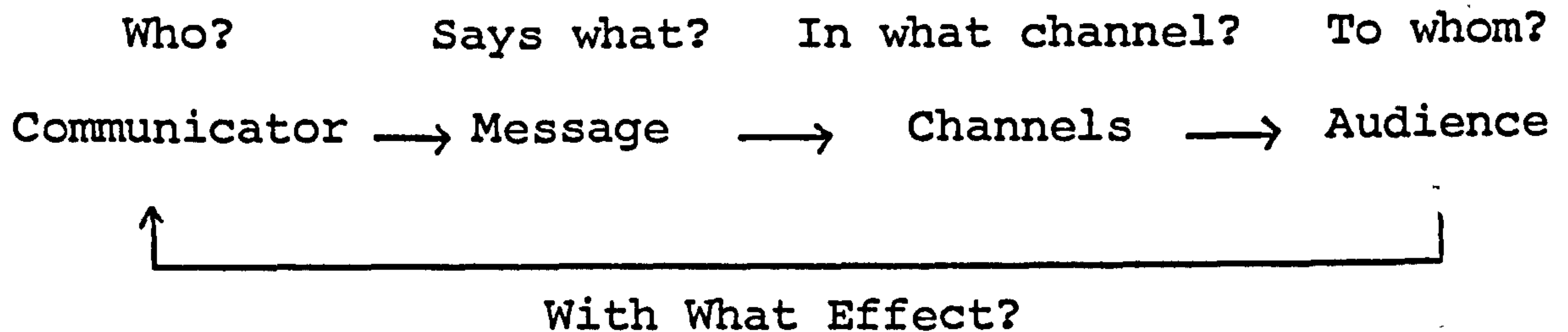
The Communication Model

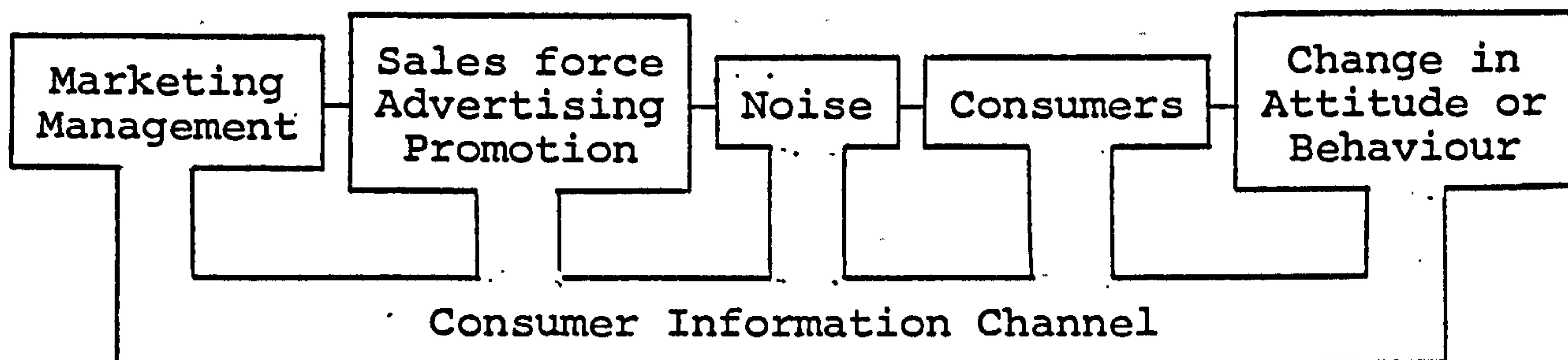
Figure 1.1 demonstrates that the process comprises a circular flow, the effect being the response which the audience makes as a result of having received the message. In fact Schramm¹³ points out that both communicator and audience engage in encoding and decoding, each is a transmitter as well as a receiver.

'In other words once the receiver understands (decodes) the meaning of the message, he will respond (perhaps by doing nothing). What he encodes depends upon the meaning obtained from the message as well as the available responses present in the situation. In other words, the receiver now becomes the sender and for him to do so requires that he encode his response. These responses are, of course, the feedback which is so important to the original sender of the message. Depending upon how he decodes this feedback he will then proceed to encode in an identical, modified, or completely different way as contrasted to his original attempt. And so the process continues.'

Boyd, Levy¹⁴

The notion of a circular flow in which a message originator receives feedback from his message's destination in such a form as to enable him to adjust his subsequent messages is at the heart of all normative models in marketing. This sine-qua-non for effective marketing is further demonstrated in Figure 1.2:

FIGURE 1.2

Circular Flow of Information, Kelly¹⁵

This view is confirmed by Levy and Zaltman:

'Marketing recognises the inherent inter-dependencies of consumers and marketing managers . . . Besides communicating to the consumer through advertising and at the time of purchase, marketers must communicate with the consumer during the research or planning phase. Consumer thoughts must actively be sought by the marketer. Thus marketing recognises communication as a two-way street.'¹⁶

This present study concerns itself with a vehicle (sponsorship) which is used to communicate a message from a source (sponsor) to a receiver. As this research will show, the receiver encounters the message as a consequence of being present at the sponsorship venue as an active participant, spectator or guest, or through being communicated the sponsorship through some form of communication medium. In making this communication process a two-way flow the sponsor company has to receive messages sent by the audience of its sponsorship. It receives and monitors these messages by some form of evaluation. By evaluating the response which the audience makes as a consequence of being exposed to the sponsorship the sponsor ought to be able to identify the effects which the sponsorship has achieved. This in turn ought to be fed back into subsequent communication decision-making aimed at achieving ever more efficient communication with the company's target audience. In other words it is through evaluation of the way people respond to sponsorship that companies are able to discover the nature of sponsorship effects. It is for this reason that the evaluation of sponsorship came to be identified as an

important focus within this research.

There are conventionally four forms of marketing communications*, namely advertising (above-the-line), personal selling, publicity, and sales promotion (below-the-line). The terms are defined by the American Marketing Association in the following way:

Advertising:

Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.

Personal Selling:

Oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.

Publicity:

Non-personal stimulation of demand for a product, service, or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it upon radio, television or stage that is not paid for by the sponsor.

Sales Promotion:

Those marketing activities, other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and exhibitions, demonstrations, and various non-recurrent selling efforts not in the ordinary routine.¹⁷

Precisely where sponsorship fits into this scheme is not easy to resolve as it appears to embody facets of each of these four groups of marketing communications types. This research aims to develop a clear understanding of the nature of sponsorship as a marketing communications medium. Being able to identify the ways in which it conforms to what is known about more conventional forms of communication will be a valuable contribution towards the development of a deeper understanding of sponsorship. Whilst considerable effort has been devoted to the understanding of those four types of marketing communications, most notably concerning advertising, sponsorship has remained somewhat of an enigma. And yet it has achieved such ubiquity. This situation is succinctly

*Excluding word of mouth.

described by the following quotation attributed to a major public relations consultant:

'In view of its complexity it is perhaps surprising that sponsorship has become a well established and accepted part of the sports scene without, so far, having been thoroughly analysed, dissected and documented. Some research has been done recently but as far as I know the results haven't yet been very conclusive, possibly because, as I detect here, sponsorship has different meanings to different people.'¹⁸

1.5 The Methodological Perspective

Research methodologies tend towards what has been described as the 'classical' or 'agricultural-botany' paradigm.¹⁹ By this expression one means that a problem - rather like a plant crop - is pretested (i.e. the seedlings are measured and weighed) and then subjected to various treatments. The subsequent growth or yield is quantified to demonstrate the relative effectiveness of the treatments (i.e. fertilisers) used. This kind of research in which one often employs large samples and seeks statistical generalisations tends, as Parlett and Hamilton have commented:

' . . . to be insensitive to local perturbations and unusual effects. Atypical results are seldom studied in detail. Despite their significance for the innovation*, or possible importance to the individuals and institutions concerned, they are ironed out and lost to discussion.'²⁰

In short it is argued that where a problem is particularly complex, especially with respect to a wholly unknown area like sponsorship, this classical approach is far too restricted in scope. Because the approach is artificial it provides inadequate elucidation of the complexity of the problem and consequently affords little contribution to improved decision-making and hence practice.

As a result of sponsorship being an almost completely undocumented subject it is considered to be of vital importance that it is examined within the relevant context. In other words, it is necessary that sponsorship understanding should be developed by a research

*In this case the innovation is sponsorship.

approach which takes into account the overall system. By taking too narrow an approach it is likely that this study would omit many potentially far-reaching aspects of the study - which would render it of only limited relevance.

For these reasons the approach which has been taken could be described as falling within the 'social-anthropology'²¹ paradigm. The researcher is anxious to become conversant with the general setting he is studying, and in this regard is similar to the natural historian or social anthropologist. One does not seek to manipulate, eliminate, or control situational variables, but takes as given the complex scene one encounters. This alternative approach can be described as being an 'illuminative' approach. This expression has been coined from the work of Trow in his exposition entitled 'Methodological Problems in the Evaluation of Innovation'²². Parlett and Hamilton describe the role of the illuminative researcher in the following way:

'His chief task is to unravel it (i.e. the complex scene he encounters - the problem); isolate its significant features; delineate cycles of cause and effect; and comprehend relationships between beliefs and practices, and between organisational patterns and the response of individuals.'²³

Illuminative research, then, essentially seeks to describe and interpret rather than being concerned with measurement and prediction; it seeks to address and illuminate a seemingly complex array of questions.

The illuminative research approach comprises three stages, namely, observation, further inquiry and explanation. There is an element of overlap and functional interrelation between all three stages, and as the investigation develops, problem areas gradually become clearer and redefined. Commencing with a broad data base, the scope of the study is systematically narrowed as more detailed consideration is devoted to emerging issues. As Parlett and Hamilton rightly point out, this 'progressive focusing' allows for unique and unpredicted phenomena to be given due weight.

In the third stage of the process, that is 'explanation', one is seeking to identify general principles which underlie the problem, to determine patterns of cause and effect and to place specific findings within a broader explanatory context.

To conclude this section therefore:

'The task (of illuminative research) is to provide a comprehensive understanding of the complex reality (or realities) surrounding the program: in short, to 'illuminate'. In his report, therefore, the evaluator aims to sharpen discussion, disentangle complexities, isolate the significant from the trivial, and to raise the level of sophistication of debate.'²⁴

1.6 Thesis Structure

This research is fundamentally aimed at developing an understanding of what sponsorship is, in what ways it may be a useful addition to the range of promotional methods available to companies, and to provide a framework for assessing its usefulness. Because little investigatory work had been undertaken in the area it was considered both necessary and desirable that exploratory research form the basis of this thesis. The absence of an existent body of knowledge meant that the precise objectives and scope of this research developed as the research itself progressed.

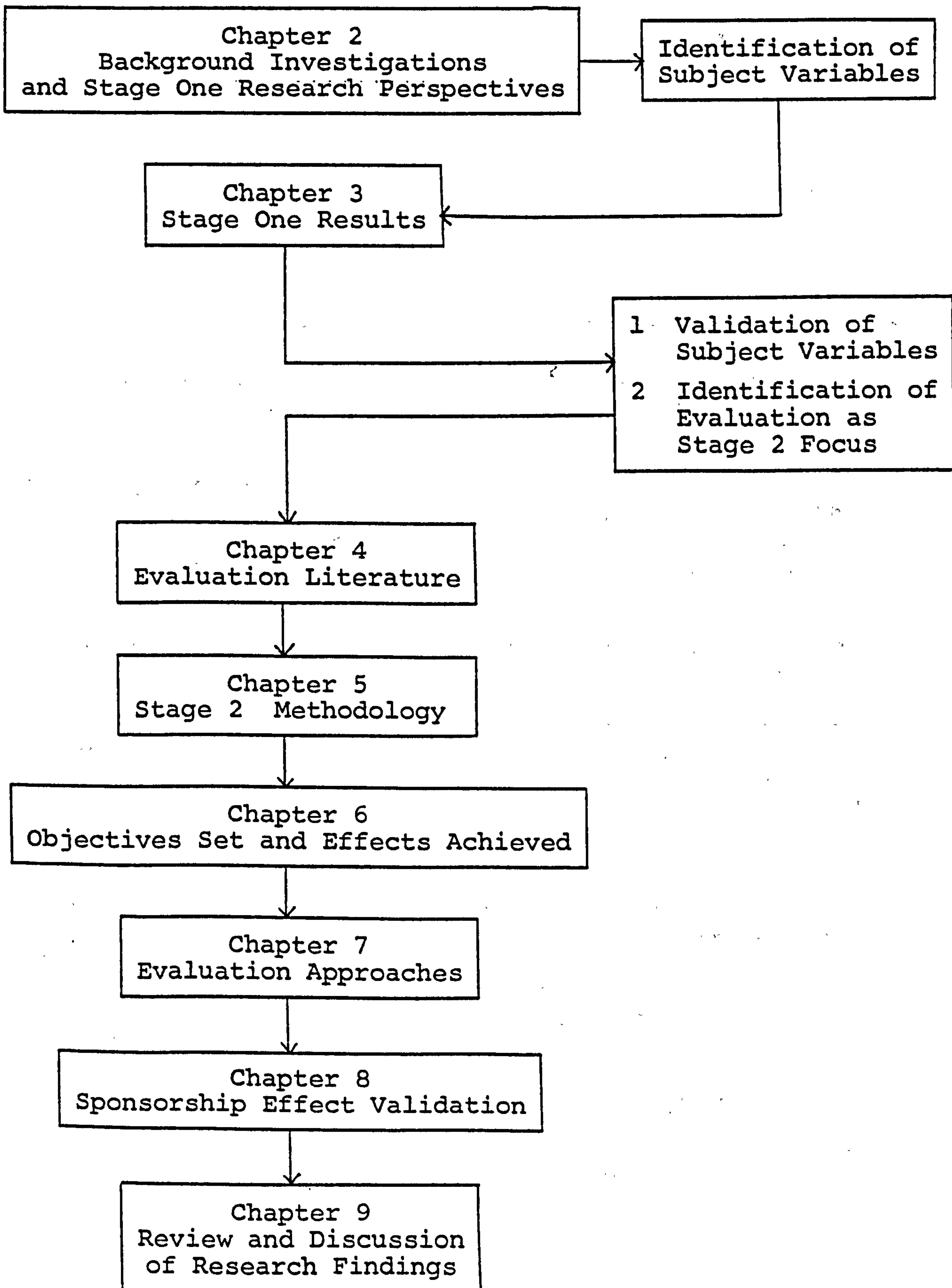
The objectives of this thesis are as follows:

- 1 To identify the major interacting components of the sponsorship process.
- 2 To identify the effects which companies expect sponsorship to achieve for them.
- 3 To identify the methods and approaches which companies use to validate the effectiveness of sponsorship.
- 4 To critically evaluate the weight of evidence in support of the claimed effects of sponsorship.
- 5 To propose a framework for sponsorship planning and evaluation.

Whilst the literature reviewed and other background research enabled a framework of variables to be identified, it was clear that validation of those

variables was necessary. An important reason for this, being that the literature and knowledge about sponsorship were based upon belief and opinion. In the author's view it was important that the in-depth research which would form the primary focus of this thesis should be based upon issues demonstrated to be of real significance to the understanding of sponsorship. Consequently a two stage research approach was adopted with the first stage comprising a broadly based exploration of the factors relating to the sponsorship process. This first stage was to be the means by which the focus for stage two in-depth research would be identified on an empirical basis. To enable the reader to gain an overall perspective of this thesis the following diagrammatic representation is presented.

FIGURE 1.3

Thesis Structure

Chapter two describes the literature review which was carried out and the pilot interviews held with various people relevant to sponsorship. This chapter sets the scene for sponsorship by assembling a picture of the state of the art. Arising from this background research a model of the sponsorship process is derived and acts as a basis for the stage one field research. Chapter three presents the findings of the stage one research which aims to validate the variables identified by the background research. The stage one results draw attention to the fact that evaluation of sponsorship is the central issue to further development of sponsorship knowledge. By focussing upon the way companies seek to evaluate their sponsorship effort it necessarily involves the gaining of a detailed knowledge of objective setting and the extent of the information available upon which sponsorship's effectiveness is judged.

Chapter four is a pragmatically based review of literature relating to evaluation. This chapter addresses itself to understanding the role of evaluation in business behaviour and the identification of the fundamental issues of relevance to a company's usage of evaluation practice.

In Chapter five, the author describes the specific objectives of the stage two research and discusses the methodology chosen to achieve those objectives. An energetic schedule of interviews with some seventy-three companies is discussed and defended.

The purpose of Chapter six is to discuss the analysis of objectives set and effects claimed to have been achieved by the sample subjects. In this chapter it is observed that sponsorship is a hybrid promotional tool comprising of characteristics of both above and below-the-line activities. It shows that whilst sponsors may employ sponsorship to achieve more than one effect there is a marked tendency for companies to have a single overall orientation for their sponsorship.

Chapter seven discusses the specific ways in which companies validate the effectiveness of their sponsorship effort. As well as examining the stated evaluation approaches of the sample it investigates the total information feedback of the sample. The findings of this chapter are related to those of the previous one and brought together in Chapter eight. This chapter is aimed at assessing the extent of the evidence upon which sponsors make their judgements concerning the effectiveness of their sponsorship. The especial significance of this chapter is that it is the first ever detached

empirical assessment of what sponsorship can actually be demonstrated to achieve.

The final chapter of this thesis is of key importance in that it draws upon what has gone before in order to propose a framework for furthering the understanding of sponsorship. It suggests approaches for evaluating the usefulness of sponsorship relative to other types of promotion and makes proposals for further research.

1.7 Summary

Sponsorship has been notable for the lack of knowledge about it; what is known about it being based largely upon ignorance and rhetoric. This research is regarded as an important beginning to the development of a factual knowledge of sponsorship. So long as sponsorship remains in the realm of mystery and conjecture it is unlikely that its understanding will be elevated. In addition to, and indeed as a consequence of, the factual contribution to sponsorship made by this research it provides a platform for the development of further research. The final chapter of this thesis makes some recommendations in this regard.

The overall methodological approach to the research was described as being according to an 'illuminative' paradigm. This was considered the proper approach to researching an essentially unchronicled field. This research is aimed at identifying and understanding the precise nature of sponsorship and how it fits in with what is known about other forms of marketing communications. In endeavouring to achieve this the researcher believed it necessary to get right in amongst the very cog wheels of sponsorship. The extent of the interest shown by companies in this research and the consequent rapport which the author has been able to establish with them has been of great value in enabling the author to grasp the elemental nature of sponsorship.

In attempting to discover what role or roles sponsorship is capable of assuming there are two significant issues. Firstly, one can explore the actual ways in which companies claim to use and indeed do use sponsorship. Such an approach in common with a great deal of research is based upon the views, beliefs and practices of individuals as described via some form of data capturing, for example, a personal interview or postal questionnaire. The second issue concerns the objective reality of the situation. This may vary greatly from what is perceived as a result of gaining information from those involved with sponsorship. This kind of bias is something with which all researchers of the social sciences must contend. However, this research attempts to discuss its findings in the light of objective reality during the final chapter. In other words, it is necessary that the data obtained from the sample respondents is considered as far as possible in the light of what objectively appears to be the situation.

The two stage field research approach which was deemed appropriate has been introduced. Stage one is a broadly based exploration aimed at providing a factually based overview of the sponsorship process and enabling fundamental issues capable of forming a focus for in-depth research to be identified. During this introduction the reader has been introduced to the belief that sponsorship ought to be seen within a marketing communications context. It has been underlined that marketing communications should be considered as a circular process in which the feedback loop from the audience to the company is made effective by evaluation. Evaluation is the means by which a company gradually improves the efficiency of its communication. This research examines the extent to which companies are able to increase the effectiveness of their communication through sponsorship as a result of the way they attempt to appraise their sponsorship.

The specific objectives of this thesis are fivefold, namely:

- 1 To identify the major interacting components of the sponsorship process.
- 2 To identify the effects which companies expect sponsorship to achieve for them.
- 3 To identify the methods and approaches which companies use to validate the effectiveness of sponsorship.

- 4 To critically evaluate the weight of evidence in support of the claimed effects of sponsorship.
- 5 To propose a framework for sponsorship planning and evaluation.

C H A P T E R T W O

BACKGROUND INVESTIGATIONS AND STAGE ONE RESEARCH PERSPECTIVE

2.1 Introduction

The purpose of this chapter is to identify the key factors which in combination describe the process of sponsorship. Having assembled a descriptive model of the variables which the background research showed to be of relevance this chapter goes on to describe the methodology and planning of the stage one field research. The stage one research aims to provide an empirical basis to the validity of the variables identified from the background research.

Background research drew upon information of three types, namely, sponsorship literature, previous research and pilot interviews. Regarding the literature, it has to be admitted that it is almost entirely journalistic in character. With few exceptions the body of sponsorship knowledge resides in newspaper and magazine articles written mainly since 1969. A striking feature of many of these articles is plagiarism. Not surprisingly, therefore, they display a notable absence of imagination and continually fail to elevate thinking about the subject above an elementary level. Perhaps this factor carries a high degree of responsibility for sponsorship having been so enigmatic and controversial for as long as it has. All too many writings comprise merely a litany of which companies sponsor what activities with how much money.

Previous research upon sponsorship has been meagre, comprising as it does of three pieces of work. The first was undertaken by the Sports Council¹⁸ in 1970 and was based mainly upon the views of the hundred or so sports governing bodies which were interviewed. Although supplemented by discussions with eight commercial companies engaged in sponsorship and representatives of the BBC and ITV, this research was essentially an inquiry geared to assessing how sponsorship has affected sports as opposed to how it relates to sponsor companies. The nature of the issues which this inquiry was concerned with can be appreciated from the following recommendations which it made.

- 1 That the Sports Council on achieving executive status should consider some arrangement for appointing an officer to act as advisor on sponsorship.
- 2 That developments in sponsorship be continuously reviewed and that special arrangements be made to obtain more information about sponsorship abroad.

- 3 That the implications of accepting commercial sponsorship be included in a guide to the procedures of sponsorship which the Sports Council should prepare to help mirror sports bodies.
- 4 That the Sports Council should request the IBA and the BBC to deal uniformly and fairly with all sports in the matter of advertising displayed at sporting events, so as not to leave the lesser televised sports at a disadvantage.
- 5 That the Sports Council should request the Government to give positive guidance about a code of practice when cigarette companies sponsor sport, before the involvement in sponsorship by cigarette manufacturers, already greater than other sponsorship, increases still further.

In 1972 System Three²⁵ undertook research aimed at providing an analysis of sponsorship which would be of broad interest to companies and leisure activities alike. This piece of research is particularly comprehensive in the way it identifies the extent of interest in sponsoring sport and the arts. Indeed it discusses in excess of seventy different recreational activities as possible outlets for sponsorship. However it pays comparatively cursory attention to many of the factors which are of fundamental relevance to sponsor companies. This is readily understandable, given the wide ranging nature of the research. Nonetheless it did provide a particularly useful function in establishing empirically based benchmarks of issues such as sponsorship expenditure.

The third piece of research was presented by Mintel in 1974 and is simply entitled 'Sports Sponsorship'²⁶. This rather brief document takes a superficial look at the level of involvement which a certain group of industries have with sponsorship. It appears to use System Three's data as a source for its discussion, and then continues to briefly comment upon the sponsorship which six particular sports receive. Its original contribution lies in the awareness data which it presents. This data concerns the awareness among 1000 adults of the involvement which ten major sports have with the six main sports with which they were associated.

Some of the results will be discussed at a later stage in this thesis.

Thus, the previous research into sponsorship has tended to be a somewhat distant affair looking at certain political issues, cataloguing the involvement of industry groups with various recreational activities and observing the awareness by the public of sponsorship. What has been absent is research aimed at developing a deep understanding of sponsorship from the practitioners' viewpoint. It is intended that this research examines sponsorship in order to provide a worthwhile input to those commercial organisations which either sponsor already, or may do so at some time in the future.

In addition to the literature review and previous research, the author conducted pilot interviews with individuals representing a range of groups relevant to sponsorship; they are listed below:

Texaco
Sports Council
System Three
Racing Information Bureau
Matrix - Marketing Consultancy

The interviews were especially useful in supplementing the information obtained from the literature and previous research. It enabled the author to probe issues and to develop a certain feel for the subject. All of the interviews were quite informal and loosely structured, thus enabling an unprejudiced discussion, as far as possible free from preconceptions, to take place.

The background research was very much an heuristic process in which the author was anxious that the basic issues of sponsorship emerge rather than be imposed. It is as a consequence of this approach that the background research observations are presented under the various headings used in this chapter. The five headings are as follows:

The Scale of Sponsorship
Sponsorship Objectives
Sponsorship and the Total Promotional Context
Sponsorship Decision-Making
The Evaluation of Sponsorship

Having described the state of knowledge of the component features of sponsorship they are brought together in the model on page 50.

2.2 The Scale of Sponsorship

Consideration of the scale of sponsorship has to be on both the national or macro scale and on the individual company or micro scale. There is no centralised body which monitors sponsorship expenditure and so figures relating to it are estimates. Gaining an accurate idea of how much is spent on sponsorship is not easy as sponsors are reluctant to divulge this information. One frequently mentioned reason for this reticence is attributed to the rules relating to company taxation. This arises because of possible difficulties in establishing whether financial aid given to a recreational activity is strictly in pursuance of an organisation's legitimate business and therefore allowable as an expense against revenue, thus not taxed, or whether it is straightforward philanthropy and as such should be paid for out of post-tax profits. Another reason why companies prefer to keep their sponsorship spending a secret is that being a controversial issue it is likely to inflame both shareholders and employees if it appears as though sport or arts are receiving large sums of company money. This is especially so where the sponsorship recipients are highly paid professional sportsmen and sportswomen. In fact it was reported by one of the companies which participated in this research that an all out strike by production workers was to be called when it began its motor racing sponsorship. This was only averted after a major effort by the company's marketing staff managed to persuade the workforce that the sponsorship was a strictly business-related activity.

As a consequence of this background research, three hundred and eighty-five companies were identified as being sponsors of leisure pursuits. The amount of money which is collectively spent by business in the UK tends to be expressed in terms of the fee paid to the sponsored activity and the discretionary promotional costs associated with the sponsorship. A frequent theme is that a sponsor will often spend on ancillary items such as hospitality, back-up promotions, sampling, an amount of money equal to the actual fee paid to the sponsored activity. The parlance generally used to distinguish these two cost elements are direct and indirect costs, the former relating to the fee paid to the sport or art. In fact it is frequently held that unless the indirect commitment is at least as much as the direct, then the sponsorship will not be worthwhile to the sponsor.

Estimates of the total amount of money spent on sponsorship throughout the country vary greatly. For example,

in 1971 the Sports Council proposed a figure of somewhat less than four million pounds as representing the total involvement - both direct and indirect costs. However, during the following year System Three put the figure at fourteen million pounds split evenly between direct and indirect costs. Despite the twelve month difference between those two time periods it is highly unlikely that growth could account for the variation. Given the far greater sample size of the System Three report compared with that of the Sports Council, there seems reasonable justification for giving the greater credibility to the findings of System Three.

In micro terms there appears to be wide variation in the amount of resources which different companies spend on sponsorship. At the lower end of the scale are those who spend only a few hundred pounds, whilst at the upper end are companies spending several hundred thousand pounds. Indeed, in a couple of cases in excess of one million pounds per annum is spent on sponsorship. As a percentage of a company's total promotional effort, sponsorship is usually said to be a fairly minor element. System Three estimated that on average sponsorship accounted for only two to three per cent of the total promotional budget of the companies it sampled. They also made the observation that whilst advertising budgets were being severely trimmed during the early nineteen-seventies, sponsorship expenditure was rapidly growing. In fact they estimated an annual growth rate of twenty per cent in 1972.

A commonly encountered notion is that sponsorship should form not less than five per cent and not more than ten per cent of total promotional budget. Unfortunately the rationale behind this aphorism is never provided. In those instances where sponsorship might be capable of achieving objectives for which other forms of promotion are impracticable, such a rule would seem to be hard to defend. For example, if a particular product is prevented from advertising on television, but through sponsorship it can gain television exposure, then any such ten per cent limit is an irrelevant proposition. Implicit in this not less than five per cent and not more than ten per cent rule is an assumption that sponsorship is somewhat of a peripheral activity. However, as this research will show, in certain circumstances sponsorship may offer unique benefits as a promotional tool.

Four industries were believed to account for more than fifty per cent of total sponsorship in 1972, of which

one, tobacco, was responsible for well-over twenty-five per cent.²⁷ During that same year it was estimated that ten industrial groups accounted for two-thirds of all sponsorship; they are listed in Figure 2.1 below:

FIGURE 2.1

Direct Expenditure
by the Top Ten Industrial Sponsors in 1972²⁸

<u>Industry Groups</u>	<u>£</u>
Tobacco (at least)	1,800,000
Oil	800,000
Alcoholic Drink	550,000
Tyres	400,000
Finance	220,000
Food and Confectionary	160,000
Press	150,000
Bookmakers	125,000
Sports Goods	70,000
Clothes	55,000

Source: System Three

That tobacco companies figure so highly in Figure 2.1 is largely related to the industry having been banned from advertising cigarettes on television. It has to be remembered that sponsorship can gain exposure on BBC as well as ITV and so products which are subject to no such restriction can increase their television presence by receiving BBC coverage. The importance of sponsorship by the oil and tyre industries reflects the development of the motor vehicle industry. Historically, members of the automotive industry placed great emphasis upon reliability and performance. The sponsorship of motor sport by the automotive trade dates back to the early twentieth century and represents the belief which the industry has that endorsement of its products by motor sport will be perceived favourably by the public. The automotive industry believes that seeing a product associated with motor sport is regarded by the public as being evidence of reliability and performance.

The involvement by the alcoholic drinks industry in sponsorship is in part motivated by the fear that it too may face a similar restriction in its advertising to that of the tobacco industry. Indeed, spirits cannot be advertised on television and this has prompted much of the sponsorship associated with those products.

Sponsorship by bookmakers and sports goods companies tends to represent a close involvement in developing the markets for their products. Clearly the larger the number of people induced to participate in a sport sponsored by a company which required the use of that company's products, the quicker the market will develop. The increase in leisure time and growth of recreational expenditure discussed in chapter one have been valuable conditions for the development of sponsorship by the sports goods industry.

As far as actual sponsor companies are concerned, the top ten sponsors of 1972 were as follows:

FIGURE 2.2

Top Ten Sponsor Companies in 1972

<u>Company</u>	Direct Expenditure ²⁹ <u>£'000s</u>
Players	750
Rothmans	330
Wills	250
Gallaher	250
Texaco	225
Marlborough	200
Watney Mann	160
Gulf	100
Goodyear	100
Firestone	100

Source: System Three

As far as the recipients of the support are concerned, sport accounts for well over ninety per cent of the amount spent. Although in excess of seventy different sports are reported to receive sponsorship support, six sports account for approximately sixty-five per cent of total expenditure as shown in Figure 2.3 below.

FIGURE 2.3

Sponsorship Expenditure Received by Sports During 1971³⁰

<u>Sport</u>	<u>As Percentage of Total Sponsorship</u>
Motor racing	30
Horse racing	10
Golf	10
Football	5
Cricket	5
Tennis	5
Others	35
	<hr/> 100

Source: Mintel

The dominance of motor racing in Figure 2.3 reflects the sponsorship of the automotive industry together with the level of involvement of the tobacco industry. What cannot be appreciated from this table is that motor racing is a much more costly sport to sponsor than horse racing. It is currently estimated that the cost of sponsoring a Formula One motor racing team is in the region of half a million pounds per annum. In contrast to this a great many horse races are sponsored at a cost of less than five thousand pounds.

2.3 Sponsorship Objectives

Despite having expanded significantly in recent years the origins of sponsorship can be traced at least as far back as the latter part of the nineteenth century. For instance, the French magazine 'Velocipede' sponsored the first ever motor sport event in 1887, which was won by a steam quadricycle. Castrol began their motor racing sponsorship in 1908 and in 1952 Cadbury's were reported to be sponsoring on a regular basis. Given this historical involvement in sponsorship it would seem reasonable to expect there to have been some chronicling of experiences in some form or another. However, as this has not occurred it is necessary that this research attempts to correct this.

Specific definitions of sponsorship have already been discussed in chapter one and can be summarised by saying that it is financial or material support given by a commercial organisation to a leisure activity which exists independently of the sponsor company's essential commercial functioning in order to yield the sponsor some commercial benefit. Whilst the previous section discussed the extent of sponsorship in the UK this present section concerns itself with the effects which have induced companies to sponsor on the present scale.

The background research gave a very clear view that a central *raison d'etre* of sponsorship is the gaining of media coverage for the sponsor's company or brand. Television is regarded as being particularly important. However, whilst commentators frequently cite media coverage as the prime effect of sponsorship there is a general failure to consider what effect the media coverage itself achieves. Media coverage may be an objective of a sponsor but it is not a marketing communications objective. It is a vehicle or medium through which to achieve a marketing communications objective such as an awareness or attitude change. Precisely what kind of specific communications effects sponsorship has is by no means clear.

' . . . sporting sponsorship can be almost anything the sponsor wants it to be. It can help staff recruitment, change the corporate image of a company (or more accurately reflect it), increase brand loyalty in the market place, even back a debenture issue.'³¹

So says Pat Nally who with sports commentator Peter West runs a sponsorship consultancy.

'Used correctly, sponsorship can achieve results that are difficult to accomplish in any other way, but it is no substitute for direct advertising. It is mostly of value in changing or polishing the corporate image, rather than in generating publicity for a particular product. A bank sponsors motor racing to change its image from a dull, institutionalised bureaucracy to one of speed, power and efficiency. An oil company supports power boat racing to stress its adventurous, pioneering spirit. Tobacco companies find it helps to be associated with healthy activities. Gillette's cricket partially erased its American Image.'³²

It ought to be said that the above quotations represent opinions and should therefore not be regarded as being in any way empirically sound observations. This caveat applies to many of the quotations given and indeed is part of the reason behind the research.

The reader will recall that sport attracts far more sponsorship attention than does the arts, receiving as it does a far greater amount of television airtime. Motor racing has been particularly successful at attracting sponsors. Indeed, it has had to be, owing to the high cost of maintaining a Grand Prix racing team. As well as the media coverage given to motor racing, meetings in the UK draw crowds in excess of eighty-thousand. In fact, motor racing has the second highest attendance figures of any sport in the country. The toiletry and cosmetic company Yardley was a prominent sponsor of Formula 1 motor racing in the early nineteen-seventies. The company claims that its rationale for this sponsorship was to modernise the corporate image and act as a platform for promoting a new range of male toiletries. In this case the company was not using sponsorship as a straightforward alternative to conventional above-the-line advertising but perceived a more powerful role for sponsorship. This more powerful role is related to the notion of the media vehicle being part of the advertiser's message. Marshall McLuhan puts the point forcefully by stating that

'the medium is the message.'³³

In other words attempting to compare the value of ten minutes of bought above-the-line television airtime with ten minutes of sponsorship airtime is, *ceteris paribus*, pointless because like is not being compared with like. This is because if one accepts that the medium is also a message input to the receiver, an above-the-line commercial is a different message from that same company's sponsorship. The literature may well be doing a disservice to sponsorship by its frequent comments that sponsorship is merely some form of advertising substitute.

Yardley actually attributed a forty per cent rise in the sales of its men's toiletries in 1971 to its motor racing sponsorship. However, one has to bear in mind that it had an image objective and not one of sales increase. This confronts one with the question of what ought to be considered a communications objective and what represents an overall marketing objective. As with advertising, it is often commented that measuring the effectiveness of sponsorship is difficult because

of the problem of relating sales changes to it. It is clear that the sales versus communications effect controversy is far from being resolved. In the final chapter the author devotes considerable attention to implications which this controversy has for how sponsorship evaluation ought to be planned. For the present time, suffice it to say that this is a question which sponsorship shares with other forms of promotion.

Claims that sponsorship has had any direct sales effect are infrequently found. However, it is interesting to note that among those companies which do not sponsor, one of the major reasons for not doing so is the inability to relate sales to sponsorship. Of the few cases in which sales growth has been attributed to sponsorship, one concerns a brand of beer which in the USA is believed to have experienced a sales increase of forty per cent during the year in which its sponsored football team achieved great success. Unfortunately, the writer who discusses this case presents insufficient information to enable one to judge whether other factors could have explained this rapid sales increase. In the North of England a brewery claims a significant sales increment to be the result of its sponsorship of pigeon racing. John Player, the cigarette manufacturer, has stated that sales of Players No 6 soared during the Player's Golf Classic, - sold as they are in over one thousand club houses. However, one explanation for this latter example might be that salesmen were able to achieve improved distribution of the product as a consequence of the sponsorship and it was this factor that led to the sales increase. Sponsorship might have facilitated the appropriate communications effect on the part of golf club stewards which enabled salesmen to gain improved prominence and shelf space. In other words, what appears on the surface to be a sales effect may in fact be a communications effect. Again, there is insufficient information available to confirm or deny such a proposition but it does serve to develop one's thinking about the relationship between promotion and sales.

A further significant usage of sponsorship lies in the entertaining of trade customers and other individuals regarded as being important to a company. This was a major reason for the Alcan company's sponsorship of the British Open Golf Championship. Over a four year period the company invested over one million pounds in this activity. It was used essentially as an opportunity to provide hospitality to over one thousand business associates who Alcan flew over from North America in the hope of improving business relationships. Similarly,

the Dunlop Masters Golf Tournament does not rely upon media coverage for its success as it too is essentially aimed at providing client hospitality.

The notion of contributing to the enhancement of corporate image features highly where sponsorship of the arts is concerned. Whereas sport can attract the interest of vast numbers of individuals, especially soccer, cricket, motor racing, golf, tennis and equestrianism, the arts do not have such a broad appeal. Concerts, opera and ballet are the recreational prerogative of basically the upper portion of the socio economic scale and for this reason are of fairly low priority where television programming is concerned. In addition to the limited scope for media coverage the size of live audiences for artistic events cannot compare with those of many sporting events. It is also possible that the guest hospitality attractions of the arts are less than with sport. Because of these reasons the case for arts sponsorship tends to be based upon the image of social responsibility conferred upon the sponsor plus the up-market exclusivity of arts followers.

The kind of tangible benefits most frequently offered to arts sponsors are the provision of free tickets for members of staff or customers, the inclusion of the sponsors name in the pre-event advertising, and a certain amount of free space in the event programme. Although arts sponsorship is considerably less important than sports sponsorship in terms of the amount spent by sponsors, it has benefitted in the last four years by the decision of the BBC to allow a sponsor's name to be mentioned on the radio when broadcasting of an event takes place. However, given the relatively small size of BBC Radio 3 audiences, which are most likely to hear a sponsored concert, the potential for mass publicity for the sponsor is clearly limited. Nonetheless, if a company's target audience happens to coincide with such a group of individuals then arts sponsorship may be particularly appropriate. Arts activities underline that decision-makers, opinion leaders, and legislators are fairly precisely targetted through the medium of the arts, as discussed by Anthony Thorncroft writing in the Financial Times in 1974:

'Although arts events attract much smaller audiences than sporting contests they tend to deliver 'quality', and the scope for helping the arts is immeasurably greater.'³⁴

In its brochure on sponsorship the Royal Philharmonic Orchestra (RPO) indicates that there is a growing

viewpoint that a company will be more able to achieve its long term objectives and responsibility within a healthy society and that the arts make a considerable contribution to the health of society.

'Support of the arts can demonstrate to important corporate audiences the interest and involvement of a company in the cultural heritage of a region or the nation . . . In this way, sponsorship can be justified in terms of long-term enlightened self-interest rather than pure altruism, and must be considered an investment rather than a gift.'

The use of the arts to contribute to a salient corporate image objective is an example of sponsorship being effective not only in terms of its targetting precision but perhaps more importantly because of the message content inherent in the activity sponsored.

In addition to the lofty idea of long term investment in the quality of life more short-term benefits are claimed for arts sponsorship. Employee relations programmes and local community goodwill have been seemingly achieved in this regard. An example is afforded by High Street jeweller H. Samuel which has sponsored a series of concerts in Birmingham to re-inforce the link which the company has with the local populous as it has its head office there. Similarly in Gloucester, Bang and Olufson have used the medium of concerts to improve local identification and aid staff recruitment. This has been an important factor in the minds of Harveys of Bristol who sponsor concerts in the city. In addition to improving staff and local goodwill, the company uses the concerts as an opportunity for direct promotion of their products to a relevant market sector.

In addition to employing arts sponsorship to re-inforce corporate image on a national scale, it can also be of use in international terms. Rank Xerox, for example, has sponsored a concert tour of Iron Curtain countries in order to gain favourable corporate exposure to facilitate the development of a favourable marketing climate within which to operate.

It must be appreciated that much of this discussion of sponsorship effects and objectives is based upon opinion and supposition. Indeed it is often said that companies do not set objectives for their sponsorship, instead they have some vague idea that it will somehow

be of benefit. However, it is necessary to note that although the evidence in support of sponsorship effects is scant, this criticism can be equally applied to above-the-line advertising. The only attempt to provide some kind of empirical basis to the claimed effects of sponsorship has been by System Three. But as the following table shows this is far from satisfactory.

FIGURE 2.4

<u>Benefits Attributed to Sponsorship</u>			
<u>Benefit</u>	<u>Regarded as</u>	<u>Regarded as</u>	
	<u>Most Important</u>	<u>Also Significant</u>	
	<u>%</u>	<u>%</u>	
Public relations	40	42	
Enhancing company image	13	48	
Specific brand promotion	7	15	
Press or TV coverage	5	22	
Entertain clients	7	13	
Improving staff relations	6	-	
Developing personal interests in the sponsored activity	-	5	
An opportunity for social altruism	4	23	
Other	18	25	

Source: System Three 1972

The picture presented by the data given in Figure 2.4 is one of confusion. That only five per cent of the sample regard press or television coverage as the most important benefit of sponsorship seems in stark contradiction to what the literature says. Public relations is given as the most important benefit to be gained from sponsorship. However, this is far too vague an expression to be of any value. Given that this table of figures is the best available, there is clearly a need to identify the nature and extent of sponsorship effects far more fully.

2.4 Sponsorship and the Total Promotional Context

For many years the notion of a systems approach to marketing has been upheld as the appropriate framework for developing a more orderly approach to marketing problem solving. Webster's dictionary defines a system as

'An assemblage of objects united by some form of regular interaction or interdependence.'

In applying a systems approach to marketing, Lee Adler³⁵ argues that variables such as product, pricing, promotion, sales calls and distribution ought to be integrated within a whole in order to interact to the best commercial advantage. Cox and Good³⁶ have adopted a similar approach to the formulation of management information systems.

In keeping with a systems approach one ought to find sponsorship performing a role within a total communications framework. However background research gives a clear impression that companies do not have an overall marketing communications plan within which sponsorship plays its own unique part in achieving company objectives in an integrated fashion. Indeed only one source has even discussed this point albeit cursorily. Possibly it is implicit in the nature of the objectives which some companies claim for their sponsorship, for example Gillette using sponsorship to convey an image of being clean cut and British implies that it is related to overall marketing aims.

The reasons most frequently cited for undertaking sponsorship do not support the proposition that sponsorship fits into a predetermined total promotional plan. Although it is possible that companies do develop a well formulated marketing plan within which sponsorship holds a particular niche, the evidence has yet to be found.

The only example of where sponsorship does seem to have been applied in a total promotional context is afforded by an article in the Financial Times back in 1969.³⁷ In discussing the sponsorship by Carreras of the Piccadilly Matchplay Golf Championship the article states the benefits as follows:

- 1 the facilitating of closer relationships with customers,
- 2 high media coverage used as a platform for sales efforts,

- 3 distribution, merchandising and direct selling are orientated towards the sponsorship.

This example gives a further indication that sponsorship ought not to be seen simply as possibly a cheap substitute for advertising. In particular, point 3 above clarifies the view that sponsorship possesses special characteristics which seem to position it as a promotion tool in its own right. For the most part the literature comments that sponsorship plays an ad hoc role, thus being treated in isolation from other elements of the promotional mix.

Companies often seem to sponsor activities which have a similarity in their appeal with the image which the sponsor wishes to convey, and this probably spills over into the entire promotional effort of the company. Senior Service, for instance, have sponsored motor car hill trials, and the Midland Bank has decided that horses and riding are the 'right fit' for the bank's national image.

That sponsorship is often very much an ad hoc kind of activity is attested to by the fact that it is generally not budgeted for out of the marketing or advertising budget. Instead it tends to be found from funds as and when they are required. This brings us on to the question of how sponsorship decisions are taken.

2.5 Sponsorship Decision-Making

Arising from the background research four sponsorship decision areas emerged, and are as follows:

- i The decision whether or not to sponsor at all.
- ii The decision to do with which particular leisure activity to support.
- iii Decisions concerning how the sponsorship is to be implemented and managed.
- iv Decisions relating to whether to continue to sponsor or not.

It is possible to draw analogies between those sponsorship decision areas and advertising decision-making in order to aid the readers' understanding. The first decision is like

the basic one of whether or not to advertise. Having decided to advertise one is confronted with the media choice decision which closely corresponds to decision (ii) above. Decision area (iii) has parallels with advertising in terms of issues such as a burst versus a drip campaign; whether variables such as merchandising and packaging should be related to the campaign. The final decision area 'decisions relating to whether to continue to sponsor or not' is closely related to factors arising from evaluation.

Ideally one form of promotion should be selected in preference to a competing form because it is capable of doing the required job better, whichever way 'better' is defined. Such a decision-making approach implies that a structured framework is employed which enables managers to take decisions on an objective and critical basis. The available evidence strongly suggests that sponsorship decision-making is not conducted on such a basis. The extent to which sponsorship decision-making can be subjected to anything approaching scientific rigour is clearly limited by the lack of knowledge about the subject. If one accepts the hypothesis that there is a positive relationship between the optimisation of decisions and the amount of relevant information available pertaining to the alternative, then it is fairly readily appreciable that given the apparent lack of factual data about sponsorship, decisions about the subject will suffer accordingly.

It is commonly written of sponsorship that it is simply a reflection of the leisure predilections of company senior management, an observation made by Marketing magazine in 1972:

'At the moment there is little doubt that the reason for commercial involvement in so many sporting events is charity rather than marketing. If the chairman enjoys golf then there is a prize for golfing, if he enjoys yachting there are prizes for yacht races. Indeed, considerable influence can be exerted by high level individual enthusiasts whose enthusiasm often runs strangely counter to the hard-headedness they would normally display when examining conventional investment propositions.'³⁸

This opinion is shared by Paul Mixson writing in Advertising Age in 1975:

'There is a noticeable link between sponsorship and the preferences of Company board chairmen. This could explain the recent boom in Britain of squash rackets, very much an executive game. There are more than 20 companies sponsoring squash in Britain, and it is flourishing despite its lack of broad public acceptance.'³⁹

As an aside it ought to be noted that since the time Mixson was writing, squash has lost a considerable amount of its former exclusivity, but nonetheless the sentiment is understood.

An important aspect of sponsorship decision-making is that the decision of whether or not to sponsor and the choice of activity decision are not necessarily sequential. It often happens that a company engages in sponsorship as a consequence of being approached by a particular leisure activity. In the case of Yardley, its sponsorship of motor racing arose as a result of its having been approached by British Racing Motors. Happily it seems with hindsight that this collaboration was valuable to Yardley, but there may well be many companies who have not experienced such serendipity.

It has been suggested that sponsorship enables those companies whose products are highly price inelastic to achieve sales levels that price manipulations alone are unable to make. One interesting comment made by Eugene Bacot⁴⁰ is that the decision to engage in sponsorship might be related to the increase in leisure activities and expenditure, many of them with valuable ABC1 participants, which lend themselves particularly well to sponsorship promotions. The desire to influence light and non-television viewers (notably an AB socio-economic phenomenon) possibly provides another factor which has influenced the decision to enter into sponsorship. The Glenlivet distillery have decided to sponsor clay pigeon shooting because they believe they can develop a more beneficial rapport with their target market than they could by putting the same amount of money into television advertising.

In recent years increasing attention has been focussed upon the role of corporate image, and it is possible that the growth in sponsorship aimed at corporate image objectives is an extension of this development. Both seem to rely heavily upon so-called public relations benefits accruing from such involvement and therefore

there may be at least an unconscious, if not a conscious, attempt to complement each other.

Another commonly encountered theme upon decision-making concerns the relationship between the activity and the sponsor in terms of product or image relationships. During the course of the pilot interview held at Texaco it was made clear that the company's policy was firmly based upon sponsorship of only those activities which are part of the motoring world. The view was expressed that sponsorship which is not product related is a pointless exercise. Against this view is that of the many companies reported in the literature for whom a consonance of image, either corporate or product, is held to be of paramount significance. For instance many companies state their unwillingness to sponsor sports such as greyhound racing, wrestling, rugby league and soccer because of their down market image.

It seems reasonable to believe that the importance of the sponsor/sponsored link in decision-making ought to be closely related to the objectives required of the sponsorship. Objectives will certainly reflect situational factors and on such a basis a product usage, or corporate or product image link may or may not be of importance.

Sources relating to decision-making do not in general approach the matter in any structured way, however two commentators have itemised what they consider to be relevant sponsorship decision-making variables. The first of them is that of David Antony, a journalist writing in 1969. He makes his points in the context of a discussion about golf sponsorship by the tobacco industry, and it should be noted that his observations represent one man's opinion only.

- a The sport must have an image which the organisation would itself wish to project through direct media advertising.
- b Organisations should choose sports where the demand profile - the estimated number of participants and spectators of the sport - is large enough to justify follow-up promotional expenditure.
- c Organisations should select a sport whose participants may be actual or potential purchasers of its product or brand (i.e., where there is a 'fit' between the product-user profile and the sports follower profile).

- d Organisations should select a sport or sports which have a high volume of social group activity. This would enable follow-up advertising to be directed towards the mediating factor of personal influence.

Source: David Antony

A somewhat different approach was taken in the System Three report published in 1972 which offers the following guidance.

- a The profile of both participants and spectators of a given sport in terms of basic demographic details or in more precise terms is desired.
- b Likely coverage by the media should be estimated.
- c Great attention should be paid to the sporting calendar to avoid coinciding with some other event competing for participants, spectators, and the media.
- d The implications concerning the duration of the sponsorship should be well understood.
- e Detailed knowledge of the activity is necessary.
- f A comprehensive knowledge and understanding of one's company is necessary.
- g There should be an awareness of the opportunities afforded through sponsorship.
- h There should be an appreciation of the inter-relationships between the preceding seven points.

Both David Antony's and System Three's decision-making guides are of a normative nature and do not draw attention to the fact that quite often sponsorship does not take the form of a company identifying a marketing need, making an assessment of the comparative cost-effectiveness of the promotional alternatives available and having chosen sponsorship to then proceed to screen

the various types of leisure activities in order to make the optimal choice. This paradigm requires a degree of knowledge upon the prospective sponsor's part which is rarely to be found. Both Antony and System Three omit to draw the prospective sponsors attention to the fundamental relevance of well-defined objectives to the decision-making process.

The final decision-making area identified by the author concerns decisions relating to whether to continue to sponsor or not. Such a decision must be based upon a company's knowledge of sponsorship, especially its previous experience. Assessment of the value of previous sponsorship is an evaluation process.

2.6 The Evaluation of Sponsorship

The overwhelming impression gained from the background research is that of all the issues concerning sponsorship, evaluation is the most sensitive. This is because evaluation confronts one with the basic question of what does sponsorship really accomplish? The response to such a question tends to be one of uncomfortable silence on the part of commentators. What the precise nature of evaluation is will be dealt with in detail in chapter four, but for the present, suffice is to say that it is the way by which the degree of effect achieved by an activity is assessed.

Of course there can be no doubt that sport and arts activities benefit greatly from sponsorship. In all probability Grand Prix racing would have ceased to exist by now were it not for sponsorship, and the state of health of cricket in the Country would have been seriously impaired without the support which it too has received. However, from the sponsors' viewpoint the benefits are by no means as readily appreciable. The Mintel⁴¹ report on sports sponsorship concludes that in general it is doubted whether sponsors really do know if their involvement is worthwhile.

Part of the explanation for such a situation may be related to the point made by many sources that sponsorship is devoid of carefully considered objectives. Given that such a lax approach is used one would hardly expect the rigours of evaluation to be implemented. Moreover, in the absence of a well-defined objective what is the value of evaluation? It is often said that sponsorship is impossible to evaluate and therefore any such attempts

are futile. However it is possible that there is misunderstanding regarding what is meant by the term evaluation. The impression given is that evaluation tends to be seen as a method of relating sales increment to an activity. Because sales cannot be related to sponsorship in most cases it is therefore assumed that it cannot be evaluated.

Despite the emphasis in recent years upon a DAGMAR⁴² type of approach to marketing communications it is surprising that so many sponsors and others should expect to judge the effectiveness of sponsorship in terms of its effect on sales. The two approaches to evaluation which are most commonly encountered are media coverage assessment and attitude and awareness surveying.

Although few in number there are those companies who endeavour to determine the effect of their sponsorship by using market research. Gillette conducts an annual survey of attitudes and awareness by the public of the company's involvement with cricket, to find out if awareness has increased and how attitudes may have changed. The kind of results they have got are that 75 per cent of all men have heard of Gillette's involvement in cricket and that 77 per cent think this sponsorship is good for the game. However, in his article Paul Nixon points out that . . .

'Gillette executives, for example, frankly admit that their Gillette Cup in cricket is an unknown quantity to them. They don't know if it sells anything or not, but they nevertheless signed another contract for \$ 150,000 to sponsor the tournament this year.'

Gillette is rather an interesting case in that its cricket sponsorship has been in existence for the past sixteen years during which time it has become a well established part of the cricket scene. So much so that recently the company realised that a worryingly large number of people no longer associated the competition with the company of Gillette. It was thought that the Gillette Cup was named after some pioneer of cricket and not related to a company which markets shaving accessories and toiletries. Consequently the company found itself having to spend a sizeable amount of money upon appropriate corrective advertising.

Whilst the number of companies engaging in market research to test for sponsorship effectiveness is very

limited, there appear to be many more who use recourse to media coverage as a means of assessing the worth of their sponsorship. Such attempts include counting column inches and television and radio airtime and comparing the cost of the sponsorship with the cost of buying the same amount of media presence in the normal above-the-line manner. This is a crude method which fails to take account of the wholly different nature of editorial coverage as opposed to advertising. Clearly the value of six column inches reporting a sponsorship in which the sponsor's name received three mentions is likely to be considerably different to a display advertisement of the same size.

The quantity of media coverage obtained is a surrogate variable of effect and does not necessarily give much idea of the effect achieved among the target audience. Sponsors are employing a model of promotion operating on the basis that coverage of their sponsorship by the media will exert some positive influence upon the disposition which a target consumer has for the sponsor's products. In the same way companies believe that their above-the-line advertising will effect a favourable response among a target audience. Whereas through advertising a company can specify creative content, size, position, copy and indeed vehicle, where sponsorship is concerned no such control exists. An advertiser can employ copy testing techniques in order to identify effective approaches for his advertising, however the sponsor is at the mercy of editorial staff. Message content is an important element in determining the effectiveness of an advertisement, but the sponsor has no such possibility for choosing the message content where sponsorship coverage is concerned. For this reason it is perhaps especially important that care is taken in the choice of activity sponsored since if the medium is the message then this is the only way in which the sponsor can exert control over the message put across by his sponsorship.

It could be the case that whereas a manager cannot demonstrate the effect which his sponsorship involvement has achieved as a consequence of the media coverage obtained, he may be able to use media coverage as a way of justifying this expenditure to his superiors.

By establishing how much media coverage has been gained, a manager does have some form of benchmark, albeit crude, against which to make some future comparison. When the Midland Bank assessed the value of twenty-seven horse trials and a championship it counted 243 column inches of press coverage and 108 photographs, in addition to which it received considerable television coverage.

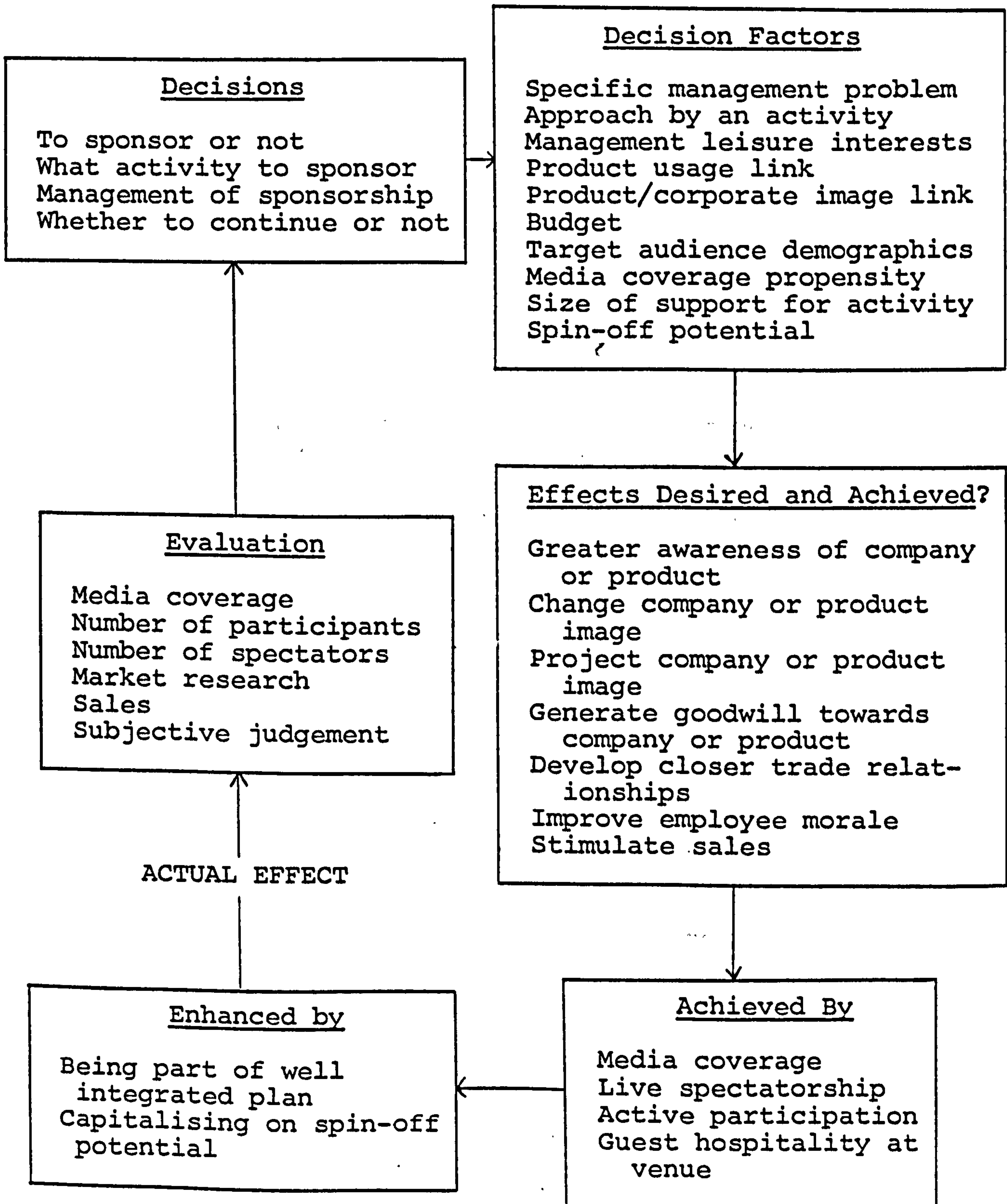
An important aspect of sponsorship evaluation is that since sponsorship is alleged to form only a small proportion of total promotional expenditure, the degree of effort devoted to its evaluation will be accordingly minor. However the logic of this commonly encountered argument is suspect. Although a company may only allocate five per cent of its budget to sponsorship this could nonetheless amount to a considerable amount of money if that total budget happens to be of the order of, say, three or four million pounds. During the course of a four year period such a company would have spent going on for a million pounds on sponsorship. Clearly such a level of expenditure calls for a serious consideration of the value which has accrued from it. Furthermore, the point is relentlessly made that sponsorship absorbs a disproportionately large amount of management time. This is a further reason why this activity ought to be appraised in a critical manner.

Ultimately sponsorship can only be evaluated either by comparison with its objectives, or by the observation of other changes affecting the organisation which are non-attributable to some other variable. This relies upon sponsors actually defining operationally valid objectives, and is an assumption which this background research indicates cannot be made. It has been said by several contributors that in an era of scientific marketing sponsorship is an area where judgement still plays the major role. The present author would contend that all marketing is judgement in the final analysis and so it would perhaps be more accurate to say that informed judgement is less commonly encountered where sponsorship is concerned.

2.7 A Literature-based Overview of Sponsorship

Resulting from this initial investigation the author has been able to identify what appear to be the major interacting variables of the sponsorship process which have been brought together within an overall framework in Figure 2.5. This model is in the form of a circular flow in which evaluation feeds back into decision-making. The variables included in the model are all ones which have been derived from background research and are of both a normative and a descriptive nature. In total they represent the process of sponsorship based upon the current information available.

FIGURE 2.5

The Sponsorship Process

It will be recalled that the background research was intended to lead to the identification of the variables which represent the current state of the art of sponsorship. The basis of many of these variables is little more than opinion and supposition. Therefore the first stage of field research was intended to act as an empirical validation of those variables. Having an empirically based knowledge of sponsorship will best enable the focus for the second in-depth stage of the research to be identified, which accords with the 'illuminative' approach discussed in chapter one.

The following factors formed the basis of the stage one research:

Decision-making

- Who the decision-makers are
- Whether sponsorship is essentially a reflection of senior management leisure interests
- The importance of media coverage
- The significance of the product usage/corporate or product image link between sponsor and sponsored.
- The type of promotional tools believed to be relevant to achieving various promotional objectives

Evaluation

- The effects attributed to sponsorship
- Beliefs about evaluation
- The extent of sponsorship evaluation
- Possible reasons why companies do not evaluate sponsorship

Integration with Other Promotion and Advertising

- If other promotion and advertising reflects a company's sponsorship activity
- Whether sponsorship has an effect upon other marketing activities

Costs

- Relative and absolute amounts spent on sponsorship
- Growth rate of sponsorship

Sponsors

- Whether particular types of companies display any common features in their sponsorship.

Thus the objective of the stage one research was to identify empirically the interacting components of the sponsorship process.

2.8 Data Collection

It was clear that in seeking to validate the factors identified by the background research it would be necessary to gather the relevant data from sponsors themselves. The method of data collection had to take account of the following constraints:

- 1 A paucity of existing factual data, and
- 2 researcher resources: time, money, personnel.

Owing to the first constraint it was deemed necessary that data be gathered from as large a sample as would be practicable. Practicability was greatly influenced by the second constraint, namely, the available resources. A total of 385 companies had been identified as being engaged in sponsorship to some degree. Given the resource constraint it was readily apparent that any form of personal interviewing would be impossible on such a large scale. Therefore some form of postal data collection method was chosen.

Mail surveys are appealing on grounds such as cost and ability to cover a large sample, and speed of operation. Brian Allt⁴³ summarises the advantages of postal questionnaires as follows:

- a immunity from variable interviewer-effect
- b survey as a whole is more reliable, i.e., identically repeatable, than a personal interview study
- c informant can work at his own pace

- d even ignoring cost, it is sometimes the only possible way of contacting the relevant population
- e many of the contexts in which mail research is particularly appropriate also provide a basis for economies through differential rates of sampling of particular sub-groups
- f the relative level of response to different parts of the questionnaire can provide a valuable indication of informant interest and, hence, relevance;
- g points (a) and (b) can make it a particularly suitable tool for multinational studies.

On the other hand Allt also notes the following disadvantages of mail surveys:

- a data-gathering stage usually takes longer than personal interview;
- b the researcher cannot control the attention given to the questionnaire or know when differences of interpretation are taking place, unless piloting on comprehension has been undertaken
- c response material in free response questions may be excessive or inadequate - it cannot be controlled as in a personal interview
- d informants may be more unrepresentative of the population studied than in a personal interview study. Though the nature of the unrepresentativeness is rarely automatically studied as an integral part of the personal interview surveys it is quite possible to do so, and is easier in many mail studies. With either mail or personal interview studies there may be cases where nothing can be done to elicit response from important categories of the population;

- e the informant may read and/or answer the questions in any order. Thus, one cannot assume that answers to any question are independent of the effects of reading and/or answering later questions;
- f tests of 'awareness' must be interpreted with great caution.

Because of the possible difficulties of gaining an adequate response it was considered important that great care be taken in the wording of the covering letter. Furthermore, because stage one was seen as a precursor to the second stage of in-depth research it was deemed vital that as credible a relationship as possible be developed with respondents. This made the covering letter all the more important. The letter indicated that respondents would benefit in three ways; first the action of completing the questionnaire would enable a modest assessment of their own sponsorship to be undertaken; secondly, they would receive a copy of the sponsorship bibliography compiled by the author; and thirdly, a copy of the summary of results would be sent to them. At the time of planning the stage one research it was envisaged that a sample of its respondents would be used for the stage two research. As an interval of several months would separate the two stages, it was planned that the bibliography be sent approximately two months after the respondent had completed his questionnaire, and that the summary of results would follow two months later. This it was felt would maintain relevant interest in the research project and be a demonstration of goodwill on the researcher's part.

2.9 Questionnaire Design and Piloting

An overriding factor affecting the questionnaire design was the wide range of issues to be included (see page 51). Despite this requirement the author was anxious that the questionnaire not be over lengthy. In attaining a good response, both quantitatively and qualitatively, it is important that the respondent's involvement and co-operation be maintained. Given that the questionnaire was going to be sent for completion to marketing directors whose time is at a premium it is highly desirable that

steps be taken to ensure their co-operation and involvement. For this reason it was considered that the questionnaire be capable of being completed in a reasonably short space of time. Open ended questions have the advantage of allowing the respondent to provide a personally relevant reply but they have the severe disadvantage of being much more demanding of the respondent.

It was thus decided that a highly structured questionnaire would be most suitable given the nature of the information required and the constraints operating on respondents. With any form of postal questionnaire extreme care is⁴⁴ required in its wording and construction. Both Payne and Belson⁴⁵ have shown that respondents often fail to understand what is required of them. Failure to properly communicate with a subject is often related to the following:

- a use of ambiguous questions ,
- b use of unfamiliar words
- c use of difficult or abstract concepts
- d giving the subject too many instructions
- e asking two questions in one
- f use of leading questions.

So far as the use of unfamiliar words are concerned, a study by Belson and Jean Morton-Williams showed that many words which seem to be quite familiar are in fact not properly understood:

'words such as "incentive", "proximity" and "discrepancy" are known by only about half the population, whereas words such as "paradox" and "chronological" are known by only about a fifth.'⁴⁶

One particular problem to be tackled was how to uncover the extent to which senior management leisure predilections impinge upon sponsorship decision-making. The author attempted to resolve the problem by listing possible decision-makers in a multiple choice format at an early stage of the questionnaire. Respondents were asked to tick which of the people listed were particularly interested in the major sponsored activity as an active participant, spectator or enthusiastic follower. At a later stage the same list was presented and respondents

were requested to indicate which of them were involved with the sponsorship decision-making of the company. The replies to these two questions were to be compared at the analysis stage. Another question relating to decision-making included senior management leisure interests among the list of decision-making criteria offered. Answers to this question were to be used as a check to the cross-tabulations derived from the two previously mentioned questions. By this device it was intended that one would be able to develop some kind of objective insight into the influence which executive pastimes have upon sponsorship. As it happened the results of this exercise demonstrated a gratifying degree of correspondence between these three questions.

A further aspect of sponsorship which companies are apt to be rather evasive about is the exact size of their sponsorship budget. As precise figures were not required a multiple choice question was used which gave expenditure bands of sufficient relevance for the author and yet allowing sufficient scope for respondents not to feel overly compromised.

While discussing the development of the questionnaire the following important remark has to be made. From background research it appeared that in general, companies only sponsored one activity or event, however, several companies engaged in the sponsorship of several different activities. Therefore in order to take account of the possibility of multiple sponsorships respondents were asked at the start of the questionnaire to relate their replies (unless otherwise stated) to their major sponsorship activity in terms of expenditure. In this way it was hoped that the situation would be avoided in which the answers to questions varied according to the various sponsorships supported by any particular multi-sponsoring company.

Because of the barriers to communication discussed earlier it was felt that careful piloting of the questionnaire would have to be carried out. The major pilot study was partaken in by a group of twenty students on the Cranfield MBA programme whose experience and background was relevant to the field of study. Additionally three sponsor companies and three other researchers were requested to work through the questionnaire. These researchers were individuals whose background was also relevant to the subject area. Happily only minor alterations in wording were required, which was probably a reflection of the fact that five iterations of the questionnaire had been undertaken before reaching pilot stage. The amended questionnaire can be seen in Appendix 2.

2.10 Questionnaire Distribution

The final questionnaire was sent out for completion to the marketing directors of the 385 companies which background research had indicated were actively involved in sponsorship.* This took place on October, 1, 1976. The package also included the covering letter (Appendix 4) and a reply paid envelope. It must be stressed that strict anonymity was assured to all respondents and, if desired, respondents could even refrain from identifying themselves to the author.

2.11 Summary and Conclusions

The objective of this chapter has been to describe the background research aimed at identifying those variables which represented the state of the art of sponsorship, and to discuss the methodology of the stage one field research which was intended to validate the output of the background research.

Background research was based upon three sources of information: literature, previous research, pilot interviews. It was seen that little in the way of substantive knowledge about sponsorship was available. Opinion and supposition represented the major part of sponsorship knowledge.

Having derived a model of the overall sponsorship process from the background research, a methodology for empirically testing the validity of the model was devised. A highly structured questionnaire was mailed to the marketing directors of 385 companies.

*Please see Appendix 3 for a description of the universe sampled.

C H A P T E R T H R E E

STAGE ONE RESULTS

3.1 Introduction

In the previous chapter the author described and discussed the background research which was undertaken to lead to the identification of variables comprising the overall sponsorship process. The present chapter presents and discusses the results of the first stage of field research which was intended to empirically test the validity of those variables.

The research results appear under the same five headings that were used with regard to the background research, namely, the scale of sponsorship, its objectives, the role of sponsorship within the total promotional mix, decision-making, and evaluation. It will be recalled that the general aim of this thesis is to develop a sound understanding of what sponsorship is and how it relates to extant marketing communications knowledge. Stage one is intended to achieve two objectives. Firstly, to provide a factually based description of the sponsorship process, and secondly, to lead to the identification of a focus for a second stage of in-depth research aimed at providing a basis for that sound understanding of what sponsorship is and how it relates to extant marketing communications knowledge.

The results presented in this chapter show sponsorship to be an activity which has grown in importance since the end of the nineteen-sixties but which lacks a critical approach to its usage. That it attracts the attention and resources of such a broad range of industry is indicative of the spread of its appeal.

Despite the value attached to sponsorship in comparison with well-established forms of promotion, companies seem to generally disregard any need to perform evaluation. It is ultimately only through evaluation that the objectively identifiable effects of an activity can be demonstrated. The stage one research indicates that sponsorship has become a widely acknowledged addition to the promotional armoury, but seemingly in the absence of any rigorous testing. In the opening chapter of this thesis the reader was introduced to the notion of marketing communications being a circular flow in which evaluation enables the decision-making of future time periods to be continually refined and improved. Knowledge about the impact of past decisions can only be gained by the use of evaluation.

3.2 Questionnaire Response

From the total of 385 questionnaires sent out 106 usable completed questionnaires were received for analysis, representing a 27.5% response rate. A further eight organisations wrote saying that as their sponsorship activity was exceedingly small they would rather not be included in the research. Ten replied that they did not in fact sponsor and were thus not completing the questionnaire. Nine organisations indicated that they would not be willing to participate in the research. The most common reason given was that they were unwilling to divulge such confidential company information. This response rate was very acceptable, comparing most favourably with research of similar design.

The numbers and dates of replies was logged on a graph so that once a levelling-off in response had occurred a reminder could be sent out. This is shown in Figure 3.1.

FIGURE 3.1

Response to the Questionnaire

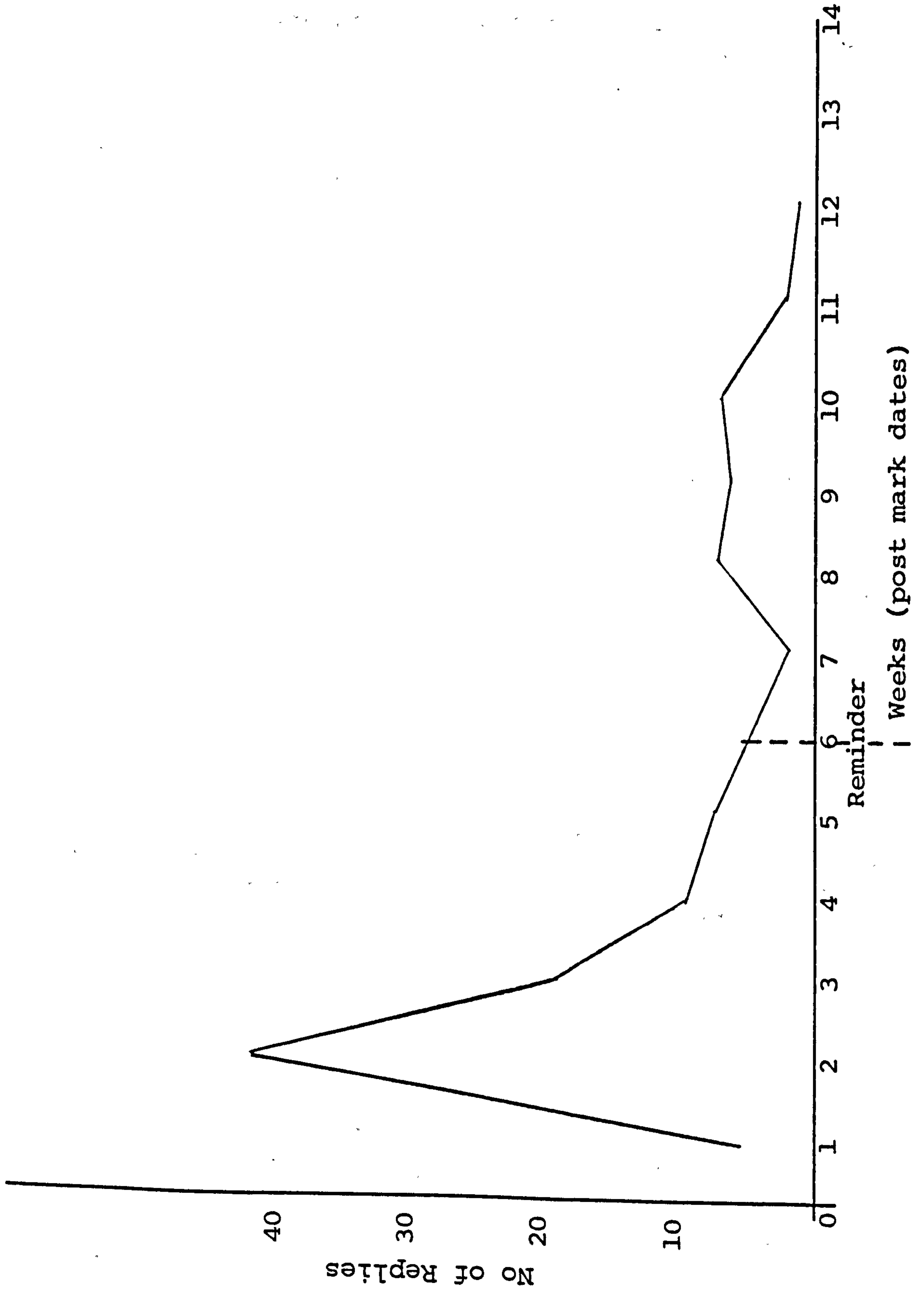


Figure 3.1 shows that nearly 70% of the total response was received within four weeks of the original posting date which corresponds with the general pattern of postal questionnaire response (see Allt⁴⁷). It can be seen that the reminder effected a response equal to an increase in total returns of about twenty per cent which it was considered made it a worthwhile exercise.

Analysis of the response was performed manually. As replies were received over a three month period the author thought it would be profitable to see whether the replies of those who responded very rapidly differed significantly from those who were more leisurely in replying. Major differences, if occurring, might be because early responders took the subject much more seriously and gave according promptness to their replies, whereas late responders were much less concerned. Alternatively, it could have been the contrary, in that later respondents chose to be more thorough and considered in their replies. However, there were no significant differences at all between those who replied early and those who did so with a good deal less urgency.

Non-respondents were excluded from the research. This was not because an investigation of non-respondents was considered to be unrewarding, but that the author wished to confine the scope of his study to actual practitioners. It was felt that such a time and researcher allocation was most fitting to the objectives of this research. However, the point is made in the final chapter that investigation of non-respondents could be a worthwhile part of future research.

3.3 The Scale of Sponsorship

This section looks at the spread which sponsorship has achieved across a wide range of industries and the leisure pursuits with which they are involved. It also discusses the growth of sponsorship in terms of when companies began to undertake it. Finally, it looks at the scale of sponsorship from the point of view of the amount spent.

3.3.1 The Range of Sponsorship Involvement

The companies which responded to the questionnaire represented a wide range of industrial categories. The advantage of this lies in the fact that the sample is representative of the broad scope of sponsorship interest. Figure 3.2 shows the industry groups of which the sample is comprised.

FIGURE 3.2

* Respondents by Industrial Groupings

	<u>No</u>	<u>%</u>
Alcoholic & Soft Drinks	19	17
Food & Confectionary	13	12
Insurance, Banking & Finance	13	12
Industrial Goods	11	10
Consumer Durables & Semi-Durables	9	8
Construction & Allied Industries	8	8
Motoring ¹	6	6
Transport & Travel	5	5
Clothing ²	4	4
Gambling	4	4
Personal Care Products	4	4
Professional Services ³	4	4
Tobacco	3	3
Newspaper	1	1
Retailing Multiple	1	1
Trading Stamps	1	1
	<u>106</u>	<u>100</u>

1 Includes oil, tyre and motor accessory companies.

2 Includes retailers and manufacturers.

3 Estate agents, auctioneers, art dealers, surveyors.

In comparison with the background information held regarding the involvement of various industry groups in sponsorship, those listed in Figure 3.2 represent an accurate reflection. It has to be said that the ordering relates solely to the number of respondent companies in any one industry group and does not represent the relative sponsorship expenditure of those concerned. For example, in expenditure terms one would expect to find the tobacco industry at the top of the list as a result of the information given in Figure 2.2 on page 32 which showed five of the top six sponsorship spenders to be tobacco companies. On the other hand one might have expected industrial goods companies to be low

*See Appendix 5 for a breakdown of the size of turnover of the respondents.

down the scale given an almost complete absence of discussion about them in the literature. The variety of industries represented demonstrates the wide ranging interest shown by companies in sponsorship.

Not only was the range of companies engaged in sponsorship large, but so too was the range of leisure activities sponsored. A total of sixty-two different activities were mentioned by respondents as receiving their support. In terms of the number of companies giving them sponsorship, the following ten leisure activities were the most popular, in descending order:

Horse racing
 Golf
 Concerts
 Cricket
 Motor racing
 Athletics
 Tennis
 Sailing
 Show jumping
 Squash

That horse racing should come at the top of the list is not surprising in view of the attractions of being inexpensive to sponsor, race courses having a good geographical spread, having good hospitality facilities, and requiring little organisational effort on the sponsor's part. The other fifty-two activities sponsored by the respondents are listed in Appendix 6.

Although subjects were requested to specify only their major sponsorship activity if they were engaged in sponsoring more than one, many of them chose to specify their full range of sponsorship but underlined their major one. In this way it became clear that multiple sponsorships are much more common than the literature had suggested. For instance, just under thirty per cent (30/106) stated that they sponsored three or more different leisure activities. Fifty per cent of subjects indicated that they sponsored only one activity. It was confirmed in follow up research that with only a few exceptions this figure of fifty per cent was a true reflection of the number of single activity sponsorships.

Horse racing features highly as the outlet for the sponsorship by those companies engaged in the construction and building industries. This is probably a reflection of the fact that given the nature of their market's behaviour, personal relationships play a very large part in the success of a company. Horse racing is a straightforward

way in which to provide client hospitality. In the course of discussions held with the industry it was said that those involved with construction have a considerable interest in horse racing and this is a further reason for the choice of this activity. Banks, on the other hand, have a leaning towards the arts, which is related to their desire to convey the appropriate corporate image. Sports goods companies, not surprisingly sponsor activities that use their products, while bookmaking organisations solely sponsor horse and greyhound racing. With these exceptions there appear to be no clearly discernible obvious patterns at first sight. The implications of this are that the choice of activity sponsored does not necessarily follow a discrete industry by industry pattern. In other words there are likely to be varying sponsorship motives within any industry group, possibly being a reflection of different objectives and needs.

3.3.2 The Chronological Development of Sponsorship

Although sponsorship is not a wholly modern phenomenon it was anticipated that its growth had undergone particular acceleration since the end of the nineteen-sixties. This assumption was based upon the way the literature on the subject expanded rapidly since that time, and the way in which it reported new sponsorship. As Figure 3.3 shows the major expansion period was between 1971 and 1973 when some thirty per cent of respondents became sponsors. It is possible that an explanation of this growth could be related to there being an element of fashionability.

FIGURE 3.3.

Time when Respondents Began to Sponsor

<u>Date of Commencing Sponsorship</u>	<u>No</u>	<u>%</u>
Before 1960	17	16
1960 - 1965	12	11
1966 - 1970	23	22
1971 - 1973	32	31
1974	9	8
1975	10	9
1976	3	3
	<u>106</u>	<u>100</u>

From 1973 onwards the remaining twenty per cent of the sample undertook sponsorship. It has to be said that these figures relate solely to the number of organisations partaking in sponsorship, and does not necessarily reflect the extent of sponsorship involvement by those concerned. In other words, it gives no idea of the trends in expenditure levels. Unfortunately no such data exists to enable this to be done.

It is quite likely that the particularly rapid expansion which took place in sponsorship at the end of the nineteen-sixties was given considerable impetus as a result of the publicity given to the tremendous expansion of sponsorship by the tobacco companies. This arose because of the ban which was placed on the use of television for advertising cigarettes during 1965. It now seems clear that the sponsorship by tobacco companies of major professional sports enabled those firms to gain the television exposure for their brands which the advertising ban had sought to deny them.

As a rule the companies which took up sponsorship earliest are those whose sponsored activity uses their products, the motor car and its ancillary industries and sports goods companies for example. This seems logical since for these companies sponsorship is much closer to their market development activity.

3.3.3 Expenditure on Sponsorship

The amount of money spent on sponsorship by individual companies during the twelve month period of their last financial year varied greatly from under £5,000 to in excess of half a million pounds. In fact one respondent indicated that it was more than one million pounds. These figures represent total sponsorship cost, i.e. direct plus indirect.¹ During the course of the in-depth research direct and indirect sponsorship expenditure were identified separately and were found to be in an average ratio of 2.4:1 in favour of direct expenditure*. This is in contradiction to the data of the System Three report which put this ratio at 1:1. Figure 3.4 shows the spread of expenditure obtained.

FIGURE 3.4

<u>Sponsorship Expenditure</u>		
	<u>No</u>	<u>%</u>
£0 - £ 5,000	23	23
£5,001 - £ 10,000	19	18
£10,001 - £ 50,000	37	36
£50,001 - £100,000	12	11
£100,001 - £250,000	8	8
£250,001 - £500,000	2	2
£500,001 or above	2	2
	<u>103</u>	<u>100</u>

From Figure 3.4 it can be seen that fifty-eight per cent of respondents spent in excess of £10,000 on sponsorship. This represents a significant shift from the 1971 figures of System Three which showed over fifty per cent of sponsors spending less than £3,000 on this activity. Possibly this

¹ For an explanation of direct and indirect costs see page 29.

* This ratio was confirmed during a meeting held with the Managing Director of United Racecourses Limited, which is one of the largest recipients of commercial sponsorship in the country.

is support for the view that sponsorship is becoming increasingly thought of as a serious marketing tool. On the other hand it may be nothing more than a reflection of the effects of inflation.

In 1971 it was estimated that sponsorship almost always accounts for less than two per cent of total promotional expenditure. However, the current research indicates that nearly forty per cent of sponsors now allocate over five per cent of their total promotional budget to sponsorship, as can be seen in Figure 3.5 below.

FIGURE 3.5

Sponsorship Expenditure
As Percentage of Total Advertising and Promotional Budget

<u>%</u>	<u>No</u>	<u>%</u>
0 - 5	60	63
6 - 10	22	23
11 - 25	8	8
26 - 50	3	3
51 - 75	1	1
76 - 100	2	2
	<hr style="width: 10%; margin: 0 auto;"/> 96	<hr style="width: 10%; margin: 0 auto;"/> 100

It can also be seen that in fourteen per cent of cases sponsorship accounted for more than ten percent of total promotional budget. This leads one to consider that inflation does not provide the explanation for why there appears to have been an increase in sponsorship expenditure. It appears as though companies may be perceiving a more powerful role for sponsorship. The reader will recall the point being made that sponsorship has a rapacious appetite for management time. That being so an increase in the proportion of promotional resources given over to sponsorship would imply an even greater encroachment by sponsorship on management time. This again would seem to suggest that management believe this increase to be justified.

From the available information it has been estimated that the total amount of money spent on sponsorship during the twelve months up until mid 1976 was in the region of twenty-five to thirty million pounds. In comparison with the System Three figure of fourteen million pounds in 1971 this represents a doubling over the five year period.*

Thus although sponsorship remains a minor component of the promotional mix, there are signs that it is assuming a more important role for those companies who employ it.

3.4 Sponsorship Objectives

In general terms there can be little doubt that sponsorship is regarded as having two major aspects to its usefulness. Firstly, some ninety-three per cent of the sample agreed with the statement that 'through our sponsorship we receive publicity from television, radio and the press'. Indeed some forty-one per cent indicated that this represents their most important reason for engaging in sponsorship. However, this leaves fifty-nine per cent for whom media coverage is not regarded as being the primary reason for their sponsorship. The second major aspect of sponsorship is its usage for 'providing a cost-effective way of rewarding important customers', a statement agreed to by fifty-five per cent of the sample. Eighteen per cent gave this as the most important reason for their sponsorship. Taken together, this means that approximately six out of ten sponsors perceive sponsorship's primary usage in terms of media coverage or guest entertainment. This leaves four out of ten sponsors perceiving other sides to its usage. These other uses for sponsorship will be considered in detail when the stage two results are discussed. However it is sufficient to say that while media coverage is regarded as important it is by no means the sole rationale for sponsorship. Thus to cast sponsorship in the straightforward role as a cheap alternative to above-the-line appears to be an oversimplification. Given that the literature tends to view sponsorship only in terms of media coverage and guest entertainment these results support the contention that the literature has inadequate knowledge of sponsorship.

That sponsorship is not simply concerned with gaining media coverage is indicated by the data given in Figure 3.6, which are the responses given to the question: If you could no longer gain media coverage of your sponsored activity, would you continue your sponsorship?

*See Appendix 7 for notes on System Three's sample.

FIGURE 3.6

	<u>No</u>	<u>%</u>
'We would <u>definitely</u> continue to sponsor.'	23	22
'We would <u>probably</u> continue to sponsor.'	24	23.5
'We would <u>possibly</u> continue to sponsor.'	20	19
'I <u>doubt</u> that we would continue to engage in sponsorship.'	24	23.5
'We would <u>definitely not</u> continue to engage in sponsorship.'	13	12
	<u>104</u>	<u>100</u>

As can be seen in Figure 3.6, whereas 35.5% of subjects would be likely to cease sponsoring, some 45.5% would be likely to continue their sponsorship. Almost all of those who say that their sponsorship would definitely cease are companies whose sponsorship is very obviously geared to gaining media coverage which indicates consistency in their overall replies to the questions. Those companies which definitely would continue to sponsor fall into three groups, firstly those which sponsor basically to entertain guests, secondly those seeking to enhance staff morale, and thirdly those which sponsor leisure activities in which their target audience actively participate. It would be interesting to know if the replies shown in Figure 3.6 vary according to the specific type of medium in which coverage is being gained. For instance, are those companies which use sponsorship specifically for television coverage the most likely to cease if coverage were denied them? Again such a breakdown cannot be made from the information available.

The discussion upon sponsorship effects so far has been at the general level of the way in which sponsorship operates. Sponsorship may well function by gaining media coverage, but that in itself is not an effect. It is the way in which an effect may be achieved. The literature gave a firm impression that the identification of sound objectives - or often of any objectives - for a sponsorship was none too common. In fact, 72% of subjects did specify an objective for their sponsorship when requested to do so. Interpreting this figure is a subjective judgement as there is no benchmark against which to compare it. Although it contradicts the view that sponsorship is generally bereft of objectives and might therefore be taken as an encouraging sign, it nonetheless points alarmingly to some 28% - over one quarter of the sample - who made no attempt whatever to

indicate an objective. A noticeable feature of those companies not specifying an objective is that they claim to use sponsorship primarily for guest entertainment purposes in response to the general question on sponsorship usage discussed earlier. It is interesting to notice that all but one of the industrial goods companies included in the sample, failed to specify an objective. These two points may be an indication that industrial companies adopt an uncritical approach to their use of sponsorship.

Despite 72% of the sample having specified an objective for their sponsorship, it cannot be assumed that those objectives reflect any degree of rigour. To be really viable it is essential that an objective complies with certain conditions such as specifying a target audience, the effect required, some benchmark to measure actual achievement against, and, in the case of marketing communications, the message which is to be relayed. These aspects of an objective will be dealt with in detail at a later stage. Quite a number of specified objectives fall far short of such rigorous standards. Consider the following samples:

'Increased sales'

'Corporate identity'

'To increase sales and improve earning'

'Activity to coincide with major market turnover period and receive media coverage'

In fact only about 30% of respondents mentioned any target audience for their sponsorship. This begs the question of how can there be an objective which fails to include a target audience? During the stage two research this issue is closely analysed since it is of great relevance. As will be shown, the results of this thesis cast grave doubts upon the grasp which marketing management has of seemingly basic aspects of critical management practice.

Commonly specified objectives included gaining media coverage, and entertainment of trade clients. Despite the possibility of post hoc rationalisation having some bearing, several of the objectives given did give one the impression that some thought had been expended on their identification. Examples of some of the more considered objectives are given below:

'To make the company name a household word within the golf trade and to educate the consumer to the point that the company name was completely synonymous with quality knitwear.'

- '1 To promote brand awareness and trial.
- 2 To support the basic positioning of the brand.'

'To gain exposure of our brand name and sporting products to as wide a public as possible. To increase our goodwill in our most important market segment. To further enhance our quality image.'

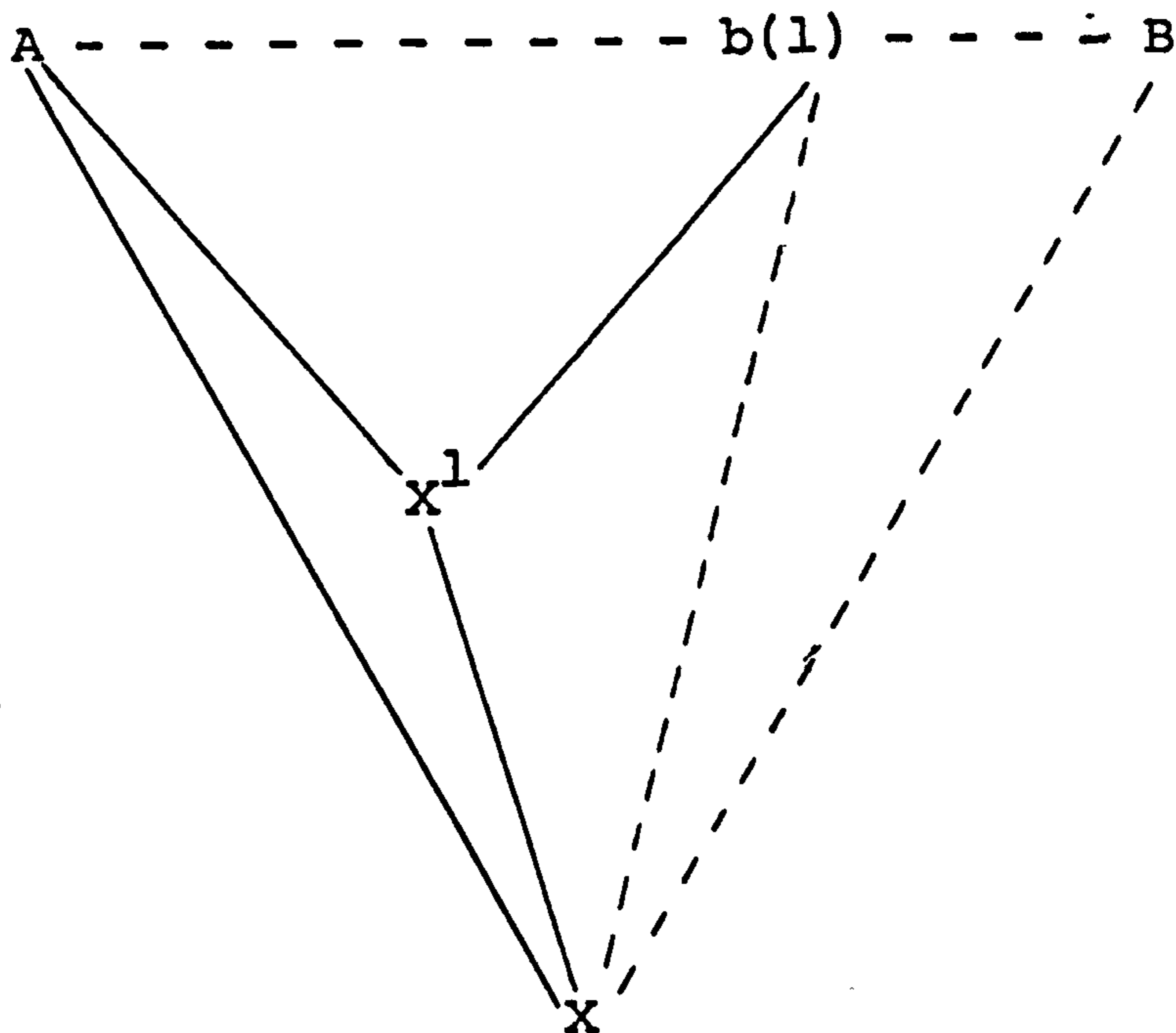
'To position our company as an integral part of day to day life in Manchester.'

'To gain an improved image in a community from which the company draws a workforce of 10,000 (out of a working population of 50,000) by filling a gap in the cultural activities available.'

Despite those companies which appear to have set fairly well-considered objectives for their sponsorship, one is forced to the conclusion that in general the definition of objectives is insufficiently precise as to be meaningful. The literature review on evaluation examines the role of the objective and draws attention to its crucial significance in the evaluation process. An objective perhaps ought to be viewed as a precise point of destination, in that one will only be able to tell if one has arrived at the correct place if it was precisely specified at the outset of the journey. Thus effects can only be judged against objectives and if objectives are vague, there is no way of knowing the degree to which they were achieved.

It is apparent that one fairly common reason given for sponsorship is to enable the sponsor company to somehow benefit from being associated with the activity sponsored thus improving corporate or product image. Sponsorship of this variety is in some ways analogous to Fred Emery's Presenter Model of the buyer/seller relationship. This relates to advertising source credibility and is demonstrated in Figure 3.7.

FIGURE 3.7

Emery's Presenter Model

In Figure 3.7, B represents the company or advertiser, X the product, and A the customer or advertising target audience. X¹ represents the advertisement utilised by B to communicate his product to A. If A is doubtful of the credibility of the advertising message X¹, an intermediary b(1) is included whose role is to develop a smooth running AB relationship. The idea is to use b(1) as a testimonial or presenter of the product X, because b(1) has more credibility than B in the eyes of A.

In the context of the present discussion, the activity sponsored is b(1). Thus companies which believe that they could improve their credibility in a particular market sector may find sponsorship a useful way of achieving this aim. Again this positions sponsorship in a different context to that of merely being an above-the-line substitute. If sponsorship does seem to operate on the level of increasing company or product credibility or indeed by adding value to the bundle of satisfactions of which a product is comprised then this has important implications for the understanding and use of this

activity. For example, attempting to make a pro-rata comparison of the media presence gained through sponsorship with the amount bought above-the-line for the same amount of money may be a pointless exercise. As has been pointed out earlier, like is not being compared with like.

In contrast to this presenter type aspect of sponsorship usage is that of directly product related sponsorship, that is, where it assumes a broader market development role. By this one means that in encouraging individuals to use the company's products it is directly endeavouring to sell its products. But this is nevertheless a matter of communicating a message to a target audience in order to effect a desired response. Here are two cases to illustrate this.

Firstly is the case of a multiple retailer which decided to stock fishing tackle. Apart from the actual shelf space given to the product, the sole vehicle for promotion chosen was the sponsorship of angling competitions. What was eventually to be a nationwide series of amateur competitions was embarked upon. The sponsor considers that his sales of those products has grown very much in step with the expansion of its sponsorship scheme.

The second case is of a major bookmaking chain, which had a particularly interesting marketing problem. Before this sponsorship began, the bookmaking market was almost totally limited to horse racing. The punter thought only in terms of the turf and neglected greyhound racing; furthermore the staff in the company's 'shops' knew very little about dog racing. The particular concern of the company was that when the weather was too bad for horse racing it lost a lot of business. However, greyhound racing is not affected by the weather anywhere as near so much. It could be said that the company had a lot of idle capacity which it was eager to utilise. Accordingly the company decided that it had two objectives to achieve, firstly, it had to educate the punter to think also in terms of dog racing so that this would act as a substitute to the turf during bad weather, and secondly, it had to gain the enthusiasm of its own staff for dog racing and to get them to understand the sport and its betting. It set about achieving these aims by setting up a series of special greyhound racing meetings throughout the country. They were widely publicised in each locality and thus generated a high amount of awareness for the sport. Betting shop staff were taken along to learn about it. As a result of this sponsorship the company has seen increasing substitution of greyhound racing for horse betting when turf meetings have had to be cancelled.

So far in this section attention has been focussed upon some of the broad issues associated with sponsorship effects. This has looked at sponsorship somewhat in isolation and so in developing the theme of how sponsorship fits into the total promotional context consider the following table of results.

FIGURE 3.8

Matching Promotional Techniques with Promotional Objectives

<u>Promotional Objectives</u>	<u>Promotional Techniques</u>									
	<u>Sales Reprs</u> %	<u>Radio Ad</u> %	<u>TV Ad</u> %	<u>Poster Ad</u> %	<u>SPONSORSHIP</u> %	<u>Press Ad</u> %	<u>Price Cuts</u> %	<u>Free Gifts</u> %	<u>Point-of-sale Material</u> %	
a Long term growth in market shares	56	7	41	22	25	53	4	2	22	
b Short-term sales increase	39	20	36	10	2	35	47	14	24	
c Increase of consumer awareness of the company or its brand	15	16	58	34	53	60	1	3	28	
d More favourable attitude towards the company and its brands by consumers	20	8	42	22	49	53	12	4	11	
e Greater goodwill to the company by wholesalers and retailers	44	3	25	12	31	22	20	12	23	
f Launch of new brand	41	20	49	19	6	48	11	10	38	
g Change or enhance corporate image	20	6	37	20	53	57	0	0	10	

The data given in Figure 3.8 represents the percentage of respondents who regard the specified forms of promotion as being of relevance in achieving the specified promotional objectives. This table is especially useful in the way in which it puts sponsorship into the desired context for the respondents to the questionnaire, and also in its ability to place sponsorship in the appropriate perspective for the present reader. Although the figures given represent an aggregation of the views of many different industrial groups they do give an impression of how those involved in making decisions about the promotional mix perceive the use of the various tools available. To aid the reader's appreciation of the data shown in Figure 3.8, the percentage of respondents considering the various promotional techniques relevant to contributing to the promotional objectives are presented in rank order in Figure 3.9.

FIGURE 3.9

Promotional Techniques Relevant to Promotional Objectives

Promotional Techniques

Rank Order in Terms of Applicability to Objectives

<u>Promotional Objectives</u>	<u>Sales Reps</u>	<u>Radio Ad</u>	<u>TV Ad</u>	<u>Poster Ad</u>	<u>SPONSORSHIP</u>	<u>Press Ad</u>	<u>Price Cuts</u>	<u>Free Gifts</u>	<u>Point-of-sale Material</u>
a Long-term growth in market shares	1	7	3	5=	4	2	8	9	5=
b Short-term sales increase	2	6	3	8	9	4	1	7	5
c Increase consumer awareness of company or brand	7	6	2	4	3	1	9	8	5
d More favourable attitude towards company and brand's by consumers	5	8	3	4	2	1	6	9	7
e Greater goodwill to the company by wholesalers and retailers	1	9	3	7=	2	5	6	7=	4
f Launch of a new brand	3	5	1	6	9	2	7	8	4
g Change or enhance corporate image	4=	7	3	4=	2	1	8=	8=	6

Both Figures 3.8 and 3.9 are extremely interesting in the way in which they reveal opinions about the use of the range of promotional tools given. It would be an interesting exercise to repeat the same questioning over a period of years in order to monitor for shifts in the perceived usefulness of those techniques. With the recent increase in commercial radio stations one would expect to see the usage and approach to this medium changing as more companies come into contact with it. To gain a further idea of the value which is placed upon the promotional tools the percentages given in Figure 3.8 for each of the nine types of promotion have been averaged, with the following results.

FIGURE 3.10

Sales Representatives	33.5%	3
Radio Advertising	11.4%	8
Television Advertising	41.1%	2
Poster Advertising	19.8%	6
SPONSORSHIP	31.3%	4
Press Advertising	46.9%	1
Price Cuts	13.5%	7
Free Gifts	6.4%	9
Point-of-Sale (POS)	22.3%	5

In other words for all of the seven objectives listed in Figures 3.8 and 3.9 an average of 31.3% of respondents considered sponsorship to be a useful method of promotion, whereas an average of only 6.4% thought free gifts to be useful. Whilst this is a crude device, it nonetheless provides a further perspective to the relative weighting of promotional alternatives. Sponsorship emerges as the fourth most popular method. The rank order shown in Figure 3.10 is exactly the same if the rank order given in Figure 3.9 are averaged, which one would expect. Sponsorship is regarded particularly highly where greater consumer awareness of the company or brand, creating more favourable consumer attitudes towards company or brand, developing goodwill with trade contacts, and corporate image contributions are concerned. It scores lowest for the objectives of

short-term sales increase and the launching of a new brand. Objectives such as short-term sales increase could be described as tactical as opposed to developing a more favourable attitude towards a company which is a strategic objective. Sampson⁴⁸ has clearly defined these two types of objectives in the following way:

'A tactical below-the-line activity may be offensive, defensive or merely concerned with the status quo. Its effect or benefit (whether measurable or not) is meant to be felt amongst an exposed or target group in the immediate period of, and following the promotion. Its target group may be a large or small market segment or within a geographical region.

'A strategic below-the-line activity is one which is not expected to yield any noticeable immediate effect or benefit upon the exposed or target group, but, 'so it is hoped, will over time, produce a more favourable marketing climate for the product, brand or company so promoted, in terms of 'image', propensity to purchase etc.'

The essential difference between the two is time period, strategic being long-term in its effect or functioning whereas tactical operates in the short-term. This difference of time period has far reaching implications in terms of evaluation. The reason being that the shorter the time period the easier it should be to establish cause and effect because the influence of intervening variables is lessened. The pattern of sponsorship usage presented in Figures 3.8, 3.9 and 3.10 is supported by the following table of data:

FIGURE 3.11

<u>Sponsorship Effects</u> <u>Respondents Claim to have Achieved</u>		
	<u>No</u>	<u>%</u>
'Sponsorship has increased consumers' awareness of our Company.'	77	73
'Sponsorship has led to an increase in brand awareness by consumers.'	46	43
'Public attitudes to our Company have improved because of sponsorship.'	59	56
'The public have a more favourable attitude to our brands because of sponsorship.'	36	34
'Sponsorship has contributed to our having a closer relationship with some retailers and wholesalers.'	56	53
'Our sales have increased because of sponsorship.'	28	26

This again shows that sponsorship is seen especially in corporate terms which are strategic rather than tactical in nature. These figures are unsubstantiated and reflect solely what the respondent believes to be the case. However the data does give an indication of how sponsorship's usage is perceived. That sponsorship is regarded as having a valid contribution to make to companies is reflected in Figures 3.8 and 3.9 and supports the views expressed in the introductory chapter of this thesis that sponsorship has achieved a position of some standing within the promotional mix.

3.5 Sponsorship and the Total Promotional Context

The review of documentary evidence discussed in the previous chapter presented a picture of sponsorship occurring in isolation from other promotional activities. Undoubtedly, the degree to which what shall be termed sponsorship integration ought to be developed depends upon the objectives and the scale of the sponsorship. It could be that a specific objective is chosen for sponsorship and for which it is deliberately planned to be a solitary approach. So far as scale is concerned, those projects of the more modest kind may offer little scope for integration. But having said that, even a small scale sponsorship may provide potential for point-of-sale promotion on a local basis and may give sales representatives something interesting to tell their customers.

Some sixty-two per cent of subjects indicated that they use themes from, identify with, or, otherwise integrate their sponsorship with other components of their promotional mix. This figure is far higher than the background research would have led one to expect. The promotions most commonly integrated with sponsorship are press advertising, point-of-sale display, sales representatives materials and television advertising. A number of other promotional activities are similarly integrated with sponsorship but to a lesser extent, they are:

- Public relations activity
- Poster advertising
- Direct mail
- Radio advertising
- Trade promotions
- Packaging
- Brochures and programmes at the sponsored event
- Audio-visual presentations
- Special promotions
- Sales force incentives
- Car stickers

Indeed, some thirty-nine per cent of respondents indicated that they integrate their sponsorship involvement with two or more other promotional activities. Thus there would appear to be fairly widespread acknowledgement of the importance of not allowing sponsorship to appear totally in isolation.

3.6 Sponsorship Decision-Making

The view expressed through the literature that media coverage is the major decision-making factor is backed up by the results of the survey. The second most important criteria was that the sponsored activity should use or be strongly connected with the sponsor's products or services. From the pilot interviews conducted and the literature reviewed it was evident that the sponsor/sponsored relationship in terms of product usage or image has a significant bearing upon decision-making. The survey results have validated this viewpoint.

Subjects gave several other criteria as being relevant to their decision-making such as the suitability of a prospective sponsored activity as a vehicle for entertainment. Also mentioned were that the title of the event must bear the company's name, the activity must not have been previously sponsored by any other company, it must be a world championship, the event must coincide with employee leisure interests, and the geographical location of the activity.

Very few articles written about sponsorship reach their conclusion without saying that it is a reflection of managerial leisure pursuits. To discover the veracity of this is far from simple. It takes a manager of exceptional candour to say that he commits possibly several thousand pounds of the company's money to a particular sport, or art form, for no reason other than that it happens to be his hobby. Twenty per cent of subjects indicated that senior management leisure interests are a consideration in their company's decision-making. To develop a greater appreciation of this, respondents were asked to indicate which members of the executive staff were active participants, spectators or enthusiastic followers of the major activity sponsored. Secondly, they were requested to indicate which personnel were involved in sponsorship decision-making, for purposes of comparison. Interest in the major activity sponsored was as follows:

FIGURE 3.12

Executive Interest in the Activity Sponsored

	<u>No of Respondent Organisations</u>	<u>%</u>
Chairman and/or Managing Director	57	54
Other Board Members*	9	8
Marketing Personnel	28	26
Sales Personnel	30	28
Advertising and Public Relations	18	17
Others	5	5
None	33	31

*Excluding Marketing, Sales, Advertising and PR Directors who are included under their functional areas.

That so many more Chief Executives are followers of the activity sponsored, than are other personnel, suggests an element of patronage on their part. However, an assessment of the real extent of such an occurrence requires a great deal of additional information. The following people participated in the sponsorship decision-making process:

FIGURE 3.13

Sponsorship Decision Makers

	<u>No of Respondent Organisations</u>	<u>%</u>
Chairman and/or Managing Director	83	78
Other Board Members*	12	11
Marketing Personnel	60	57
Sales Personnel	26	25
Advertising and Public Relations	23	22
Others	4	4

*Excluding Marketing, Sales, Advertising and PR Directors.

That Chairmen and Managing Directors emerge as significant factors affecting decision-making is not altogether surprising given the likelihood that they are ultimately involved in the decision-making of other promotional activities.

Marketing staff are the next most influential group of decision-makers. Marketing directors are involved in the decision-making of seventy per cent of those companies in which marketing personnel are concerned with decision-making. But again, marketing directors are extremely likely to have at least some involvement in the decision-making of activities which fall within the auspices of members of his department. Therefore it would be wrong to assume that their involvement in sponsorship decision-making is an indication of leisure time nepotism.

In further developing this line of enquiry, the responses given regarding executive interest, in the activity sponsored were compared with data regarding the composition of the decision-making group. This was to determine whether those involved in decision-making were also keen supporters of the activity sponsored.

The result of this exercise was that in forty-one per cent of respondents the decision-makers were not followers of the activity sponsored. In thirty-three per cent of cases the major decision-maker had an active interest in the activity sponsored; and in twenty-six per cent of cases other members of the decision-making group were actively interested in the sponsored activity.

A comparison was then made between these three categories of leisure interests/decision-making, and the extent to which the respondents explicitly claimed senior management leisure interests (Appendix 2, Question 10) to be a decision-making criterion of those respondents in which there was no such correlation, two mentioned senior management leisure interests as exerting some influence. In those cases where the non-major decision-makers had an interest in the activity sponsored, five indicated that senior management leisure interests were of relevance in decision-making. And, in the cases in which the major decision-maker was actively interested in the activity sponsored, thirteen indicated that senior management leisure interest is a decision-making factor. This cross referencing demonstrated valuable consistency in the questionnaire responses.

Thus it appears that senior management leisure interests do have some bearing upon sponsorship. The full extent

of this influence cannot be accurately assessed from the research so far undertaken, however one could guesstimate that it is of significance in no more than twenty-five per cent of respondents. The author says 'in no more than twenty-five per cent' as opposed to saying 'in as much as twenty-five per cent' because of the general view expressed that this is of highly significant importance in sponsorship.

The type of companies which tend to manifest the influence of senior management leisure predilections on sponsorship decision-making are those in the construction and allied industries and industrial goods companies. One possible explanation for this could be because these companies employ sponsorship principally as a vehicle for providing hospitality to trade customers to develop closer relationships with them. Accordingly if a top executive has particularly close relationships with, say, a race course he may be able to command much better facilities for hospitality than might otherwise apply. In other words, it would be wrong to assume per se that the involvement of senior management leisure interests in decision-making is necessarily a bad thing.

Next to the propensity to attract media coverage, the most common decision-making factor of the sample was that there should be some product usage, or image relationship between the company and the activity it chooses to sponsor. In fact some sixty-four per cent of respondents considered such a relationship or link to be of over-riding importance. While twenty per cent believed a product usage link to be of over-riding significance, forty-two per cent thought it to be an image association, and two per cent thought both of these conditions apply. The remaining thirty-six per cent of subjects believed that the product usage, or image link was not of over-riding relevance. The numbers falling into each of the various sponsor/sponsored link groupings are shown in Figure 3.14.

FIGURE 3.14

Sponsor/Sponsored Link Groups

- | | | |
|---|---|----|
| 1 | <u>Product Linked (PL)</u> | |
| | Where major activity sponsored uses, or is closely associated with the company's products or services. | 25 |
| 2 | <u>Product Image Linked (PIL)</u> | |
| | Where the major activity sponsored has an image similar to that of the sponsor's product. | 10 |
| 3 | <u>Corporate Image Linked (CIL)</u> | |
| | Where the major activity sponsored has an image which is similar to the sponsor's corporate image. | 26 |
| 4 | <u>Non-Linked (NL)</u> | |
| | Where the major activity sponsored exhibits none of the types of association with the company as indicated in 1, 2 and 3 above. | 40 |

The relevance to decision-making of these link types should relate to the objectives set which includes the characteristics of the target audience. There ought to be a group or groups of individuals to which the sponsor believes either a product usage, corporate image or indeed no such association to be meaningful. There must be certain responses which the sponsor is seeking to elicit from the target audience. These responses being considered to be either enhanced or detracted from depending upon the relevance of a product, image, or whatever link to the target audience. Ultimately this relates to objectives. The appropriate target has to be selected and suitable criteria identified as being capable of leading to effective communication with that group.

The way in which a company perceives the relevance of any particular link to its sponsorship will be affected by the model of communications which the decision-maker uses.

Whether it be conscious or not, a manager has a model of how various forms of marketing communication are perceived by his target audience. His model may be totally incapable of withstanding critical evaluation but it is nonetheless the way in which he believes communications to work. In choosing to sponsor an activity which has an image consonant with that of his company, the manager is making the assumption that his target audience responds particularly well to such an approach - or conversely that it might respond less well to other forms of sponsorship linkage.

This aspect of sponsorship decision-making has parallels with other forms of promotion. For example, companies seeking to enhance and project their corporate image are unlikely to use free gifts or price cuts. This is aptly demonstrated in the responses shown in Figure 3.8. Instead they will choose a medium and within that medium a vehicle which it is considered will communicate the message in the required fashion. The choice of vehicle has a bearing on the effectiveness of communication on two levels. First it affects the targetting of the message by virtue of its target audience profile. Secondly, characteristics of the vehicle will affect the perception of the message. In the previous chapter Marshall McLuhan's contention that the 'medium is the message' was discussed and with regard to sponsorship it was said that different kinds of sponsorship will project different messages about the sponsor. Thus the choice of sponsor/sponsored link will have an important bearing upon the effectiveness of the sponsorship. What is not known is the degree to which sponsors have considered the implications of the linkage. Judging from the information obtained concerning objectives and decision-making it appears that companies perceive there to be only one form of link that applies to them, instead of appreciating that according to the objectives required various links or indeed no link will be required.

Sponsorship may be a unique form of promotion in its ability to project a particular message to a certain target, but that is something which as yet to be proven.

Construction and industrial companies fell almost entirely within the non-linked group. This is possibly a reflection of the fact that their sponsorship is geared towards cementing trade relationships via hospitality provided at the event, rather than trying to promote a message via media coverage. Accordingly the relationship between the sponsor and sponsored is subordinated by the far more significant criterion, i.e. that the chosen activity lends itself well to guest entertainment. In fact, such a supposition is supported by the number of such companies which specified such a criteria in the question relating to decision-making criteria.

Interest in the activity sponsored by the Chairman and/or Managing Director is highest for the non-linked and corporate image linked groups, and lowest for the product-linked. Other board members figure highest in the case of the corporate-image linked and lowest for the product-linked. Marketing staff assume most importance for the product-linked and product-image-linked, and are least common in the non-linked group. Sales, advertising and public relations staff have the greatest level of interest in the activity sponsored among the corporate-image-linked respondents. In summary, it appears that interest by senior management other than those of the marketing, sales, and public relations department, in the activity sponsored is significantly highest for non-linked sponsors and lowest for product-linked sponsors. These differences are a reflection of the overall difference in the orientation of objectives. Non-linked sponsors tending to have client-hospitality related objectives, product-linked sponsors being concerned with creating product awareness among the domestic consumer via the media.

3.7 The Evaluation of Sponsorship

It will be recalled that during the review of background research sponsorship evaluation was said to be rarely practiced. Before discussing the research findings, certain remarks about evaluation ought to be made. Evaluation is an expression which is commonly encountered yet far from fully understood. As future parts of this thesis will demonstrate, evaluation is not a straightforward concept and the meaning of the expression is not universally agreed upon. Some sources in the background research made it clear that evaluation is an entirely quantitative concept, whereas others were less sanguine about its defining characteristics. Ultimately it is a judgement about the consequences of a particular act and is based upon information relating to those consequences. This information need not necessarily be quantitative. The background research identified two information inputs concerning sponsorship evaluation, namely, market research and media coverage. Market research has been used, albeit on an apparently limited basis, to test for awareness and attitude effects, and media coverage used presumably as some surrogate way of assessing effects such as awareness effects.

Respondents were asked to indicate which of a range of sponsorship effects they believed they had achieved, which of them they thought could be evaluated, and which ones they actually did evaluate. This question was intended to probe subjects beliefs about evaluation feasibility and to gain an insight into their personal evaluation behaviour. Figure 3.15 gives the results.

FIGURE 3.15

Effects Achieved, Believed Capable of being Evaluated
and Actually Evaluated

- (a) Column A shows the extent to which sponsors achieve the effects given.
- (b) Column B shows the extent to which sponsors believe these to be capable of being evaluated.
- (c) Column C shows the extent of actual evaluation of these effects.

	A		B		C	
	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>
Increased consumer awareness of the company	77	73	43	41	18	17
Increased consumer awareness of the brand	46	43	41	39	16	15
Improved public attitudes to the company	59	56	33	31	15	14
Improved public attitudes to the brands	36	34	24	23	8	8
Closer relationship with some wholesalers and retailers	56	53	29	27	18	17
Sales increase	28	26	19	18	18	17

Seventy per cent of subjects indicated that at least one of the above effects could be evaluated. That leaves thirty per cent who believed none of these effects could be evaluated. A judgement has to be made regarding whether this is a high figure or a low one. In view of the conclusion from background research that knowledge about sponsorship evaluation is very poor, thirty per cent seems to be a much lower figure than would have been expected. One would have anticipated there being far more companies who believe these types of sponsorship effects not to be

open to evaluation. However it could equally be argued that an incidence of almost one-third of companies not believing these effects to be appraisable to be alarmingly high. It may represent a very great degree of mere faith on the part of sponsorship management. Alternatively it may be a manifestation of an uncritical approach to making decisions.

A serious consideration is the way in which the expression 'capable of being evaluated' is understood and interpreted. It is quite likely that to some it may mean fully quantifiable whereas to others it has more of a judgemental quality. In fact the meaning of the word evaluation is discussed on page 101. This discussion underlines the opening remarks of this section that one is inclined to make certain assumptions about what evaluation consists of which are open to considerable qualification.

Having said that seventy per cent of respondents claimed that they believed one or more of the sponsorship effects to be open to evaluation it seems rather surprising that only forty-one per cent thought that increased consumer awareness of the company could be evaluated. The reason for this surprise is that of all communications effects company awareness is probably the basic one. Hierachic models of communications⁴⁹ point to awareness as being the initial effect from which dispositions towards product purchase develop. As was discussed earlier, the DAGMAR approach to advertising focusses strong attention upon the use of awareness as an objective of marketing communications. Therefore, one would expect to see far more than forty-one per cent of subjects considering this effect to be open to evaluation. Possibly this finding has significant implications regarding the understanding which decision-makers have of marketing communications effects and their measurement.

One has to exercise a certain degree of caution in the interpretation of questionnaire results and the data shown in Figure 3.15 has to be viewed accordingly. That twenty-six per cent of sample subjects state that they have achieved a sales increase is prima facie a suspect figure. However, what is perhaps more important than the absolute figures given is the relative incidence of the effects. One would intuitively expect a sales increase to be the least likely effect to be claimed, and indeed that is so.

Of further interest are the differences between what subjects believe they have achieved through sponsorship, what they consider can be evaluated, and what they actually do evaluate. For example, seventy-three per cent claim

that they have achieved increased consumer awareness of their companies, while forty-one per cent believe this effect can be evaluated, however, only seventeen per cent do actually claim to evaluate it. A crucial question is, what accounts for the variance between what is said to have been achieved and what actually is evaluated. The author has termed the difference between these two magnitudes the effect residual since it represents the percentage of subjects claiming an effect after the percentage who actually evaluate the effect are subtracted.

It is interesting to observe how the effect residual varies according to each of the six separate effects. In Figure 3.16 column A gives the effect residuals, the figures in column B represent the percentage of those claiming an effect who actually claim to evaluate that effect - this is termed the effect evaluation quotient or EEQ.

FIGURE 3.16

Effect Residuals and Effect Evaluation Quotients

	<u>A</u>	<u>B</u>
	<u>Effect Residual</u>	<u>Effect Evaluation Quotient</u>
	%	%
Increased consumer awareness of the company	56	23
Increased consumer awareness of the brand	28	35
Improved public attitudes to the company	42	25
Improved public attitudes to the brands	26	24
Closer relationship with wholesalers and retailers	36	32
Sales increase	9	65

3.8 Summary of Stage One Research Findings

The Scale of Sponsorship

- 3.8.1 Sponsorship has widespread appeal. Stage one results were based upon 106 companies representing sixteen different industry groups. Thus it is not some narrowly applicable tool of any one industry which has some specific communication handicap.
- 3.8.2 The broad appeal of sponsorship is further evidenced by the fact that over sixty different leisure activities received sponsorship from the sample subjects.
- 3.8.3 Multiple sponsorship is more common than was anticipated. Thirty per cent of the sample sponsored three or more different activities. This may be taken as an indication that sponsorship is not merely a manifestation of some chief executive giving largesse to his favourite pastime. Instead it represents an attempt to utilise the salient benefits of a range of leisure pursuits for commercial advantage.
- 3.8.4 The appeal of sponsorship to industry has grown mainly since the end of the nineteen-sixties. Indeed the major expansion period was the period 1971-73.
- 3.8.5 It is estimated that the total expenditure on sponsorship in 1976 was in the region of 25 - 30 million pounds of which the ratio of direct to indirect costs was 2.4:1. Thus it is likely that during the first six years of the present decade sponsorship expenditure has grown by about 400 per cent.
- 3.8.6 Sponsorship appears to be assuming a more significant role within companies' promotional mix given that it represented more than five per cent of total promotional budget for fifty-eight per cent of the sample in 1976 vis a vis 1972 when another piece of research observed that in almost all cases it accounted for less than two per cent of total budget.

Sponsorship Objectives

- 3.8.7 The view that media coverage is the sine qua non of sponsorship has not been supported. This objective was the prime motive for forty-one per cent of the sample, whilst client hospitality was the prime motive of a further eighteen per cent. In other words forty-one per cent of the sample used sponsorship primarily to achieve effects other than straightforward media coverage or guest entertainment.
- 3.8.8 Objectives are very poorly defined. This has far reaching implications in terms of the sample's ability to measure and assess effect of sponsorship.
- 3.8.9 There is evidence to suggest that sponsorship is viewed as having applicability to a wide range of promotional objectives. Subjects rated it more highly than radio and poster advertising, point-of-sale, price cuts and free gifts.
- 3.8.10 It appears as though sponsorship is considered to be a strategical rather than tactical promotional method. This means that it is regarded as being long-term in its way of working.
- 3.8.11 The sample indicated that sponsorship is regarded as contributing primarily to corporate awareness objectives, secondly to corporate attitude dimensions. The third most common specific effect of sponsorship was given as its ability to improve trade relationships.

Sponsorship and the Total Promotional Context

- 3.8.12 The background research conclusion that sponsorship occurs in almost complete isolation from other forms of promotion has not been supported. That sixty-two per cent of the sample integrated sponsorship with other elements of the promotional mix indicates that companies appreciate the need to enhance the commercial value which it has to offer.
- 3.8.13 The main criteria used for deciding which activity to sponsor are, in declining order: ability to attract media coverage; there should be a link between the sponsor and sponsored in terms of product usage, product image, or corporate image; demographic profile of participants and/or spectators of the activity.

- 3.8.14 Media coverage may not be of the over-riding significance which it is believed to be. If all coverage by television, radio and press were to be stopped, only twelve per cent of respondents indicated that they would definitely not continue to sponsor. Thus adding support to the view that its effects are by no means entirely media related.
- 3.8.15 From the data obtained there is little in support of managerial pastimes forming the major motivation behind sponsorship.
- 3.8.16 Companies sponsoring an activity which uses or is very closely associated with their products have had the longest involvement with sponsorship. For these companies sponsorship is a more closely identifiable market development activity.
- 3.8.17 Companies which have neither product nor image connections with their sponsored activity have a tendency towards: exhibiting senior management leisure predilections in their sponsorship, not identifying viable objectives, failing to exploit the full potential offered by sponsorship, perceiving less effect from sponsorship. Companies who do not perceive such links between themselves and their sponsored activities should examine their sponsorship very carefully.
- 3.8.18 Companies that sponsor activities which have an image congruent to that of their product (be it a good or service) tend to conduct sponsorship in the most commercial fashion.
- 3.8.19 Sponsorship decision-making has close parallels with that of advertising and other promotional decision-making and could enable a suitable framework to be devised from extant knowledge.

The Evaluation of Sponsorship

- 3.8.20 Nearly three-quarters of the sample considered at least one if not more sponsorship effects to be capable of being evaluated. Assuming that this figure can be relied upon, which cannot be assumed, it still leaves over one-quarter of the sample believing that it cannot be evaluated.

- 3.8.21 Effects which are most commonly held to be open to evaluation are: increased consumer awareness of the sponsor company, increased consumer awareness of the sponsor's brand, improved public attitudes to the sponsor company, improved public attitudes to the brand, better relationships with trade customers.
- 3.8.22 A figure of forty-two per cent of the sample claimed to actually evaluate their sponsorship. This leaves an alarming figure of fifty-eight per cent who claim not to make any evaluation. In the absence of evaluation how can effects be substantiated and future decisions improved?
- 3.8.23 The effects most commonly evaluated are increased consumer awareness of the company; closer relationships with retailers and wholesalers; sales increase; increased brand awareness by consumers; and improvements in the public's attitude to the company. Even so, no one effect is evaluated by any more than seventeen per cent of the sample. Indeed, seventy-six per cent of those claiming to have increased company awareness have not evaluated the effect.
- 3.8.24 One fifth of the sample believe that the effects of sponsorship are impossible to evaluate. Such a fact says something very significant in so far as they engage in an activity which they consider they have no way of evaluating and yet still engage in.

3.9 Conclusions

Companies believe that sponsorship has benefitted them, indeed forty-two per cent claim to evaluate their benefits. However, the precise nature of those benefits and the ways in which companies consider they have demonstrated them is far from clear. The nature of the objectives given are sufficiently imprecise as to make one question how they could have been profitably appraised.

Understanding precisely what sponsorship is can only come by accessing and interpreting information available about it. It became clear from the Stage One research that in-

depth information concerning the use and evaluation of sponsorship would be necessary if the understanding of the subject was to develop. For this reason the Stage Two field research was aimed at assembling a thorough-going framework of sponsorship effects and information.

C H A P T E R F O U R

EVALUATION - A LITERATURE VIEW

4.1 Introduction

During the introductory chapter of this thesis the author discussed how the overall methodological approach which he adopted is most aptly described as being illuminative research. Such an approach was considered the most appropriate because of the vagueness which surrounded the area. Illuminative research seeks to contribute to improved decision-making, and thereby practice, by providing an output which has taken a problem's overall context into account. The results discussed in chapter three brought to light that sponsorship has achieved widespread acceptance as a viable promotional tool and yet there appears to be no corresponding evaluation in support of those effects. This suggests that managers do not appreciate the purpose or possibly even the meaning of evaluation. Or if they do, that there are reasons why evaluation is not considered relevant to their management practice.

As a result of the conclusion reached from the Stage One research it was seen to be important that the current body of knowledge upon evaluation be reviewed with two main aims. Firstly, to focus attention upon the meaning and importance of evaluation. Secondly, to identify possible explanations for the observed behaviour. If the practice of sponsorship is to be improved it has to be based upon the proper use of information. This requires that the manager understands the value of information gathering and the relationship which it has to his performance. As this chapter will show, it is not sufficient for the individual manager to appreciate this approach since the overall company orientation towards critical management may prevent him from so doing. Thus this illuminative approach enables sponsorship practice to be reviewed in the light of its overall operating milieu which is an operationally sounder basis upon which to build improvements than a partial consideration would give.

During this chapter the factors which influence the propensity to evaluate are identified and discussed, as are those affecting the usage of information, and its impact. It is observed that the propensity to evaluate and use information is influenced by previous experiences of information usage, and how both personal and organisational factors exert an influence. The usage of information and its impact are closely related to the precision of the information user model, i.e. how decision-makers choose and use information. A normative information user model will require detailed knowledge of the way in which the particular activity works.

This literature review is aimed at providing a perspective for evaluation which will integrate with the empirical work of the thesis in order to provide a framework of practical validity. Throughout this research the author has been anxious to avoid taking a narrow view of the subject which would be of very limited relevance when applied to sponsorship's operating environment. Not only does the literature review provide a basis for interpreting the observed behaviour but it also provides analytical tools for use with the Stage Two research results.

In seeking to achieve its aims this chapter examines the literature on evaluation under the following headings:

The Meaning of Evaluation

The Purpose of Evaluation

Factors which Determine the Information Sought

Approaches to Information Gathering and Processing

The Value of Information

The Usage of Evaluation Products

The above headings were not arrived at in any arbitrary fashion, but as with the literature review presented in chapter two, represent those factors which the literature itself showed to be salient.

4.2 The Meaning of Evaluation

Evaluation is a process of determining magnitudes. It concerns manipulating information in order to be in some more preferred situation than would otherwise be the case. The essential notion is that something will happen, or not happen as the case may be, as a result of the processing of information. The process comprises three steps, namely, information gathering, processing and utilisation. Gathering is the procedure by which a company develops or locates the information judged as being appropriate to the requirements of its executives. Kotler⁵⁰ indicates that gathering is composed of search, scanning, and retrieval.

The nature of the information under discussion concerns the interaction of variables, that is, how does a change in the order of magnitude of a specific variable in turn

affect some other variable. McGuigan⁵¹ describes a variable as:

' . . . anything that changes in value. It is a quality that can exhibit differences in value, usually in magnitude or strength. Thus, it may be said that a variable generally is anything that may assume different numerical values.'

In the natural sciences the interaction of dependent, independent, and intervening variables* are much easier to observe and be interpreted than in the behavioural sciences.

In the latter instance the pathway from stimulus to response is subject to so many intervening variables that the natural scientific approach to evaluation is an untenable proposition. However, this has not prevented there having been many attempts to portray evaluation in non-scientific areas as being characterised by what shall be termed rational-economic-man. This concept will be discussed in a subsequent section.

The last element of the evaluation process is utilisation. This means that decisions will be influenced for the better by information gathered and processed. Theories of decision-making are of two basic types, normative and descriptive. The expression normative means what ought to be done, it is an ideal. Often this ideal approach to decision-making is based upon the rational-economic-man concept of man. Yet it is well known that significant factors mitigate against this being a practicable approach, for example the limitations on human processing capacity and insufficiency of data. One could posit an axis with the rational-economic-man at one end and what could be termed the irrational-subjective-man at the opposite pole. In order to reconcile the two the notion of the behavioural man has been proposed by Simon⁵³ and others. The underlying rationale for this being that as the natural scientific approach to these evaluation processes is impracticable it is necessary to develop models of decision-making and evaluation into which the behavioural aspects of human beings can be incorporated.

*An independent variable is the presumed cause of the dependent variable, the presumed effect. The independent variable is the antecedent; the dependent variable is the consequence. Whenever we say 'If A, then B,' whenever we have an implication, A implies B, we have an independent variable (A) and a dependent variable (B).⁵²

Without an allowance for the behavioural component attempts to understand and model in the human sphere will be futile. That is not to say that rigorous method should not be applied to the study of management processes. However instead of adopting scientific method to these types of problems, one applies what Elbing⁵⁴ has referred to as critical method.

The aim of this section has been to introduce the concept of evaluation and its symbiotic relationship with decision-making and to position it within a context relevant to management.

4.3 The Purpose of Evaluation

Evaluation is linked directly to uncertainty and thus to choice. Situations in which there is no uncertainty leave no scope for choice. Uncertainty exists because there is a range of alternative courses open, the outcomes and costs of each of which are doubtful. Professor Loasby⁵⁵ puts this lucidly by saying:

'To be genuine, choice must be neither random nor predetermined. There must be some grounds for choosing, but they must be inadequate; there must be some possibility of predicting the consequences of choice, but none of perfect prediction. If knowledge is perfect, and the logic of choice complete and compelling, then choice disappears; nothing is left but stimulus and response.'

and he continues . . .

'Yet there must be some knowledge, and some logic, for economists are concerned with reasoned choice. Whether seen from the point of view of the decision-maker or from that of the outside analyst, the theory of choice must be incomplete. Both must strive to make it more complete; but their triumph would be a disaster - just as the attainment of final scientific knowledge would destroy science. Scientists, economists, and decision-makers are all pursuing a goal which it would be fatal to attain.'

Any idea of attaining what Loasby calls final scientific knowledge would seem to carry with it the underlying assumption that the world is composed entirely of the rational-economic-man. Given the unlikelihood of such a circumstance one can be secure in the knowledge that such an 'undesirable' goal is fanciful.

As evaluation is related to choice it is therefore related to making choices - decision-making. Evaluation is a method of coping with the necessity of making decisions and thereby of handling uncertainty. In their study 'The Beneficial Library' Oldman and Wills⁵⁶ highlight that . . .

'Information to communication engineers means that which reduces uncertainty.'

which is also observed by Osgood and Tannenbaum⁵⁷ in their study of how the principles of congruity can be applied to the prediction of attitude change. Corkindale and Kennedy⁵⁸ make the link between evaluation and decision-making explicit:

'Research can add information and reduce uncertainty for decision-making; it aids rather than supplants decisions.'

Evaluation is a function which is designed to reduce uncertainty in decision-making and as commentators such as Schwartz⁵⁹ observe:

'Sound management practice dictates that all phases and operations of the company be subject to systematic review in order to achieve a maximum level of performance.'

Elbing somewhat differently makes this point by saying that a company has an obligation to face up to all facts involved in a problem and its solution. Brien and Stafford⁶⁰ support the view that the pursuit of marketing information systems involves much more than enlarging the data gathering process in that:

'It is an inextricable part of the larger pursuit of more efficient forms and methods of organisation for marketing management.'

they continue their argument by observing,

'It is highly likely that the most crucial constraint currently imposed on the growth of international marketing, for example, is the dearth of pertinent decision information.'

By systematically reviewing a company's activities through some form of evaluation, management is compelled to define viable objectives, that is, specify what an activity is meant to achieve in advance of the activity commencing. It focusses management's attention on finding out exactly what the company is doing in the market place as opposed to existing on a diet of intuitive ad hocery. Such a process better enables managers to learn from experience, as opposed to merely learning experiences. The importance of relating evaluation directly to the fundamental issue of decision-making and management needs is acknowledged by Joseph Newman in his paper 'Put Research into Marketing Decisions'⁶¹.

'There is a widespread failure to visualise a continuing process of enquiry in which executives are helped to think more effectively . . .
 . . . Research resources will change over time as progress is made. What remains constant is the concept of careful search to generate a flow of ideas and information which will help executives make better decisions.'

Having stated that evaluation per se leads to the setting of more effective objectives it is affirmed by Adler that this relationship is even more close:

'Moreover, it is impossible to select objectives without knowledge of their effects and costs. That knowledge can only come from analysis, and it frequently requires review and revision.'

Not only does evaluation result in more precise objectives being set but as a consequence it enables budgets to be determined. This arises because budgets ought to be decided upon in the light of the objectives set, thus the more evaluation leads to operationally valid objectives, the more it will assist in determining marketing budgets.

During this section one has been able to see that the function of evaluation and the information it produces is to reduce the amount of uncertainty which surrounds decision-making. There would appear to be an inverse relationship between uncertainty and information, i.e. the greater the fund of information available the less the degree of uncertainty. Stage one demonstrated through its investigation of evaluation that sponsors seem in general not to collect information about their

sponsorship. Such a circumstance would suggest therefore that uncertainty will be high. In the absence of information, knowledge of effects and costs will be clearly limited, and as Adler⁶² states will make it impossible to select objectives. This could explain why the sample's specified objectives are so vague.

The preceding argument has concentrated upon the specific role of evaluation in supplying information about costs and effects to enable better objectives to be defined thus facilitating improved practice. Schwartz⁵⁹ made the point on a general level that evaluation of all company activities is an axiom of sound practice and improved performance, and the fact that sponsorship appears not to be critically appraised may be an indication of a generally negative evaluation ethos within companies. If that is so, the unsystematic approach applied to sponsorship may well not be solely a function of that activity but is a manifestation of a much larger problem, thus giving this thesis much more general applicability.

4.4 Factors which Determine the Information Sought

The point was made earlier that whilst the kind of problems encountered in marketing management defy the development of scientific method, that is not to say that critical method should not be applied. Critical method replaces scientific method as a consequence of the unquantifiability of many of the variables encountered. This unquantifiability is heightened by the time period operating between cause and effect. Should sponsorship in fact be a strategic rather than tactical activity this has considerable implications for its usage because the lengthy nature of its working will position it squarely outside of the orbit of scientific method. Critical methods, like scientific methods, are not methods which provide absolute or final answers, but merely those methods which at a given time and for a given problem best withstand the severest independent tests and severest rational criticisms available. This consideration made by Elbing and Elbing⁶³ ends by reflecting Popper's view that scientific experimentation and progress will constantly challenge and amend the theories that are applied to the understanding of phenomena. In other words, critical method need not be a static prescription for problem solving and decision-making and thus fail to take changing circumstances into account. Critics of such an approach to management

carp that such practices are inflexible and inappropriate to the constantly changing world of business. Such criticisms more often than not reflect an attitude allied to practices based on non-critical method, for example, by imposing solutions on problems which have not been formulated into bona fide questions.

Elbing⁶⁴ has proposed the following minimum conditions for critical method:

- '1 Critical method begins with a bona fide question . . . No method is a 'critical method' that does not start with a question open to enquiry and investigation.
- 2 The end point of critical method is not a fixed absolute answer . . . An answer is acceptable only so long as no alternative answer can be offered that is supported by a stronger case.
- 3 Critical method is that method which best stands up under the tests of evidence, reasoning, investigation, criticism and assessment. This means that the method is specified in words (or some other explicit form) and presented so that the method itself is readily amenable to question, replication, testing, investigation and final assessment.
- 4 In a field where critical method prevails, opposing opinions on the same questions are not considered a matter of tolerance. Rather, disagreements are considered matters for investigation . . . To resolve a disagreement, that answer is considered preferable which, at the given time, best stands up under the severest tests of objective criticism.
- 5 Critical method distinguishes between symbols used for data and the data itself, and does not make generalisations or conclusions beyond those warranted by the data.

The first of Elbing's conditions which relates to the fundamental nature of bona fide questions can be seen to be related to the identification of objectives. Applying critical method to the evaluation and assessment of

sponsorship must begin with the setting of objectives which are operationally valid. His second condition ought to sound a cautionary note against adopting positions which are resistant to change. Evaluation must be a dynamic process because the continual flow of information should effect continual changes in decision-making which will in turn create different consequences. Sponsorship evaluation should be seen as being part of such a dynamic process which relates back to Laosby's concept of the attainment of final scientific knowledge. Final knowledge of sponsorship, that is perfect prediction of cause and effect, will doubtless never be attained, but through continual evaluation companies should be better able to respond to their market.

The fourth of Elbing's conditions for critical method draws attention to the necessity of using disagreement as a positive force. In the same way that sociology regards conflict in society as an agent for change in a positive way, Elbing perceives disagreement not as, at best, a matter of tolerance and at worst a cause of hostility. However this constructive approach presupposes that individuals are capable of behaving in such a manner, which relates to the overall situational ethos of the organisation. There is no doubt that individual factors and organisational forces are inter-related but one should be aware that both of these forces are very relevant to performance. In other words to focus attention upon evaluation at the individual level would be too partial an approach to enable the problems under discussion to be meaningfully dealt with.

Managers should employ concepts and information about human behaviour which have been developed by the behavioural sciences, because being derived from critical method and having been critically appraised, they are preferable to pure subjective intuition. That is not to say that there is no place for intuition, after all decisions are taken based upon imperfect information and must, therefore, ultimately rely upon judgement. However, the point to grasp is that the intuitive or judgemental process should proceed from as critical a basis as possible. In deciding upon evaluation procedures managers should adhere to the principles of critical method as this will enable them to develop a truer and more objective assessment of their functioning within their relevant sphere of operations.

The notion of the rational-economic-man has already been touched upon, it is timely to consider this more fully. Shubik⁶⁵ defines this creature well as being:

'Someone who knows what he wants, what his choices are, what his resources are. His value system is assumed to be well-defined. His cool consistent mind quickly and costlessly scans the myriad of alternatives facing him. His flawless discernment enables him to spy subtle differences in quality.'

Shubik goes on to compare this ideal mythical man with what he regards as much nearer to reality:

'Not only does he (man) not know how to evaluate many of the alternatives facing him, he is not even aware of a considerable percentage of them. His perceptions are relatively limited; his powers of calculation and accuracy are less than those of a computer in many situations; his searching, data processing, and memory capacities are erratic.'

This approach to the two different types of man is echoed by Robinson and Luck⁶⁶, Saracevic⁶⁷, Oldman and Wills⁶⁸, Marschner⁶⁹ and many others who all stress that the ideal and the observable are greatly at variance. The reasons for this variance are possibly threefold: firstly, because specific skills and methods are inadequate; secondly, owing to behavioural and psychological inhibiting factors at the individual level; thirdly, because of organisational constraints. Although the classic theory of the firm states the firm's objective to be profit maximisation and by corollary that managers optimise, the current and more realistic view is that managers are not optimisers but satisficers. Some commentators claim this to have arisen because, in general, whereas a manager may be penalised for making what turns out to be a bad decision, he suffers no sanction if he had taken much less of a risk. In fact, what is probably a much more significant factor is that a manager's information and evaluation is inadequate for anything other than satisficing behaviour.

There can be no doubt that a very major factor influencing what information is required are behavioural components of management. Brien and Stafford⁷⁰ are among the many authors who hold that evaluation processes have a tendency to be unsystematic and:

'to emphasise data collection per se instead of the development of decision-

pertinent information; and to concern itself with isolated problems almost on an ad hoc basis.'

It again can be traced back to a lack of critical method. It also suggests the absence of a framework of activity cause and effect and thus knowledge of how an activity works. In the absence of such knowledge it seems much more likely that ad hoc practices will pertain owing to the lack of direction. Again this relates back to the importance of objectives and how individual activity objectives should be integrated within overall marketing and ultimately corporate objectives. Companies operate under conditions of scarcity of resources and therefore the optimal allocation of those scarce resources can only be made if priorities properly based upon knowledge of effect can be identified.

That there appears to be an almost in-built hostility among marketing management towards a more structured approach to their functional responsibilities is aptly discussed by Lee Adler in his paper which makes the case for a systems approach to marketing. Adler says:

'A good many marketing executives, in the deepest recesses of their psyches, are artists, not analysts. For them, marketing is an art form, and, in my opinion, they really do not want it to be any other way. Their temperament is antipathetic to systems order, knowledge. They enjoy flying by the seat of their pants - though you will never get them to admit it. They revel in chaos, abhor facts, and fear research. They hate to be trammelled by written plans. And they love to spend, but are loath to assess the results of their spendings.'

Whether this attitude to evaluating situations is a consequence of some innate wisdom as regards intuitive management or if it arises from a basic lack of knowledge of evaluation methodologies is not clear. For sure there are many authorities who relate evaluating behaviour to the need for consistency which the individual has, and it would follow from this that a person who has scant knowledge of evaluation will discredit it, as a means of maintaining balance. In their study of promotional decision-making Robinson and Luck observed that many promotional mix planners were not well informed about

methods of measuring advertising effectiveness. This is an issue which the author examines within Stage Two and the results reveal that the observations of Robinson and Luck apply equally to sponsorship.

A vital factor determining what information will be sought is the state of knowledge which the individual has about the decisions he has to take. That a user model has to be constructed is a frequent theme, and incorporated in this is a knowledge of the dynamics of the decision process and the development of a user model. As far as a user model is concerned, it has to be appreciated that the ways decision-makers differently perceive information utilities must be accounted for. Both Andrus⁷¹ and C West Churchman⁷² argue that a pre-requisite of information system design is a user model. That is, how decision-makers choose and use information. Newman⁷³ puts it slightly differently by saying that one needs to know what decisions are made, by whom, when and how. However the choice and usage of information requires an understanding of the particular activity in question. Since knowledge about how sponsorship works is so clearly limited decision user models will be similarly limited. Decision-making models and activity knowledge will develop together, therefore it is necessary that the understanding of how sponsorship works is developed via evaluation. Ackoff⁷⁴ adds his views that one rarely encounters situations where adequate decision-making models are constructed to define the evaluation process required. Ackoff adds that there is a tendency for there being an inverse relationship between the understanding of a phenomenon and the variables required to explain it:

'Hence, the manager who does not understand the phenomenon he controls plays it 'safe' and, with respect to information, wants everything. The MIS designer, who has even less understanding of the relevant phenomenon than the manager, tries to provide even more than everything. He thereby increases what is already an overload of irrelevant information.'

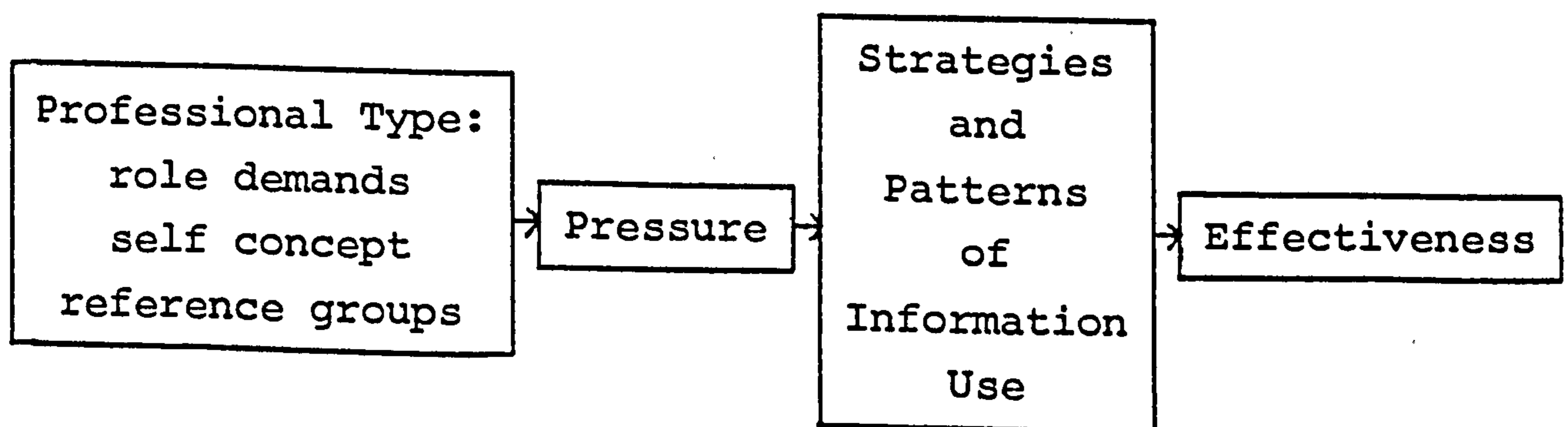
In order to understand how psychological variables influence information predilections Clark and Scott⁷⁵ examined how information usage varied between service people, researchers and teachers in the field of psychology and sociology. Based upon a sample of thirty Sociologists and one hundred psychologists the study examined how people doing different kinds of jobs handled

professional literature. It concluded that practitioners were the most passive where literature and new developments were concerned, as opposed to teachers, researchers and hybrids (those adopting more than one of these roles). Practitioners were the least likely people to keep up with developments in their area and were significantly lower users of information. Furthermore, practitioners had the least regard for the value of information in their job performance.

The basic theory around which the study was built was that the seeking and employing of information is a strategy used by a professional to cope with demands. Whilst some of these demands are self-imposed as a consequence of the goals he is seeking to achieve, others are derived from the environment in which he operates. However, whichever the case, his behaviour and attitudes are shaped and maintained by rewards and sanctions. In the case of the practitioner there are not rewards for using information yet there may well be sanctions operating if through information searching and processing he is deflected from his primary task of handling 'patients'. This situation is very analogous to what has already been said about marketing management. In both cases it can be seen that what could be called the situational evaluation ethos plays a very large role in determining evaluation behaviour and attitudes. Figure 4.1 represents diagrammatically these inter-relationships.

FIGURE 4.1

Model of Variables Influencing Strategies,
Patterns of Information Use and Effectiveness



Source: Clark and Scott⁷⁵

Reflected in Figure 4.1 is the point made earlier that the orientation towards using information is affected by reference groups such as the prevailing evaluation ethos. Again, the development of improved sponsorship evaluation procedures and practice has to take into account the situational variables which impinge upon the issue.

Clark and Scott's research also draws attention to the importance of personal goals and environmental factors in influencing evaluation behaviour, to quote the authors:

'The findings strongly re-inforce the need to pay attention to users by working towards personality and situational changes that increase the desire both to use and to contribute to the professional literature.'

They make a strong plea for supervisors and officials to provide sufficient time for practitioners to meaningfully assimilate information in the course of their work.

Kotler⁷⁶ focusses his attention very specifically upon the individual's information style and identifies five aspects of relevance to this, namely that:

- '1 Executives vary greatly in their preferred sources of information
- 2 Executives vary greatly in their appetite for information
- 3 Executives vary greatly in their information gathering efficiency
- 4 Executives vary greatly in their critical acceptance of information
- 5 An executives interest in information acquisition will vary in different periods.'

The interaction between people and data is not well understood as attested to by the differences between rational-economic-man and subjective-ad-hoc-man; and not surprisingly, therefore, writers stress the importance of understanding this relationship.

A further factor which determines what information is sought is the understanding which exists of the specific functional operations under an executive's control. Although it has already been said that a thorough-going model of the decisions to be made is a prerequisite to evaluation procedures, attention has not been focussed specifically upon the knowledge of activities over which the executive exercises control. This is something which is strongly emphasised by Sampson⁷⁷ in his paper on evaluating below-the-line activities. In it he correctly argues that an activity cannot be evaluated if its precise working is not understood, and, moreover, establishing performance criteria is often not an easy matter. Sampson states the matter plainly:

'If you do not know how something works it is difficult to evaluate it . . . For most promotional activity, either no criteria or inadequate criteria are put forward, which makes the task of evaluating performance impossible at the very outset.'

This underlines the significance of beginning to understand what sponsorship is and how it works. However knowledge of an activity's modus operandi and the evaluation of it are related in a form of vicious circle. This is why illuminative research based upon observation within the situational milieu is considered relevant to the problem.

Robinson⁷⁸ adds his weight to these beliefs but rightly adds that the basic problems in the field of marketing communications is understanding the pathway of cause and effect. In his opinion marketing lacks a well developed body of theory and as such advertisers are forced to make poorly supported assumptions concerning the chain of events from advertising exposure to purchasing behaviour.

4.5 Approaches to Information Gathering and Processing

The methods of and approaches to evaluation employed, span a great deal of the spectrum from rational-economic to subjective-ad-hoc man. That the latter end of this spectrum is encountered as often as it is indicates a certain absence of critical method in evaluation. It is commonly observed that many companies make either

no attempt or only very cursory attempts to evaluate their advertising effort. Schwartz⁷⁹ certainly holds this opinion and is supported by the research of Wolfe, Brown, Greenburg, and Thompson⁸⁰ in their study of advertising pretesting behaviour, when they concluded that a great deal of advertising effort is no more than:

' . . . untested advertising that small groups of agency or company executives believed would be effective.'

This and many other studies all contribute to an overall picture of evaluation being essentially unsystematic. Brien and Stafford have singled out the unsystematic nature of market research while Britt highlights how advertising evaluation appears to be based upon quite arbitrary judgements. Britt's survey⁸¹ of the proofs of success of 135 advertising campaigns originating from 40 advertising agencies set out to answer three main questions. Firstly, did the agencies set objectives sufficiently specific to be measurable? Secondly, did the agencies try to assess the effectiveness of the campaigns by relating the effects achieved to the objectives set? Thirdly, could differences in the answers to the previous two questions be related to the size of the agency or to the nature of the product featured in the campaigns. His major results were that objectives grossly lacked viable operational criteria. These deficiencies were of four major kinds:

- a Failure to state the objective(s) in quantifiable terms.
- b Apparent failure to realise that the results of the advertising could not be measured in sales.
- c Failure to identify the target audience.
- d The use of unmeasurable superlatives.

Moreover, in the majority of cases the proofs of success given did not relate to the objective specified. For example, for those whose objective was awareness, sixty-eight per cent stated proof of success in terms of greater sales.

Britt's overall conclusion was that in general, advertising agencies do not know whether their campaigns are successful or not.

The findings of Robinson and Luck's⁸² investigation of promotional decision-making similarly add to the impression that information usage and evaluation is unsystematic. They cite that in the majority of the cases they studied, product planners appeared to disregard past reports in favour of their own notes and recollections. The researchers observed that⁸³:

'In most of the companies there seemed to be a minimum of emphasis on record keeping, and a reluctance to worry about what actually happened in the past as opposed to what was intended . . . The confusion and lack of adequate insights into cause and effect is analogous to firing a boiler with little knowledge of the kind or amount of fuel to be used. There is no adequate knowledge of what is going on, what to expect next, or how to exercise effective control.'

For any attempt at evaluation and information gathering to be meaningful there must be an objective, that is, a well-stated problem. Sampson has indicated that evaluation of promotional activities is often impossible because no criteria or inadequate criteria are put forward. By adequate criteria one means that independent and dependent variables have to be specified in advance. Britt has demonstrated that these conditions tend not to be complied with, and Aaker and Myers⁸⁴ in their book 'Advertising Management' confirm that:

'Advertising objectives, like organisational objectives, should be operational. There should be effective criteria for decision-making and should provide standards with which results can be prepared.'

This is echoed by Corkindale and Kennedy⁸⁵:

'One of the main conclusions to emerge from our study is that without clear, precise advertising objectives, it is not possible to make meaningful evaluations of advertising.'

The latter two authors rightly observe that when well-defined accurate objectives have been set the accuracy and validity of measurement methods are usually much less problematic. Ultimately accurate objectives can only be set when there is sufficient knowledge available about the activity in question. Once the relevant independent variables are known the relevant measurement tools can be identified. So far as sponsorship is concerned it is not yet clear what is the range of applicable dependent variables, and therefore evaluation will be problematic.

Simon Majaro⁸⁶ acknowledges the significance of objectives and supports the findings of Britt by observing that there is a common failure to relate measurement methods to objectives. Also, Britt notes that less than one per cent of advertising objectives complied with his four criteria of viability, and Majaro agrees that in most cases objective setting:

' . . . rarely goes beyond a very basic and crude description of objectives. Many companies declared that they had advertising objectives but seemed to confuse them with overall marketing objectives.'

In the above quotation of Majaro the fairly common theme of the confusion between marketing and advertising objectives is introduced. Corkindale and Kennedy also stress the importance of drawing a distinction between the two. In many ways the basis for this dichotomy can be traced back to advertising models such as Colley's DAGMAR⁸⁷. These approaches grew in response to the impracticability of relating advertising effectiveness to sales. Historically sales have been regarded as the dependent variable of advertising, and indeed this viewpoint has persisted to a remarkable degree to the present time. The reader will recall that in chapter two it was said that a common reason given for not becoming a sponsor was the inability to relate sponsorship to sales. However as the desire to monitor the various activities of a company grew, so it became increasingly apparent that in most cases advertising effort could not be measured in terms of sales effect. Because sales result from the interaction of the entire gamut of corporate and external environmental factors it was seen that advertising ought to be appraised in the light of how well it achieved specific communications goals. Thus sales and market share became overall marketing goals whereas factors such as awareness and image perception became dependent variables of marketing communications.

The assumption that changes in sales are only affected by advertising is an impracticable proposition. Sales will be affected both by the many other environmental forces which impinge upon the purchasing process as well as by variations between different aspects of the advertising itself. Differing types of creative approaches will effect varying responses as will the choice of media and vehicles of communication. With the exception of some mail-order advertising from the company's overall promotional effort and a range of other variables such as competitive action, fashion, and even climatic factors.

A major reason why sales is not a viable dependent variable to specific communication activities is because of the time lag between communication and purchasing behaviour. The longer this lag the greater will be the influence of intervening variables such as those already mentioned. In response to such difficulties, companies have reacted by adopting a different approach to inputs and outputs. Instead of the output being purely sales, it has become described in terms such as attitude change and what the relevant target audience has learned. Aaker and Myers use the analogy of attributing the success of a football team to its quarter back to demonstrate the absurdity of a straightforward communications/sales response.

'The fact is that many other elements can affect the team's record - other players, the competition, and the bounce of the ball. The implication is that the effect of the quarterback's performance should be measured by the things he alone can influence, such as how he throws the ball, how he calls the plays, and how he hands off.'⁸⁸

and the authors continue their argument by saying:

'If, in a real-world situation, all factors remained constant except for advertising - e.g. if competitive activity were static - then it would be feasible to rely exclusively on sales to measure advertising effectiveness. Since such a situation is, in reality, infeasible, we must start dealing with response variables that are associated more directly with the advertising stimulus.'⁸⁹

It has also to be acknowledged that there are other reasons why companies ought to identify measures of performance other than sales effect. Such a narrow form of measurement fails to inform the organisation of possible major changes taking place within its market place. Changes in behaviour, attitudes and motivations, which will eventually show up in sales but too late to enable the organisation to take the necessary corrective action.

Thus it is necessary that companies develop operational objectives for their marketing communications in order

to most effectively assist decision-making. However, this is not necessarily a simple matter as the following quotation, again by Aaker and Myers, points out.

'The determination of which intervening variables provide the best link to the desired behaviour and which can be influenced economically by advertising is, of course, a challenge.'⁹⁰

This approach to communications measurement underlies the usage of awareness and attitude surveys in order to measure sponsorship effectiveness. An assumption is being made that awareness and attitude shifts associated with sponsorship will be intervening variables which have a bearing upon target audience behaviour.

Accordingly the tradition has developed that advertising objectives should include only those effects which can be measurably related to advertising. However as Majaro, Britt, Corkindale and Kennedy have stated, the normative and the descriptive may vary widely. What is important is that each situation is subject to critical method and thus dependent and independent variables are chosen which best reflect the dynamics occurring. Majaro lists the main benefits of adopting an advertising by objectives approach as being:

- '1 It helps to integrate the advertising effort with the other ingredients of the marketing mix, thus setting a consistent and logical marketing plan.
- 2 It facilitates the task of the advertising agency in (a) preparing and evaluating creative work and (b) recommending the most suitable media.
- 3 It assists in determining advertising budgets.
- 4 It enables marketing objectives and top management to appraise the advertising plan realistically and approve or disapprove.
- 5 It permits meaningful measurement of advertising results.

Yet without objectives, there cannot be so much as an

attempt to measure results. Having discussed the important role that a marketing communications objective plays in being at the beginning of any evaluation, consideration should be given to the specific attributes of a viable operational objective. Corkindale and Kennedy signify that advertising objectives ought to be expressed in clear, precise, appropriate, attainable and written terms and observe that⁹¹

'Hence it would seem that one can measure advertising achievement in many circumstances, if one wishes to do so.

'The qualifications to this conclusion are:

- 1 Advertising objectives must be appropriate and well-defined as to their purpose and degree of achievement expected.
- 2 The worth of evaluating advertising efforts must be agreed by management ...
- 3 Accuracy and validity must not be confused.'

Being in a written form is generally accepted as being related to rigour and reflecting fairly thorough consideration. This was underlined by Elbing in the previous section on page 107 where he contends that critical method should be specified in words (or some other explicit form) since that renders it amenable to question, replication, testing and so on.

That an objective should be attainable means that it should be an effect which the independent variable can be expected to achieve. Hence the importance of separating advertising from marketing objectives where appropriate. The 'degree of achievement expected' concerns a fundamental tenet of evaluation, namely, that a level of achievement relative to some benchmark be set. Corkindale and Kennedy lay particular emphasis upon the setting of adequate benchmarks. Somewhat similarly, Britt⁹² has commented that there are four criteria of a specific objective.

'Thus the statement of the advertising objective has to make clear:

- 1 What basic message was to be delivered?
- 2 To what audience?
- 3 With what intended effect(s)?
- 4 And as to what specific criteria were going to be used later on to measure the success of the campaign.'

Evaluation often represents a compromise combining experience with analytical frameworks because of the constraints associated with costs, and measurement techniques. Sampson⁹³ regards perfect measurement as a theoretical concept which should be an ultimate goal of researchers but which in practical terms is unlikely to be obtained. This is because the variables impinging upon an evaluation model are so many and diverse that they cannot all be accounted for. Furthermore, whilst some variables are almost impossible to measure with existing tools, others remain totally unknown. Again, especially if an activity is strategic in effect such as so far appears to be the case with sponsorship. It has also to be added that knowledge of how many marketing activities work is inadequate; sponsorship for example. Loasby draws attention to the point that in the face of complexity and ignorance, logic and evidence also require belief in order to facilitate progress. That is:

'Willingness to accept, and build on, some ideas which cannot be conclusively established by either evidence or logic.'⁹⁴

This is also reflected by Popper⁹⁵ when he comments that:

'I am inclined to think that scientific discovery is impossible without faith in ideas which are of a purely speculative kind, and sometimes even quite hazy; a faith which is completely unwarranted from the point of view of science, and which, to that extent, is 'metaphysical.'

Therefore, whilst there are technical and methodological limitations upon evaluation it is worth considering that the consequent judgemental input may be of immense value in the long term validity of evaluation. This is because comprehensively analytical approaches tend to break processes down into a series of sub-processes which are individually capable of technical evaluation.

However the composite results of all of these sub-processes may be a poor reflection of the overall system. Lindblom⁹⁶ applied himself to this issue and drew a distinction between the rational-comprehensive approach to decision-making and the method of successive limited comparisons. He describes the former aptly as the root method and comments that such a method can only be properly practiced for relatively simple problems as it assumes intellectual capacities and sources of information that are not possessed:

'Ideally, rational-comprehensive analysis leaves out nothing important. But it is impossible to take everything important into consideration unless 'important' is so narrowly defined that analysis is in fact quite limited. Limits on human intellectual capacities and on available information set definite limits to man's capacity to be comprehensive. In actual fact, therefore, no one can practice the rational-comprehensive method for really complex problems.'

Lindblom's thesis is that the branch method of successive limited comparisons enables more intelligently formulated policies to be developed than through futile attempts to achieve a comprehensiveness beyond human capacity. Simon and March⁹⁷ have similarly acknowledged that the decision-making capacities of business men are seriously restricted by environmental uncertainties and the vast array of inter-relationships among the consequences associated with decision alternatives. As was stated earlier, businessmen tend to satisfice rather than optimise. The foregoing ideas are well summed up by Boulding:⁹⁸

'Decision-making by instinct, gossip, visceral feeling, and political savvy may stand pretty low on the scale of total rationality, but it has the virtue of being able to take in very large systems in a crude and vague way, whereas the rationalised processes can only take sub-systems in their more exact fashion, and being rational about sub-systems may be worse than being not very rational about the system as a whole.'

Fairly close attention has been given to the organisational factors which influence information gathering and processing.

For instance the position of the decision-maker within the organisational structure, the amount of co-ordination which exists between information and planning, and the degree of decision freedom. Robinson and Luck⁹⁹ have identified four constraints upon the latter factor.

- 1 The limits of available corporate financial and manpower resources, and the priorities given for other demands and products.
- 2 Authority granted to, or exerted by, functional decision-makers that over-rides the choices of the product strategist.
- 3 Prior commitments to employ, or not employ, certain promotional methods or media.
- 4 Budgetary procedures that impose inflexibility on choices, or on the timing and adaptability of allocations.

The keystone to a discussion about evaluation is that the information gathered, processed, and utilised is relevant to the decisions which have to be made, hence the importance of a user model. Quite a lot has been written about the problem of producing too much information, that is, unnecessary information. Ackoff has been especially prominent through his paper on 'Management Misinformation Systems' in pursuing the cause of less data - but of more relevance. Ackoff¹⁰⁰ comments that:

'My experience indicates that most managers receive much more data than they can possibly absorb even if they spend all of their time trying to do so.

In going on to consider the information requirements of the manager, Ackoff relates them to the type of decision to be made, and identifies three types of management decisions as follows:

- a Decisions for which adequate models are available or can be constructed and from which optimal (or near optimal) solutions can be derived. In such cases the decision

process itself should be incorporated into the information system thereby converting it (at least partially) to a control system.

- b Decisions for which adequate models can be constructed but from which optimal solutions cannot be extracted. Here some kind of heuristic or search procedure should be provided even if it consists of no more than computerised trial and error. A simulation of the model will, as a minimum, permit comparison of proposed alternative solutions. Here too the model specifies what information is required.
- c Decisions for which adequate models cannot be constructed. Research is required here to determine what information is relevant. If decision-making cannot be delayed for the completion of such research or the decision's effect is not large enough to justify the cost of research, then judgement must be used to 'guess' what information is relevant.

One can appreciate that at present sponsorship appears to fall within Ackoff's category (c) above, that is, decisions for which adequate models cannot be constructed and for which research must aim at identifying what information is relevant.

Oldman also notes that too much information can be dysfunctional and Brien and Stafford observe that it is possibly a much more serious error to collect unnecessary information than it is to fail to collect any information at all about a particular matter. This is because superfluous data costs money and time to collect and use.

In the course of this section the writer has observed that evaluation often fails to reflect any reasonable degree of rigour. In addition to there being a certain reluctance to adopt a more rigorous approach to information gathering

and processing there is good evidence to suggest a serious lack of understanding concerning what information is relevant to sound evaluation. To be meaningful the information sought must be related to the objectives set for the activity being evaluated. Several studies have demonstrated how this fundamental axiom is neglected.

4.6 The Value of Information

Earlier in this chapter the point was made that information has no intrinsic value, but that its value is in what it can do. Considerable emphasis has been placed upon the function of evaluation, namely that it provides information which leads to better decision-making in the future. Activities are evaluated in order to derive information which will be of use at some time, either now or in the future. Evaluation should be valued in terms of its impact in reducing uncertainty.

The author has already underlined that decisions have to be made because of the fundamental problem of allocating scarce resources in the most efficient manner. Those responsible for sponsorship decision-making, indeed all decision-making, must be aware that inadequate information may result in poor decisions which lead to the inferior allocation of resources such as men, money, materials and time. Decisions are made, by their very nature, under conditions of uncertainty. The greater the uncertainty the more difficult the decision. Information is sought in order to reduce the margin of uncertainty. However, a balance must be struck between the value of information (i.e. the cost of its neglect) and the costs associated with the information. If information costs exceed its value then this too represents a misallocation of resources.

Methods of valuing information include the simple savings method, return on investment, present value, and the Bayesian approach.

The simple savings method¹⁰¹ makes the assumption that decision-makers are able to make a single fairly accurate judgement of the cost of making a particular wrong decision. Here is an example of how the simple savings method operates. The following example concerns a decision which might cost the company as much as £100,000 if not made properly.

	<u>Chance of Correct. Decision</u>	<u>Estimated Cost of Mistake</u>
Making a decision by flipping a coin	50 - 50	£50,000
Making a decision on purely known information	60 - 40	£40,000
Making decision using additional information	75 - 25	£25,000
Value of information =	£40,000 - £25,000	= <u>£15,000</u>

In the above example the chances of making a wrong decision based upon the information already available to the company are 40%, an estimated cost of £40,000. However if the company obtains additional information the likelihood of making an incorrect decision falls to 25%, an estimated cost of £25,000. Thus the company stands to make a net gain so long as the cost of the additional information does not exceed £15,000.

As Myers and Samli¹⁰² point out, the simple savings method is more limited than those methods which enable returns and costs to be estimated in more detailed forms. However the authors do point out that:

'. . . this method furnishes a framework for other methods to be discussed, and it may be useful in some decision-making situations whose implications are clearly seen.'

The return on investment method of information valuation treats the acquisition of information as an investment. It provides an after-the-fact calculation of the returns (through better decisions) resulting from alternative information investments¹⁰³. Myers and Samli¹⁰⁴ discuss the example of the Oscar Mayer Company which reviewed its major marketing research projects during the previous financial year. The company's objective was to gauge the value of research findings in terms of the actual application of the information produced, not what it would have been worth had it been used. The case is explained by Twedt¹⁰⁵ in the following way:

'Most marketing research is done to help decide which of one or more alternatives is preferable. Let us assume that in at least 60 per cent of the instances where managerial decisions were required, the correct decision would have been made without the benefit of marketing research information. This correction reduces the 'worth' of the information by 60 per cent or 40 per cent of the total contribution. A simple formula then estimates the company's return on investment in marketing research:

$$\frac{\text{Worth of Findings} \times .40}{\text{Annual Marketing Research Budget}} = \text{Return on Investment}$$

For example if a company had an annual research budget of £100,000 and the contribution during the course of a year is estimated to be £500,000, then the return on investment would have been 200 per cent:

$$\frac{\text{£500,000} \times .40}{\text{£100,000}} = 200\%$$

Twedt concludes by observing that:

'Obviously this method of estimating the return on investment is a matter of elementary accounting. It has also turned out to be a matter of good personnel relations for a mutually helpful annual review of the dollar value of information supplied by the marketing research department.'

As with the return-on-investment method, the present value method also treats expenditure on information gathering as an investment. This method involves the calculation of the estimated returns on an information investment discounted by the marginal cost of capital. By subjecting alternative information investments to this procedure the best investment can be identified. The calculation is as follows:

<u>Current</u>	<u>First Year</u>	<u>Second Year</u>	<u>Final Year</u>
$(R_0 - C_0)$	$(R_1 - C_1)$	$(R_2 - C_2)$	$(R_n - C_n)$
	$1 + K$	$(1 + K)^2$	$(1 + K)^n$

in which:

- $R_0 . . . R_n$ = the annual cash receipts attributable to the investment
- $C_0 . . . C_n$ = the incremental cash expenditures
- K = is the company's marginal costs of capital¹⁰⁶

Bayesian analysis is a statistical method of particular use in the social sciences where sample size is often very small and is based upon probability theory. However it has levelled against it the severe criticism of being highly subjective, but is nonetheless a very useful tool for business decision-making. This is because it considers outcomes of alternative activities with estimates of their relevant pay-offs and likelihood of occurring. As Andrus congenly observes:

'This approach is especially useful when the nature of forthcoming information may be anticipated in advance of acquisition. Bayesian analysis may be applied, for example, in determining whether to conduct or forego marketing research.'¹⁰⁷

In their study 'Cost/Benefit Analysis of External Information' Wills and Christopher¹⁰⁸ used a Bayesian approach in the decision of whether a company should acquire information to assist in the decision to enter new markets. The authors identify seven major cost centres in an information system as follows:

- 1 Awareness/screening costs i.e. the cost of identifying what information is available.
- 2 Cost of obtaining information, i.e. deciding whether or not to buy and then the actual cost of information sets.

- 3 Classification costs.
- 4 Storage costs.
- 5 Retrieval costs.
- 6 Dissemination and usage; i.e. cost of maintaining information flows in a current awareness and abstracting service.
- 7 Removal; i.e. costs of disseminating material from information systems.

It can perhaps be appreciated that there will be certain costs which are basic and fixed whereas others will vary depending upon the amount of information processing required.

Another way of considering the value of information concerns the issue of whether processing exclusive of content can have an influence upon the value of information. It has been proposed that the value of information is a function not only of the data itself but also of certain physical characteristics which it may or may not possess. Because information is valued in the light of its impact upon decision-making, it can be fairly readily appreciated that impact will be affected by the format and expressions used in the presentation of the information, the time at which it is available, its physical accessibility, and by its location within the organisation. Andrus¹⁰⁹ calls these information characteristics: form, time, place and possession utilities. Accordingly he argues that:

'Missing, delayed, or inaccurate information generally results in erroneous decisions and opportunity losses . . . Attempts to assign values to products may examine utilities: form utility, place utility, time utility and possession utility. The logic follows: utilities are useful in understanding the value of products. Products may be defined as tangible bundles of services. Information is a service to decision-makers. We would expect form, time, place and possession utilities to be useful concepts for understanding information value.'

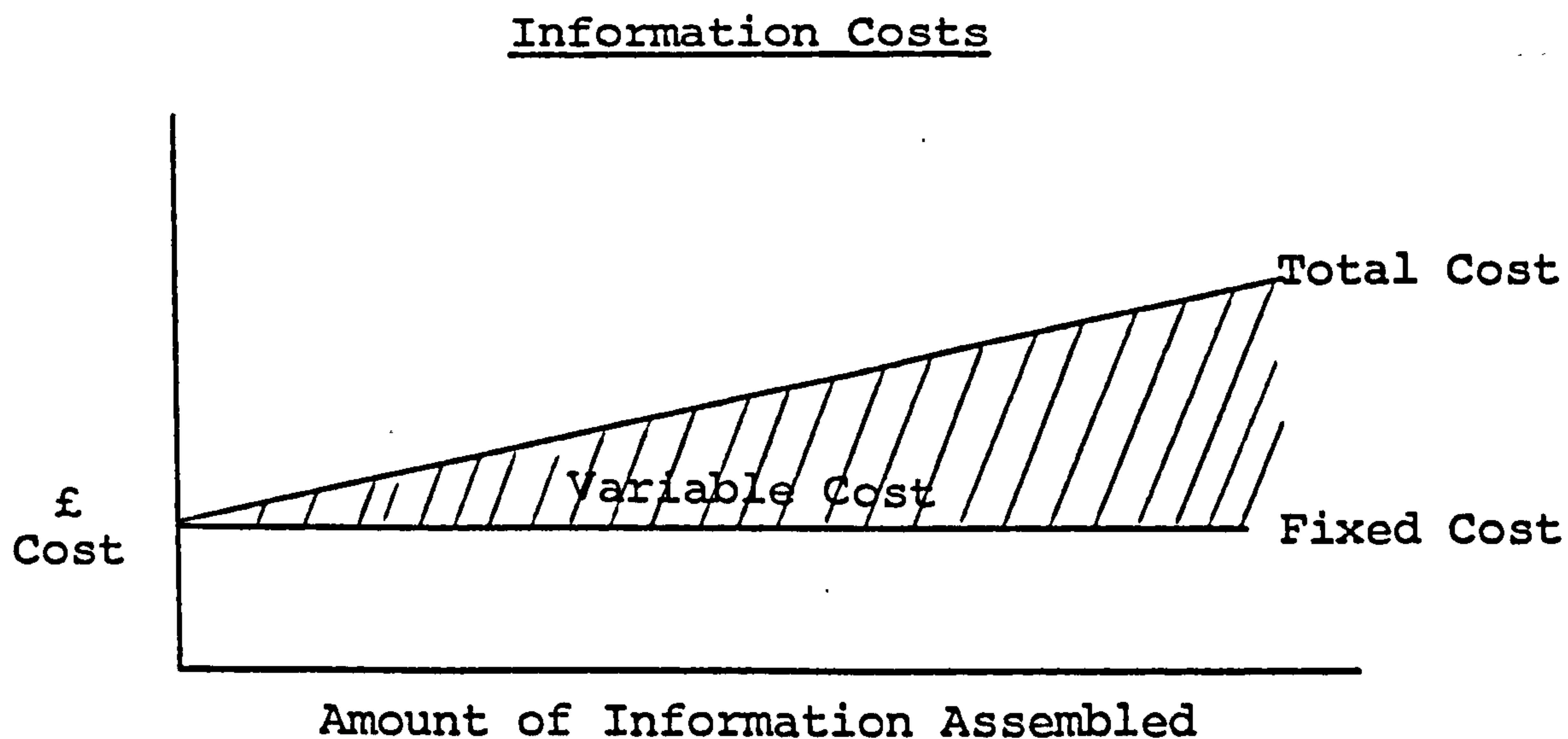
Conceptualising information in terms of a bundle of characteristics is an approach similar to the way Kelvin Lancaster has described products. In his exposition 'A New Approach to Consumer Theory'¹¹⁰ Lancaster discusses how his approach differs from the traditional one in which goods are the direct objects of utility by proposing that it is the properties or characteristics of the goods from which utility is derived. He contends that:

- '1 The good, per se, does not give utility to the consumer; it possesses characteristics, and these characteristics give rise to utility.
- 2 In general, a good will possess more than one characteristic, and many characteristics will be shared by more than one good.
- 3 Goods in combination may possess characteristics different from those pertaining to the goods separately.

By considering information in this light the understanding of the meaning of value is further enhanced. In taking such information characteristics into account, data can be modified in order to enhance its value.

It can be appreciated that for any given decision, if the net advantage of the best alternative is greater the cost associated with acquiring the relevant information, the information has been worthwhile. Firstly, consider the costs of acquiring information as shown in Figure 4.2.

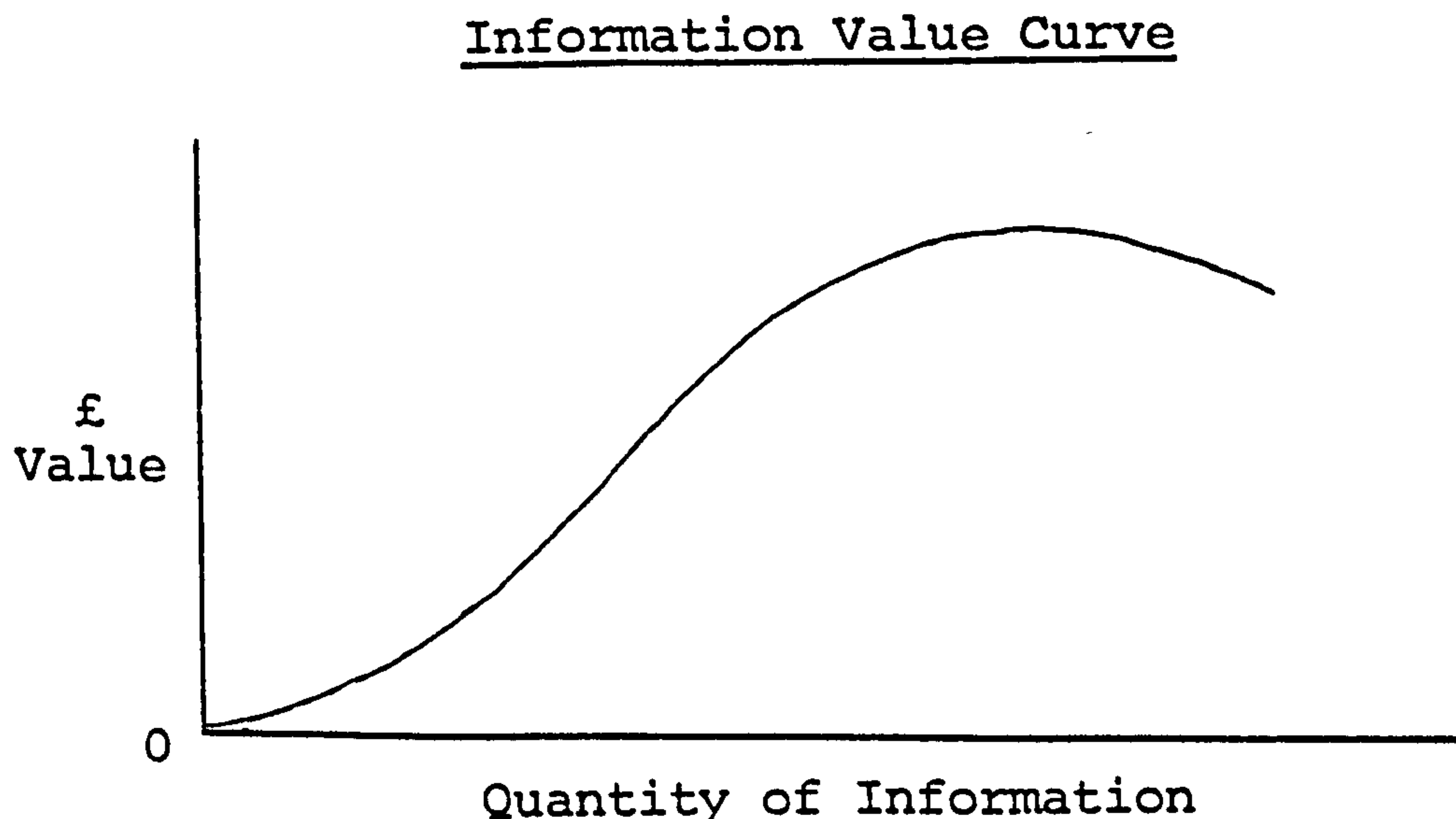
FIGURE 4.2



In Figure 4.2 it can be seen that certain costs are fixed, whereas there will be a variable cost associated with the level of information accessing activity.

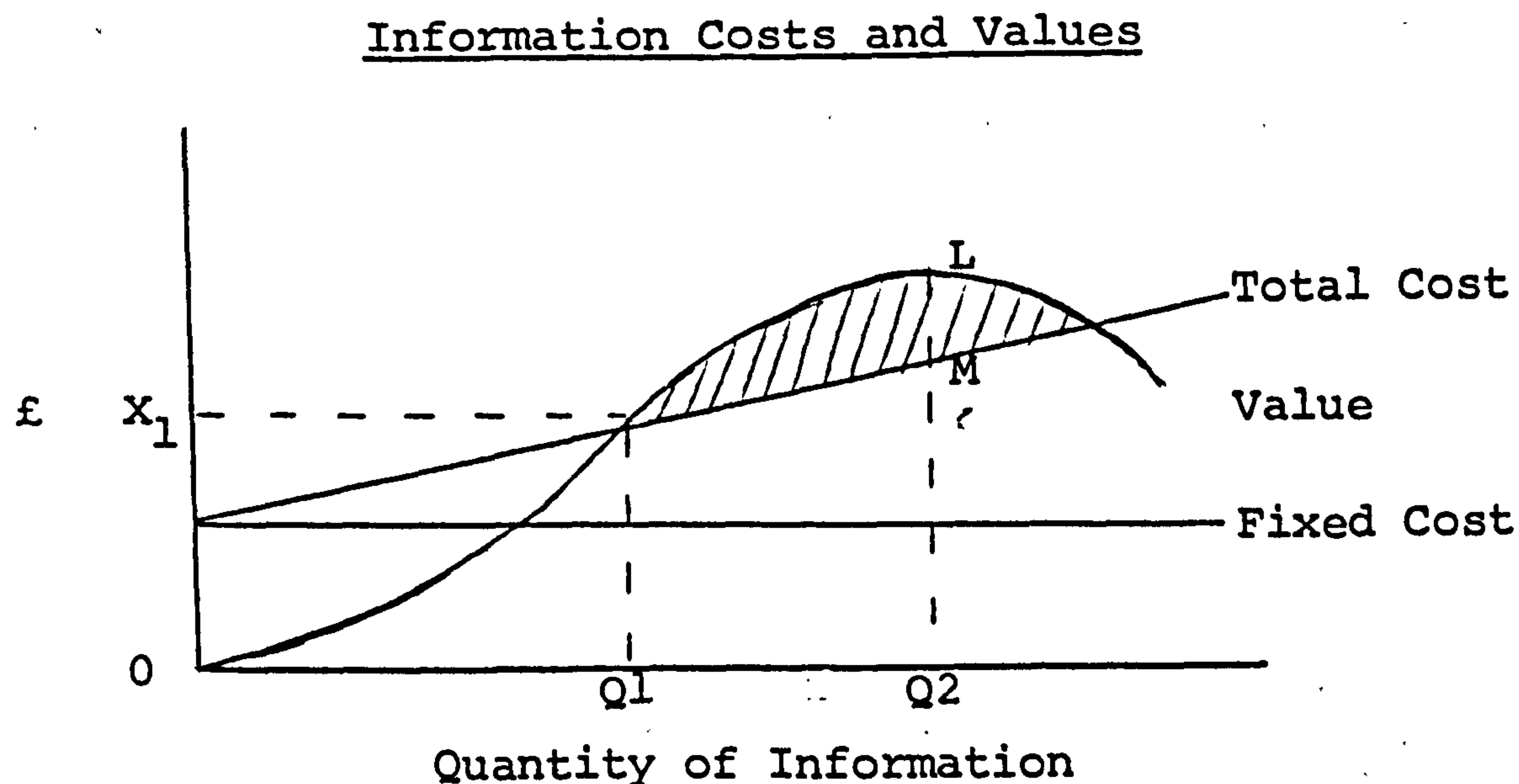
Regarding the value of information, one could hypothesise an S-shaped curve. At very low levels information is too scant to be of much value, but after a certain point its marginal value begins to increase quite rapidly. However, diminishing marginal returns will eventually occur and the curve will flatten out, as shown in Figure 4.3.

FIGURE 4.3



In fact after a particular point incremental information may have dis-utility in that it becomes a hindrance to decision-makers and thus its value becomes negative. In Figure 4.4 both the information cost and value curves are superimposed.

FIGURE 4.4



Information collected up to point Q_1 has a cost which exceeds its value and as such is an unprofitable exercise. However at points within the shaded area there is a net gain to the firm associated with the information collected. The dotted line LM at point Q_2 represents the maximum net value to the firm.

One of the major problems encountered in making these types of cost/benefit comparisons is that value often has to be estimated in probabilistic terms. This is because the use to which information may be put will be incompletely known before acquisition takes place. This would support the use of a method like Bayesian analysis where value probabilities can be estimated. It focusses attention on the fact that cost/benefit analysis (CBA) cannot supplant decision-making, instead it is an aid to judgement. Indeed there are some quite vociferous critics of CBA such as Self who has remarked:

'It is just possible that cost-benefit exercises have some utility as supporting evidence for certain kinds of decision,

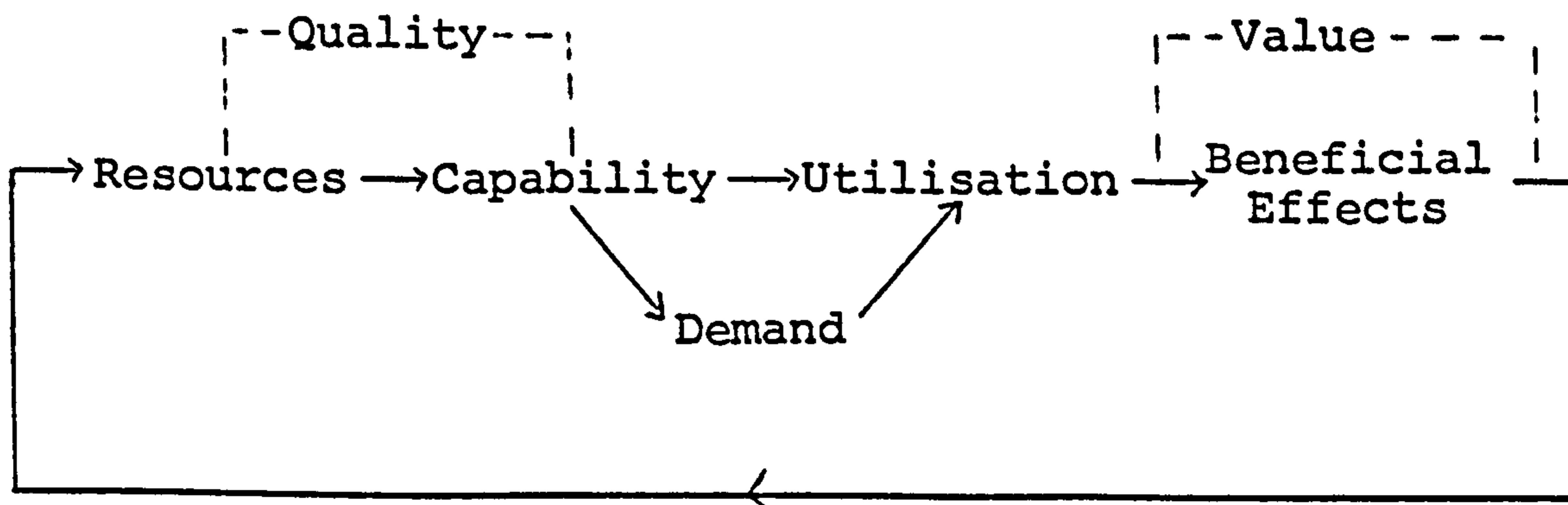
but when the art is elevated to the level of a comprehensive framework for decision-making, the cost of cost-benefit becomes severe indeed, amounting almost to actual vitiating of proper professional and political procedures.¹¹¹

Calculating value in advance can certainly be a most vexing undertaking, not least because a particular unit of information may have use for individuals and activities which could not possibly have been anticipated. Indeed as utilisation increases (assuming that this correlates with value) so will demand for information associated resources. However here is a chicken and egg type of situation in that the more useful is the information that is generated, the greater will be its demand and thus the more resources will be given to it. But without a sufficiently large input of information resources in the first place the demand and utilisation may not have materialised.

Because value can be difficult to calculate attempts have been made to identify surrogates which may be more easily handled. In other words one employs indirect measures of value such as output instead of direct measures of impact. An assumption is made that usage directly relates to usefulness. Richard Orr¹¹² has attempted to demonstrate the relationship between direct and indirect measures of value as is shown in Figure 4.5.

FIGURE 4.5

Orr's Relationship of Direct and Indirect Value



Such an approach to evaluation is somewhat analogous to assessing sponsorship's effect by measuring media coverage.

Figure 4.5 aptly illustrates the chicken and egg situation in which, as Oldman¹¹³ puts it:

' . . . the capability of a service will tend to increase as resources devoted to it increase, but not necessarily proportionately. Similarly, demand and theme utilisation will tend to increase as capability increases; beneficial effects will tend to increase as utilisation increases; and resources will tend to increase as beneficial effects increase.

A somewhat similar 'Catch 22' appears in sponsorship where because little is known about the value of evaluation there is an unwillingness to develop evaluation approaches, and because little evaluation is undertaken little is known about sponsorship and its evaluation.

Cawkell¹¹⁴ emphasised the importance of placing a monetary value on each bit of data provided by an information system. His approach was to count the number of 'action hits', that is relevant pieces of information, trace them during the research process to the completion of a problem, and then attempt to determine how much money each hit saved his company.

Determining value is further confounded because value, like beauty, is in the eye of the beholder. It is a subjective artifact. Any given piece of information may have widely differing values for each separate user of that information.

As Andrus¹¹⁵ has remarked:

'The way in which the user of information perceives its source, format, focus and so forth, is the real determinant of the value of information.'

Thus any attempt to predict value involves a highly complex system of varying probabilities, each reflecting the various subjective values of those concerned.

Despite these differences in the ways users perceive information Andrus¹¹⁶ identifies certain generalisations regarding the value of information. He observes that the value of information will increase as:

- '1 The format, language and degree of detail approach the desires of the user;
- 2 The ease and right of access increases; and
- 3 The time of acquisition approaches the time of use,

and that value will decrease as:

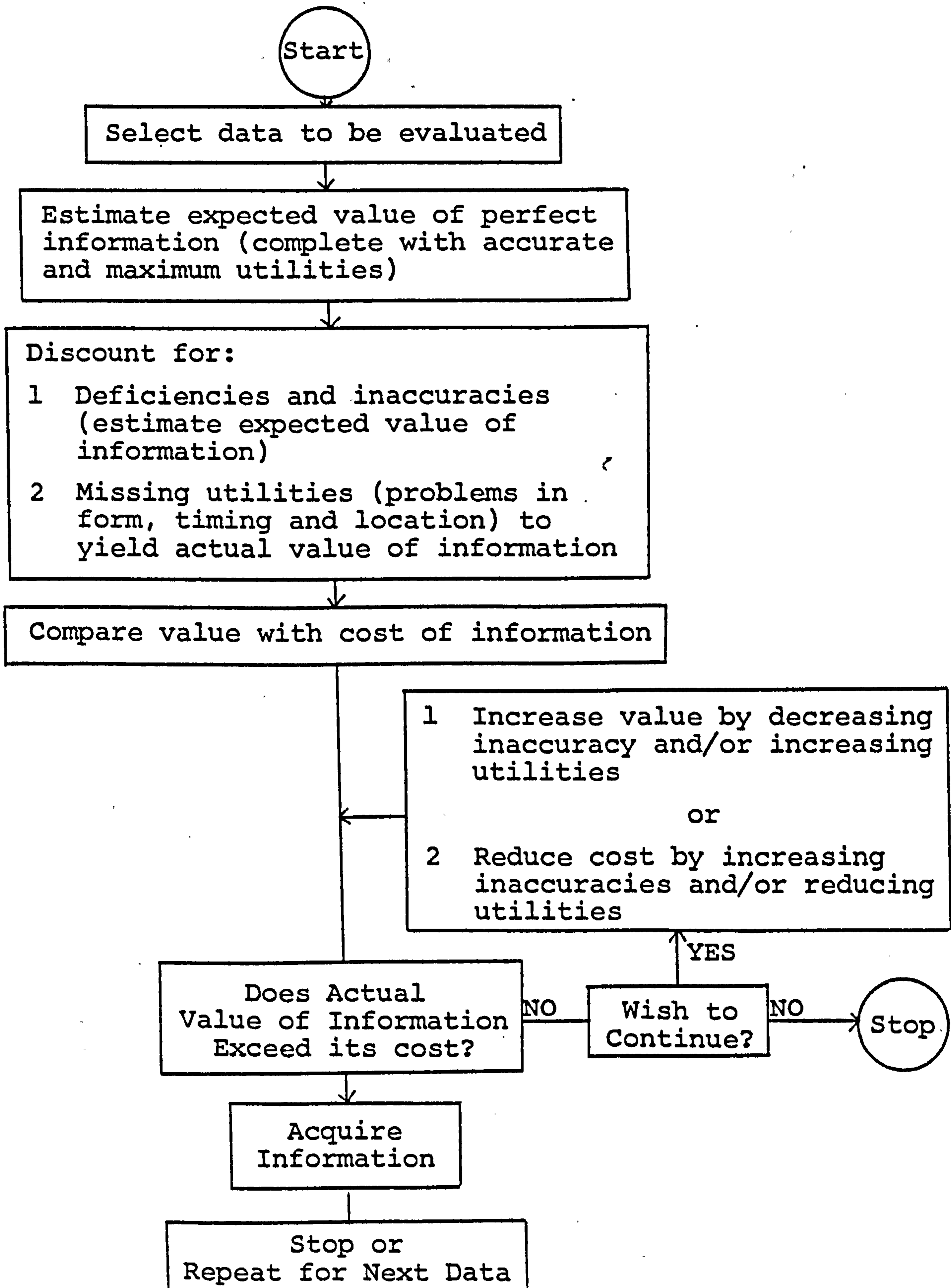
- 1 The format and language become less understandable;
- 2 The volume of detail increases;
- 3 The physical and organisational access to the information becomes more difficult;
- 4 The time of acquisition is further from the time of use (and meaningless after the decision).'

It has been stressed that information is ultimately valued in terms of its impact in aiding decisions. Its value lies in how closely it reflects complete knowledge. Andrus has developed a formula which combines both the actual content of information with the various form utilities which were discussed earlier:

$$AVI = EVPI - (EI + MU)$$

Where AVI is the actual value of information, which equals EVPI the expected value of perfect information, minus the expected inaccuracies (EI) and missing utilities (MU). Andrus translates this formula into a conceptual flow diagram shown in Figure 4.6.

FIGURE 4.6

A Conceptual Approach to the Evaluation of Information

In this section it was observed that value must ultimately be gauged in terms of how information facilitates improved decision-making. However, information that is not used is of no value. In order to be of value it is imperative that decision-makers have adequate models of the decisions which they have to make. Once such models have been identified, this enables relevant information needs to be determined. This again brings one back to the central problem to which this thesis is addressed, namely, what role does sponsorship play within the promotional network? Attempting to answer this question confronts one with the type of problems discussed earlier regarding the chicken and egg nature of information. In other words, knowledge of sponsorship effects is scant, therefore companies devote little effort to its evaluation, which in turn perpetuates a lack of knowledge. As knowledge of sponsorship effects improve, better decision models will be constructed, which will in turn enable information inputs to be more clearly identified, thus making information acquisition more cost-effective.

4.7 The Usage of Evaluation Products

Many writers are of the opinion that information usage has to be incorporated with an overall framework of management practice and not be regarded as an ad hoc adjunct of continuing activities. In the very first chapter of this thesis the circular flow nature of business was discussed, and the inter-relationship of decision-making and evaluation has been relentlessly pursued throughout. Business has been defined elsewhere as the management of information, and as such should place information handling firmly as an integral part of the corporate plan.

In noting the inability to make anything like full use of research resources Newman¹¹⁷ has observed that:

'If we are going to correct this condition, we first must do two basic things:

- 1 Think more specifically in terms of an on-going process of decision-making which requires a flow of inputs.

- 2 See research as the systematic application of a variety of concepts and methods which can be useful in generating these inputs.'

Kotler¹¹⁸ has supported this view and has remarked that in his experience executives are often abysmally unaware of significant marketing developments, they often fail to make optimal use of existing information, and frequently distort information in passing it on. He cites Albaum's¹¹⁹ report on horizontal information flow, which concluded by stressing the importance of having an effective information activity to improve decision-making by reducing uncertainty. Albaum suggests that there are at least three major problems associated with an unmanaged information system. They are, information disappearance, delay, and distortion. Kotler argues that all information should be identified and organised within a marketing information and analysis centre (MIAC) which will lead to more optimal forms of information gathering, processing, and utilisation.

Usage of information depends very much upon the orientation which an individual or an organisation has towards evaluation and to a generally critical approach to decision-making. Several studies discussed in this chapter have pointed to under-utilisation of information almost, in some cases, to the extent of being disregarded. A study by Rath and Moor¹²⁰ drew close attention to the significance of giving due consideration to information style in information system design. In this experiment a group of doctors were offered a free, phone-in information and facsimile photocopy service from their hospital direct to a medical library. It was anticipated that great use would be made of the service, but the researchers noted that:

'The data from this study increases our confidence in our hypothesis, that new services are not quickly followed by high levels of utilisation. The designer, marketer and purchaser of information systems should very carefully consider what utilisation he will have before spending funds for information systems . . . The low levels of system use indicate that new and vigorous programs of training and organisational change must occur with the introduction of new information systems if they are to be used.'

The conclusions of the study by Clark and Scott highlighted the significance of increasing the motivation to adopt a more information-orientated stance. Both decision-makers and organisations must change their attitudes towards the function and value of information and incentives must be offered to this end. Decision-makers must be made aware that performance and knowledge are closely related. One way of working towards an increase in the desire to seek and use information is to adopt management by objectives type policies. Marschner concluded in his study 'DAGMAR Revisited - Eight Years Later'¹²¹ that companies who had adopted the DAGMAR (defining advertising goals for measured advertising results) approach in the early nineteen-sixties appeared to have achieved greater success than those that had not. He ends by noting that:

'One may conclude that the way a company manages its advertising may be a reliable clue to the calibre of the top management of that company; and if this is so, the company which can be observed to rely upon objectivity in advertising decision-making is probably a better investment risk for the long pull than its competitor which does not.'

Majaro arrives at very similar conclusions after reviewing a study which management consultants Urwick Orr and Partners conducted into the advertising practice and policies of British and continental companies. The study sought information regarding; how companies decided upon budgets, how the company measured the effectiveness of its advertising, the degree to which advertising objectives had been formulated, and historic data spanning five years on the relationship between advertising and sales management costs and sales turnover. Majaro¹²² comments that:

'The survey showed, however, that companies which formulate an advertising by objectives strategy fare better than those which do not. While most respondent companies reported increased sales during the period 1965-69 (whether or not they formulated advertising objectives), only 35 per cent of the total sample also reported increased market share during the same period. Of these high-fliers no less than 85 per cent believe in and actively pursue an advertising by objectives philosophy. This indicates that firms which clearly formulate their advertising objectives

(and more than likely also have a total management by objectives approach to business) enjoy a marked competitive edge.'

A great deal of what has been said comprises of comparisons between the normative (what ought to be done) and the descriptive (what is done). Of particular value to the researcher is gaining an understanding of why the two may vary. In many respects the explanation appears to lie with the situation that the descriptive model of management behaviour is too close to the subjective-ad-hoc-man discussed earlier. Marschner¹²³ employed this normative/descriptive comparison methodology in trying to understand how advertising money is allocated. Largely based upon the work of Wolfe and Vidale¹²⁴ he set to discover how companies' actual practice compared with the normative model of:

- '1 Sales decay, or lost sales must be replaced;
- 2 Sales opportunity, or sales objective, expressed either as a distant horizon or an immediate goal;
- 3 Sales response to advertising.

Marschner observed that in practice companies do not operate on the basis that sales follow advertising, in fact advertising becomes the dependent variable to sales. Neither of the companies used in this study paid any attention to the notion of sales decay (A)* or saturation level (B)*. He concludes that theory tends to ignore the necessity to compromise within large modern organisations in which satisficing is the status quo. Marschner concludes by saying that:

- * (A) Sales decay - In the absence of product promotion, the typical product will lose a predictable percentage of sales every year if no major changes occur in the environment and if due allowances are made for cyclical and seasonal variations.
- * (B) Saturation level - There is a practical top limit to the volume of sales that can be generated by a specific advertising campaign promoting a specific product.

'Practice . . . neglects objectivity . . . there appears to be little or no basic predetermination of exactly what it is that the advertising is supposed to accomplish. No serious attempt is made to think the sales-advertising relationship through to some sort of logical conclusion. Decision-making at present appears too much influenced by rote, and habit - and there are some indications that it may even be characterised by the abdication of responsibility under the guise of compromise.'

This section has drawn attention to the differences between the normative and the descriptive modes of information usage. It has been observed how the approach to information usage closely reflects the subjective-ad-hoc man discussed earlier. However, both Marschner and Majaro have usefully presented examples where normative information stances have been demonstrably valuable. The message for those engaged in sponsorship is clear.

4.8 Summary and Conclusions

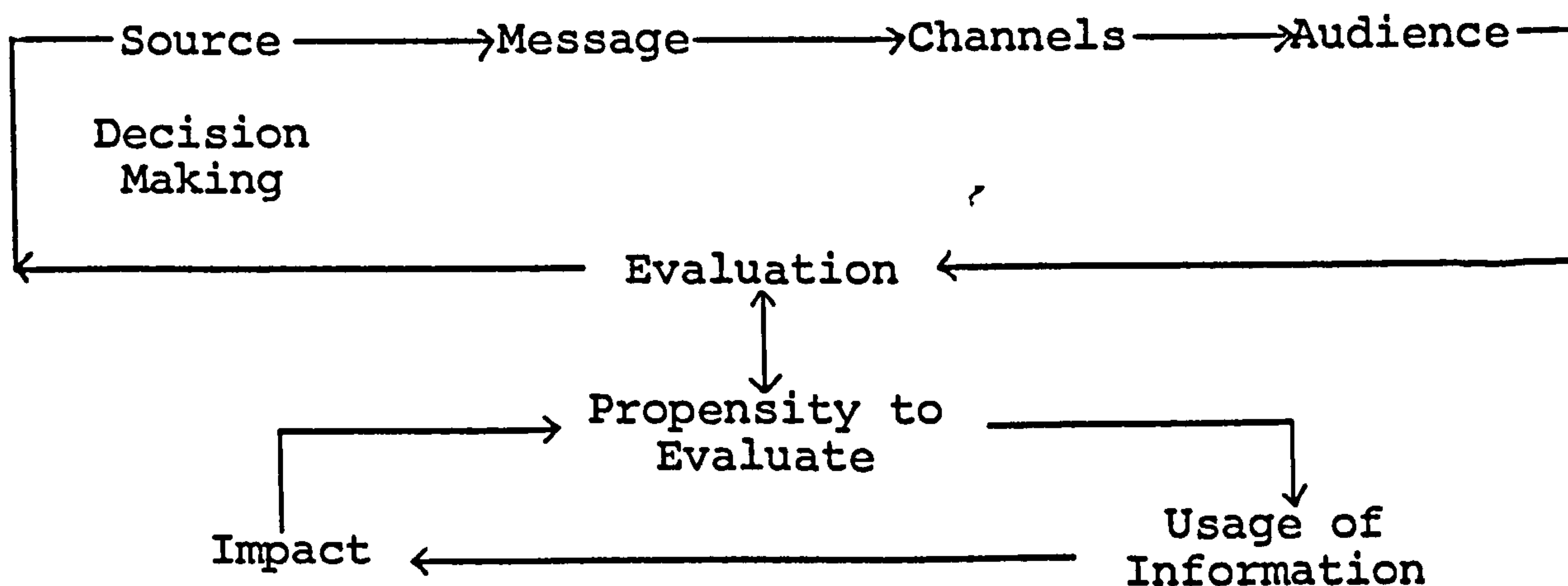
As Stage One's results intimated and those of Stage Two will make explicit, the understanding which managers have of the role of evaluation is poor. During the course of this chapter it has been the author's intention to develop a firm understanding of the role of evaluation and the associated information within a company's operations. The approach taken has been quite eclectic reflecting the author's overall illuminative research posture. As far as possible it was intended that the real problems and issues emerge rather than be imposed. Such a sentiment is analogous to that expressed by Warr and Knapper¹²⁵ in their discussion of definitions:

' . . . although there is undoubtedly scope to tighten up many of our definitions, over-emphasis on definitional precision is a danger to be avoided. It is better that we allow comprehensive definitions to emerge slowly from investigations and analysis conducted on a broad front than we should close the door to potentially more fertile concepts by premature specification.'

This chapter underlines the significance of evaluation in aiding decision-making, that is, reducing uncertainty in order to improve the allocation of resources. In chapter one the reader was introduced to the circular flow nature of the communications process. This present chapter has identified a circular flow underlying evaluation. Both of these flows are shown in Figure 4.7.

FIGURE 4.7

The Communication - Evaluation Flow



Having identified that evaluation is of key significance in acting as a focus for developing a greater understanding of sponsorship, this chapter has aimed to provide points of reference for the consideration of descriptive and normative aspects of sponsorship evaluation. As a result one should be in a better position to judge the evidence in support of the effects claimed for sponsorship. This literature review enables the results of the Stage Two results to be explained and understood and during the final chapter will allow for the proposal of a framework aimed at taking the whole area of sponsorship forward.

Arising from this chapter the following series of normative statements about evaluation has been derived. These will form part of the check list to be given in the final chapter.

I Purpose of Evaluation

- i to improve future decision-making by reducing uncertainty

- ii to develop a body of knowledge to aid future decision-makers
- iii to improve the setting of objectives
- iv to aid the process of determining budgets

II Identification of Objectives

- i to understand the characteristics of an operational objective
- ii specify dependent and independent variables
- iii know the time scale from cause to effect
- iv identify decisions to be influenced

III Understand Process to be Evaluated

- i what causes and effects are applicable to the activity

IV Methods of Evaluation

- i dependent and independent variable
- ii evaluation limited by
 - knowledge of all relevant variables
 - propensity of variables to be measured
 - limits on human processing ability
- iii precise specification of decisions needing information
- iv set benchmarks
- v identify specific techniques valid for effects under scrutiny

V The Value of Evaluation Information

- i identify all relevant costs
- ii value is the degree to which evaluation enhances the likelihood of future success

- iii should be a positive relationship between the amount of resources given to evaluation and its usage (assuming relevance of information)
- iv value is enhanced by form, time, place and possession utilities

VI Improved Practice

- i use of critical method
- ii formulate all processes into a written form
- iii develop an appropriate executive information orientation by
 - changes in organisational and situational factors
 - changes by personal goal structure
- iv explicitly state the decision-making/evaluation cycle.
- v continually re-appraise solutions to problems
- vi develop precise information user models.

C H A P T E R F I V E

STAGE TWO FIELDWORK OBJECTIVES AND METHODOLOGY

5.1 Objectives

The first phase of fieldwork was intended to supplement the background information available so that a description of the overall sponsorship process could be put together. Arising from this exercise was the belief that a lot was being claimed for sponsorship based upon little in the way of evaluation. Thus the decision was taken to closely investigate precisely how companies make their assessments of what sponsorship is doing. In the literature review the idea of the rational-economic/subjective-ad-hoc continuum was discussed; it was thought that this second fieldwork phase would add to the knowledge of whereabouts on this axis management behaviour lies. The essential approach to this is to determine the viability of objectives, examine whether the methods of evaluation employed relate to objectives and outcomes, and to gain an insight into the extent to which evaluation information is fed back into decision-making. As a result it was anticipated that a valid contribution would be made not only to the understanding of the dynamics of sponsorship but also to the knowledge of marketing management evaluation behaviour in general. Therefore, the objectives of this second fieldwork phase were as follows:

- 1 Identify how sponsorship is evaluated.
- 2 Identify the extent to which effects have objective supportive evidence.
- 3 Identify the degree to which decision-makers employ critical method in their evaluation of activities in terms of:
 - (a) setting viable objectives
 - (b) evaluating the effect which was set out to be achieved
 - (c) developing an evaluation/decision making flow.

5.2 Method for Achieving Research Objectives

A major consideration in the methodological design was that because little was known about sponsorship evaluation, a highly structured questionnaire approach would be of limited usefulness. This is because it would be difficult to present comprehensive lists of evaluation methods in the absence of a detailed knowledge of the alternatives

available. Therefore, one would have to rely upon the sample subjects specifying their own particular evaluation approaches in their own words. In terms of attempting this type of exercise on a self-completion basis the author was very doubtful of the validity of the responses made.

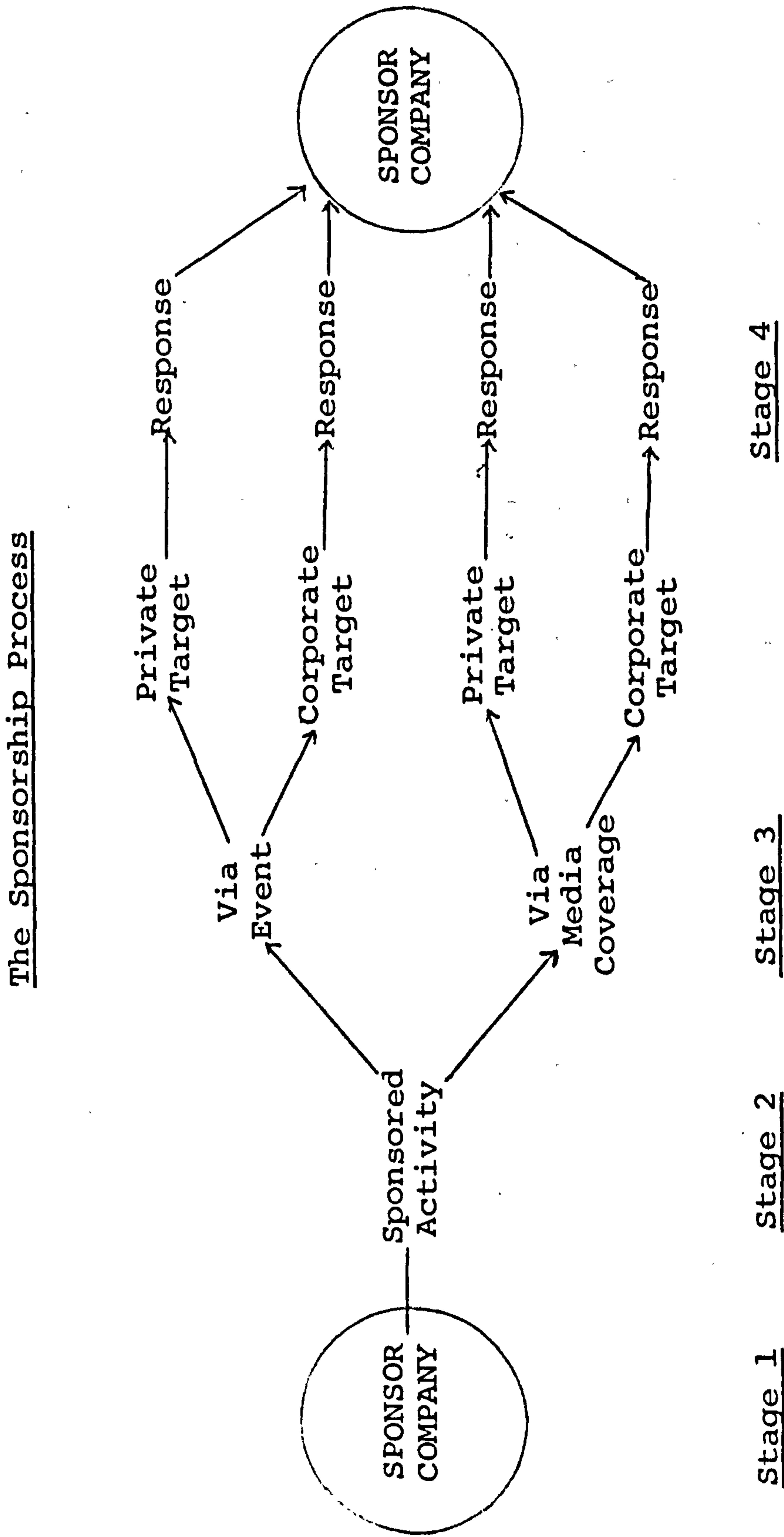
Upon thorough consideration it was held that in order to get the required information subjects would have to be personally interviewed. This was deemed especially necessary in view of the anticipated length of the questionnaire and because of the open-ended nature of many of the questions requiring answers. Because so little is known about this subject and because so much controversy surrounds it, the author felt it extremely important to be able to pick up the kind of innuendos and feelings that can only be gained through a personal interview.

The author wanted to get information on as large a basis as possible in order to put together as comprehensive and complete a view as would be feasible. Thus it became apparent that a very demanding interview schedule would have to be undertaken. An attempt was made to arrange interviews with as many of the Phase One respondents as possible. Finally seventy-three interviews were arranged and held. The reasons why interviews did not take place with the remaining thirty-three companies were because; some of them had remained totally anonymous and could therefore not be contacted; in quite a number of cases the person responsible for sponsorship had moved to another company and his successor did not feel sufficiently au fait to engage in a meaningful discussion; a small number were unwilling to co-operate in an interview; and some companies were too remotely sited to enable the interviews to be conducted with them in the time allowed.

5.3 Questionnaire Development

In developing the data collection tool the following diagramme acted as a basis:

FIGURE 5.1



This simple flow chart describes the general functioning of sponsorship. The sponsor company gives its assistance to a leisure activity and by either attending the event or encountering it through the media the target audience receives the sponsor's message. In turn the target audience responds in some way which is going to be beneficial to the sponsors.

Appraisal can occur at any of these points: in the sponsorship process. The ideal point for evaluation will be by testing the response of the target audience. As one travels back towards the sponsor so one becomes increasingly removed from what could be called the primary response, and the validity of the evaluation declines being based more upon surrogate measures. At stage 3 one might count the number of live spectators, or monitor the amount and type of media coverage received. Going still further back one could try and gain some idea of effectiveness by getting information from officials and participants of the activity sponsored.

Finally, one arrives at the sponsor himself who, if nothing else, can at least ask members of his own company how they reacted to the venture.

Accordingly, all possible sources of information which could act as evaluation inputs were identified. Questions about these items were developed together with questions aimed at discovering whether such information was employed in decision-making. Finally a list of questions was assembled which related to the following issues:

What activity is sponsored

Objectives

Method of evaluation

The importance to the sponsor's success of:

sales at venue

market-place sales

enquiries at venue

target audience - whether market research used
- target set

media coverage - whether monitored

- monitored by whom

- whether on-going or ad hoc

- if quantified

- quantity achieved
- significance of media coverage in decision-making
- conclusions reached
- level of satisfaction with media coverage
- if level achieved has prompted changes

participation by target audience

level of live spectatorship

television audience

guest entertainment

Feedback from activity sponsored

Staff feedback

Benefits accruing from sponsorship

Comparative cost-effectiveness of sponsorship

Evaluation problems

Information deemed most useful

Decision influences

Whether evaluation is cost-benefit based

How evaluation is useful

Limits on sponsorship spending

Whether evaluation problems limit sponsorship spending

Whether overall promotional and advertising is related to evaluation

Whether an increase in sponsorship would require greater evaluation effort.

In order to act as a check on some of the open-ended question responses a second questionnaire was also developed. This was in a highly structured form and each respondent was asked to complete this himself after the open-ended questionnaire had been completed.

5.4 Questionnaire Pilot Study

Piloting the two questionnaires was regarded as an extremely important exercise, a view subsequently borne out. In choosing the companies to take part in the pilot test the author was anxious that they should represent a fair range of industrial groups and levels of sponsorship involvement. A group of ten was decided upon, representing banking, insurance, industrial goods, personal care products, construction, food and drink industries, and interviews were held with them.

The open-ended pilot questionnaire was partly based upon the assumption that there are those companies which evaluate sponsorship, and there are others which do not. However, through the pilot survey it became apparent that no such either/or situation existed. Evaluation in the minds of sponsors means the appraisal of their activity and as such can be based upon a wide range of information inputs. For example, for one company evaluation may be in terms of the number of complementary thank-you letters it receives from sponsorship guests, whereas for another it is a matter of careful market research and detailed media coverage analysis. Accordingly one could not say that a company does or does not evaluate, all companies make some evaluation albeit cursory. The questionnaire was therefore amended to take account of this.

Additionally, the pilot study highlighted certain questions which required further prompting in order to gain a more detailed response. It also showed up the need to separate market research which was commissioned especially to test for the impact of sponsorship from research of an on-going nature designed to provide data on a company's overall marketing communications.

All of the necessary amendments were made and finally the questionnaires were ready to be administered. The open-ended questionnaire is to be found in Appendix 8 and the self-completion structured questionnaire is Appendix 9.

5.5 Data Collection

The interviews were arranged and held between November 10, 1977 and February 10, 1978. The companies which took part in the pilot study were revisited so that they could answer the amended questions. All of the interviews were conducted in an atmosphere of cordiality which the author believes was assisted by the rapport which had been built up during the preceding twelve months.

5.6 Summary and Conclusions

A second phase of fieldwork was planned with the three major objectives of:

- 1 Identifying how sponsorship is evaluated
- 2 Identifying the extent to which sponsorship effects have objective support evidence
- 3 Identifying the degree to which decision-makers employ critical method in their evaluation of activities in terms of:
 - a setting viable objectives
 - b evaluating the effect which was set out to be achieved
 - c developing an evaluation/decision-making flow.

Interviews were held with seventy-three members of the original 106 respondents. Personal interviews were deemed necessary because of the need to gain as valuable an insight as possible into actual evaluation behaviour. The central data collection tool was an open-ended questionnaire which was supplemented by a highly structured questionnaire acting as a check on the open-ended replies and providing various classification data. After being piloted the data was collected during a three month period from November 10, 1977.

C H A P T E R S I X

OBJECTIVE SETTING AND PERCEIVED EFFECTS

6.1 Introduction

This chapter addresses itself to the second of the research objectives identified in the introductory chapter of this thesis, namely:

to identify the effects which companies expect sponsorship to achieve for them.

It examines this objective by considering the objectives given and the effects perceived by the subjects. In the first section the objectives of the sample companies are considered in the light of the findings of the evaluation literature review. Arising from the literature six conditions of an operationally valid objective were derived and acted as a basis for assessing the critical validity of the objectives of the sample. During the literature review it was shown that knowledge about an activity is related to its evaluation, and that evaluation relies for its validity upon proper operational objectives.

As a consequence of analysing the sample's objectives (the descriptive mode) through the use of the normative mode derived from the literature, it enables one to propose practical guidelines for improvements. It also provides means for interpreting the actions, or indeed inactions, of the sample subjects.

Having examined sponsorship objective setting from this generic critical viewpoint, the author proceeds to turn his attention to the specific nature of the objectives given. Five groups of sponsors are identified according to the overall orientation of the companies' sponsorship intentions.

The following section discusses the effects which the sample actually claim to have achieved through its sponsorship. These effects are compared with the stated objectives, this exercise being regarded as a test of the rigour of the subjects' sponsorship handling and an indication of the objective value of sponsorship.

The chapter draws attention to the inadequate way in which objectives are set and discusses how this uncritical approach will have serious implications for subsequent decision-making.

Sponsorship is seen to be essentially a strategic tool aimed at contributing to long-term communication goals such as reinforcing awareness and improving attitudes.

Also apparent is the fact that sponsorship is a hybrid in that it displays features of above and below-the-line promotion within the one overall framework.

6.2 A Critical Appraisal of Sponsorship Objectives

The literature review highlighted the crucial role which objectives play in the evaluation of an activity. In the absence of an operationally valid objective it is doubtful whether the relevant activity can be appraised in any meaningful way. The objective is the point of reference to which evaluation should directly refer, and from which future decision-making will develop. As will be seen, the fundamental role of the objective appears to be greatly under-estimated if not misunderstood.

In his third condition for a critical method Elbing notes (see page 107) that it should be

' . . . specified in words (or some other explicit form) and presented so that the method itself is readily amenable to question, replication, testing, investigation and final assessment.'

Such conditions should apply to the objectives decided upon for any given activity.

Based upon the literature the author derived the following set of six conditions which he considers necessary for a marketing communications objective to be operationally valid. They are as follows:

- 1 The objective should be one which the activity in question is capable of achieving.
- 2 It should be in a written form.
- 3 The target audience should be explicitly stated.

- 4 The specific effect required should be clearly stated.
 - 5 The specific message to be delivered must be stated.
 - 6 A target level of achievement should be specified.
- 1 The objective should be one which the activity in question is capable of achieving.

Whilst the actual statement of objectives will not include anything explicit in this regard, it is implicit in the entire nature of the specific objective. This condition forces the decision-maker to consider thoroughly the modus operandi of the activities under his control. If an activity is incapable of achieving a particular effect, then deploying the activity for such a purpose is clearly a waste of time, effort, and money. For this condition to be fully observed it requires a thorough knowledge of the nature of the cause and effect process of the activity concerned. In the case of sponsorship, such knowledge is in a stage of infancy thus tending to make compliance with this condition problematical.

- 2 It should be in a written form.

This condition has two main and related strengths. Firstly it formalises and documents the objective into a format which renders the objectives properly open to evaluation and subsequent review. Secondly, the decision-maker is likely to give greater consideration to a problem than if it existed purely in the intangible framework of his thoughts. It should facilitate a more considered identification of the strengths and weaknesses of his proposals. Thus, by formalising objectives into a written form evaluation is more likely to be directly relevant and valid, thereby reducing post-hoc rationalisation, and leading to worthwhile refinements in future decision-making as a consequence of lessons objectively learned.

- 3 The target audience should be explicitly stated.

Since evaluation is the process whereby the effect of an independent variable upon a specific group of subjects is identified and measured, it is necessary that the relevant subjects are clearly defined at the outset. Without knowing who an activity was meant to affect, a company cannot possibly tell whether it achieved success

or not. Although this should be an obvious consideration, the work of other researchers has demonstrated a significant failure to specify which group(s) of individuals companies wish to communicate with.

4 The specific effect required should be clearly stated

As evaluation is a process of determining to what extent an effect has been achieved it is necessary that the desired effect should have been explicitly stated before commencement of the activity. Not only does this condition assist subsequent appraisal but it compels the decision-maker to engage in activities which do actually have the required effect. This should enable the decision-maker to disregard activities which are irrelevant to the given problem.

5 The specific message to be delivered must be stated

Marketing communications is the process whereby an organisation transmits messages to an audience of relevance to the purchase of its products. Boyd and Levy define a message by saying . . .

'By the word message we mean any sign of signal that can be interpreted in a meaningful way - a word, for example, or a picture, a color, or a sound.'¹²⁵

Thus a message is the input to the audience from the communicator. It is the message perceived by the audience that determines the outcome of the communication activity of the source organisation. Therefore, a decision-maker must be clear about the characteristics of the message which he wishes his target audience to receive.

6 A target level of achievement should be specified.

Implicit in this condition is that benchmarks have to be established against which future comparisons can be made. This criterion introduces an element of control which is totally lacking in a statement such as 'to increase brand awareness'. Such vagueness is of no help in the continuing process of developing an even better fund of knowledge about how the activities under a manager's control operate and perform. The magnitude of the effect aimed for should be determined, for example, to increase brand awareness by twenty-five per cent.

The analysis of the objectives specified by the sample began with an investigation of the rigour which they displayed. The first condition (that the objective should be appropriate to the activity) is one that given the current state of knowledge the author did not believe could be competently judged. However, that is not to say that comment will not be made of a somewhat general nature regarding the appropriateness of some of the practices encountered. Therefore, the objectives given by each of the seventy three subjects were examined on the basis of the remaining five objective criteria.

It has to be admitted that this procedure by inspection is of a subjective nature. The author sought to verify the validity of his own powers of inspection by having two other researchers plus a secretary undertake the exercise. Happily, the views of all three demonstrated no significant differences.

As has already been discussed, it is considered that committing objectives to a written format is a crucial prerequisite of valid objective setting. It was argued that the discipline of such formalisation will lead to objectives being specified in a more critical manner than would otherwise apply. Because of the importance attached to this issue it was considered worthwhile to separate written from unwritten objectives with regard to the rigour displayed.

Figure 6.1 shows the combination of objective conditions which were displayed by the sample. Column A refers to the rigour of the objectives which were in writing, and column B concerns the unwritten objectives.

FIGURE 6.1

Combinations of Objective Criteria Observed

	<u>A</u>		<u>B</u>	
	<u>Written</u>		<u>Unwritten</u>	
	<u>No</u>	<u>%(n=22)</u>	<u>No</u>	<u>%(n=51)</u>
Message, target, effect, criteria	1	5	0	0
Message, target, effect	1	5	0	0
Target, effect	4	18	11	22
Message, effect	4	18	4	8
Message, target	1	5(51%)	4	8(38%)
Target	4	18	11	22
Effect	4	18	6	12
Message	1	5	1	2
None	2	8	14	26
	<u>22</u>	<u>100</u>	<u>51</u>	<u>100</u>

Figure 6.1 shows that only thirty per cent of the sample (22/73) have their objectives in a written form. This figure is considerably less than the figure of fifty-five per cent of companies which Majaro discussed as having their advertising objectives in a written form. Bearing in mind that advertising and sponsorship are not the same thing, and that sponsorship budgets are generally much smaller than those for advertising, one might expect this difference to occur. Thus one is hypothesising that the critical composition of an objective is positively related to the magnitude of the resources to be devoted to that given activity. The author undertook to perform a test of this hypothesis. This was performed by determining whether those sponsors whose objectives are more rigorous also are higher sponsorship spenders (both in absolute and relative terms). The results supported the hypothesis in that there was a positive relationship between level of expenditure and objective rigour.

A word or two ought to be said about the figure of eight per cent of those subjects who had written objectives which contained none of the relevant objective conditions. One wonders how it is possible for such a situation to arise, but in fact both of the relevant objectives were meaningless statements in which none of the necessary four criteria could be discerned. Clearly, those companies are falling far short of the critical ideal.

Returning to the variation between this research and that of Majaro concerning the extent to which objectives are written, it has to be said that a period of ten years separates the studies during which time one might have expected a significant increase in critical approach. Moreover, in terms of management time sponsorship takes up proportionately a much larger amount than is the case in terms of the absolute expenditure difference between sponsorship and advertising. Accordingly one might have expected this to be reflected in there being a considerable percentage of managers committing what is to them a major time consuming activity to a written format.

What is especially striking is the way in which written and unwritten objectives differ in terms of the four objective criteria of message, target, effect and benchmark. Only two subjects included three or more of these four criteria, both of which were in a written form. At the opposite end of the 'rigour spectrum', of those objectives which contained none of the four conditions (a total of sixteen) eighty-eight per cent were unwritten. Thus, the hypothesis that objectives committed to writing will be more rigorous than those which are not, has found support in this research.

However, one can in no way be complacent since of the twenty-two subjects whose objectives were written, almost half contained only one of the four relevant criteria. The implications of such a finding are that whilst written objectives are more thorough than unwritten ones, the sample nonetheless demonstrates a considerable inability to set well-defined objectives. Such a circumstance does not bode well for their evaluation.

The value of benchmarks has been discussed at several points in this thesis and is re-inforced when one considers that more than one-fifth (16) of the sample failed to include either a message, target audience, effect, or effect benchmark in their objectives. In the absence of pre-determined points of reference it is difficult to judge whether this figure is encouraging

or discouraging. This figure does at least provide such a point of comparison for future researchers. Nonetheless, it is worrying that the objectives of over one-fifth of the sponsors investigated are totally lacking operationally valid criteria. The specific reasons why are not clear. However the overall findings of this research point to a general absence of critical method. It is quite likely that decision-makers do not understand what constitutes a valid objective. That this may indeed be the case was supported during the course of discussions which the author recently had with one of the country's leading sponsorship advisers. Tim Nelligan of United Racecourses has observed a singular inability by sponsors to devise anything like critical objectives. Such a view has also been expressed by Di Spinks, formerly the sponsorship adviser to the Sports Council.

In terms of the individual criteria to be found among the stated objectives, Figure 6.2 shows their occurrence.

FIGURE 6.2

Occurrence of message, target, effect, and benchmarks
in stated sponsorship objectives*

	<u>A</u>		<u>B</u>		<u>C</u>	
	Total n=73		Written n=22		Unwritten n=51	
	No	%	No	%	No	%
Message	17	23	8	36	9	18
Target	37	51	11	50	26	51
Effect	35	48	14	64	21	41
Benchmark	1	1	1	5	0	0

From Figure 6.2 it can be seen that the most commonly found criterion is a target audience, albeit the preciseness of which was generally poor. Despite being the most regularly occurring of the four criteria, it is still only to be found in fifty-one per cent of cases (37). Thus almost

half of those sponsors sampled failed to specify a target audience for their sponsorship. An effect was specified by just under half of the subjects, less than one-quarter have a message, and only one subject included a benchmark for effect in his statement of objectives.

It is interesting to observe the differences between the figures in columns B and C above. For instance, those with written objectives are twice as likely to include a message than those companies which had unwritten objectives. This is perhaps an indication that companies with written and more thorough objectives perceive a more powerful role for sponsorship than do the other companies.

In Britt's study, less than one per cent of his sample included all four of the criteria listed in Figure 6.2 in their objectives. This has been mirrored by the present study where the relevant amount was one per cent. Whether such a figure can be regarded therefore as a norm is not for this author to say, but both studies support the view that objectives generally fall far short of operational validity. Whereas only sixteen per cent of Britt's subjects failed to specify a target audience, in the present study this failure occurred in forty-nine percent of cases. This latter comparison certainly casts the objective setting of sponsors in a dim light and underlines their shortcomings. Finally, Britt observed that there was a failure to state objectives in quantifiable terms in ninety-nine per cent of instances, a figure which has found concurrence in the present research.

This section has begun the investigation of sponsorship objectives by examining the extent to which they are operationally valid and critical. The following main points have emerged.

- 1 In the great majority of cases sponsorship objectives are not formulated into a permanent written form. It is held that this will result in objectives lacking sufficient rigour to enable worthwhile evaluation to be conducted.
- 2 A positive relationship was indicated between the level of sponsorship expenditure (in both absolute and relative terms) and the rigour of objectives. This suggests at least some realisation of the need to give high levels of

resource allocation more thorough consideration than applies to lower level activities, and is a positive sign.

- 3 The results obtained supported the hypothesis that written objectives will be more operationally valid than unwritten ones. Although intuitively appealing, this research provides an empirical basis to the normative statement that objectives should be written.
- 4 Despite written objectives being more rigorous than unwritten ones, they still display serious inadequacies. For example only half of the written objectives included a target audience, albeit generally imprecisely defined.
- 5 Slightly more than one-fifth of the sample failed to specify any objective at all for their sponsorship.
- 6 This research on sponsorship has closely paralleled that of Britt's regarding advertising (see page 115). This suggests that practices have failed to make improvements during the ten year period which separates the studies.
- 7 The poor definition of objectives has serious repercussions for the ability of sponsors to purposefully evaluate sponsorship and this will be reflected in a long-term failure to improve the effectiveness and efficiency of their activity.

6.3 The Intended Effects of Sponsorship

In the previous section the author examined the sample's sponsorship objectives in terms of what could be called their intrinsic critical composition. It is held that such an approach will be of value in enabling sponsorship to become a more purposeful activity.

The purpose of this section is to develop a deeper understanding of the effects which companies employ sponsorship to achieve. It will be recalled that the effects identified as being of most importance in the Stage One research were based upon responses made to multiple choice type structured questions. Through the Stage Two research it was intended that this information would be obtained by open-ended means, that is, sponsorship effects will be ascertained in the subjects own words thus free from the bias introduced by structured questions. If knowledge of this subject is to progress it is important that it be based upon objective reality and as little as possible upon researcher induced bias.

There are two related issues involved in knowing what sponsorship is used to achieve. Firstly, the more detailed one's understanding of sponsorship's intended effects, the easier it will be of devise means of appraisal. Secondly, having identified the objectives of sponsorship one will be able to determine with which other forms of promotion it has parallels. In doing so one is able to draw upon the body of knowledge of those other promotional activities in order to assist in the development of sponsorship expertise.

Inspection of the sample's objectives draw close attention to the existence of certain groupings according to the overall sponsorship aims. It became clear that there was a singularly discrete group of companies who employed sponsorship primarily for improving trade relationships through the hospitality afforded them at the sponsorship venue. Although such companies may have an interest in obtaining media coverage of their sponsorship, it is subordinated to the far more significant aim of trade relationship improvement.

A second group uses sponsorship essentially to achieve brand publicity through the media coverage obtained.

Another group of subjects employs sponsorship as a means of promoting their corporate images, and developing more favourable attitudes towards themselves.

A fourth group comprises companies which are seeking to promote their corporate or brand names to domestic consumers by sponsoring product linked activities* and activities in which the target audience is directly

*For a discussion of product-linked sponsorship the reader is referred back to page 87.

involved as participants and live spectators. In other words, media coverage is of markedly less importance than it is to the brand publicity sponsors mentioned above. The term 'target-linked' will be used to refer to this group.

Finally is a small assemblage of four companies which employ sponsorship for non-marketing aims. Their main purpose in sponsoring is to enhance employee morale and engender goodwill towards the company from the local community and are called 'employee morale' sponsors.

As a means of validating these groupings the responses elicited by the fully structured question on objectives (see Appendix 6) were compared with the open-ended statements of objectives. It was found that the emphasis observed in the open-ended objectives were also manifest in the fully structured responses.

The number of companies falling into each of the five groupings were as follows:

FIGURE 6.3

Overall Sponsorship Effect Groupings

<u>Group Name</u>	<u>No</u>	<u>%</u>
Trade contact	12	16
Brand publicity	15	21
Corporate exposure	11	15
Target linked	31	43
Employee morale	4	5
	<u>73</u>	<u>100</u>

A word of caution ought to be made regarding the employee morale group. Owing to its small size statistics relating to the group should be interpreted with due consideration.

In developing the understanding of these five sponsorship approaches each has been examined according to its critical content as defined in the previous section. The results can be seen in Figure 6.4, and to assist with the appreciation of them are shown in bar graph form in Figure 6.5.

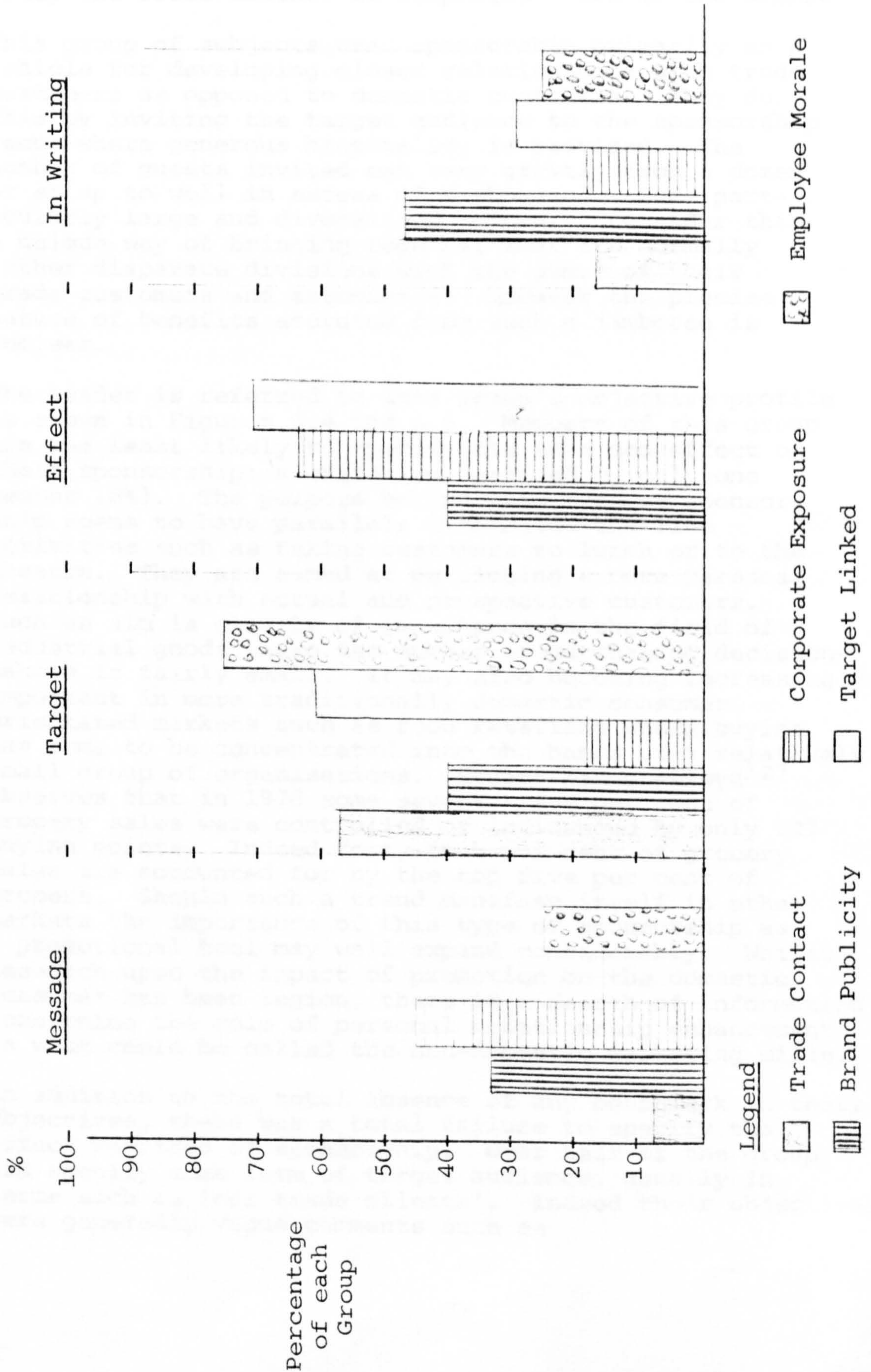
FIGURE 6.4

Objective Criteria Found in the Five Groupings of Sponsors

	<u>Message</u>		<u>Target</u>		<u>Effect</u>		<u>Criteria</u>		<u>In Writing</u>	
	No	%	No	%	No	%	No	%	No	%
Trade contact	1	8	7	58	0	-	0	-	2	17
Brand publicity	5	33	6	40	6	40	0	-	7	47
Corporate exposure	5	45	2	18	7	64	0	-	2	18
Target linked	5	16	19	61	22	71	1	3	9	29
Employee morale	1	25	3	75	0	-	0	-	1	25

FIGURE 6.5

Objective Criteria Exhibited by the Five Sponsor Groups*



*Because only one subject included a benchmark of effect in his objectives, this criterion is omitted from Figure 6.5

Each of the five sponsor groups will be discussed individually.

Group One Trade Contact 12 Companies - 16% of the Sample

This group of subjects uses sponsorship primarily as a vehicle for developing closer relationships with trade customers as opposed to domestic customers. They do this by inviting the target audience to the sponsorship venue where generous hospitality is provided. The number of guests invited can vary greatly from a dozen or so up to well in excess of a thousand. Some particularly large and diversified companies consider this a unique way of bringing together what are normally rather disparate divisions with the gamut of their trade customers and associates. However the precise nature of benefits accruing from such a jamboree is unclear.

The reader is referred to this group's objective profile as shown in Figures 6.4 and 6.5. Members of this group are the least likely to specify the intended effect of their sponsorship; a criterion included by only one member (8%). The purpose behind this type of sponsorship seems to have parallels with below-the-line activities such as taking customers to lunch or to the theatre. They are aimed at developing a more personal relationship with actual and prospective customers. Such an aim is clearly of importance in the field of industrial goods where the number of purchasing decision-makers is fairly small. It may also be becoming increasingly important in more traditionally domestic consumer orientated markets such as food retailing where buying has come to be concentrated into the hands of a relatively small group of organisations. Stuart Hanmer-Lloyd¹²⁷ observes that in 1976 some seventy-five per cent of grocery sales were controlled or influenced by only 327 buying points. Indeed forty-four per cent of grocery sales are accounted for by the top five per cent of grocers. Should such a trend manifest itself in other markets the importance of this type of sponsorship as a promotional tool may well expand considerably. Whilst research upon the impact of promotion on the domestic consumer has been legion, there is a dearth of information concerning the role of personal relationship enhancement in what could be called the non-domestic marketing milieu.

In addition to the total absence of any benchmark in their objectives, there was a total failure to specify the effect required of sponsorship. Over half of the group did specify some form of target audience, usually in terms such as 'our trade clients'. Indeed their objectives were generally vague comments such as

'To give customers a good day out and to cement relationships with them.'

One factor which possibly contributes to the vagueness of the groups objectives is that members of the group were the least likely to have them in writing.

This group of sponsors closely corresponds to the 'non-linked' sponsors described in the Stage One research (see page 87). Nearly all of these companies are in the non-consumer sector, indeed the construction and allied industries are particularly well represented. Furthermore, senior management leisure interests are most likely to manifest themselves in the sponsorship of this group. Another common feature is that seventy per cent of them sponsor horse racing, which relative to many other sports is fairly modest in cost terms.

Group Two Brand Publicity 15 Companies - 21% of the Sample

As the title suggests, this sponsorship orientation is concerned with highly branded markets. Whilst trade entertainment is engaged in by all but one of these companies, it is peripheral to the main focus which is promoting the product to the domestic consumer. Unlike the trade contact sponsors, members of the brand publicity group span a wide range of product groups, and are involved in a variety of different leisure activities.

That members of this group are the most likely to commit their objectives to writing is possibly a reflection of the fact that for these companies sponsorship is an important element of the overall brand promotion activity. They are the second most likely set to include a message in their objectives which would seem correct given their overall goal. However the group performs fairly poorly in terms of specifying a target audience. This may be because the executives concerned perceive their brand as being so well known that they fail to appreciate that some groups of individuals are of more relevance than others. Fewer than half of the group specified the effect which they expected their sponsorship to achieve, they tended to use expressions such as:

'Exposure of brand name.'

Brand publicity sponsors are essentially aiming to achieve product awareness objectives through the coverage given the sponsorship by the media. This might lead one to deduce that sponsorship is being used as a straightforward substitute for above-the-line

promotion. However closer consideration of the brands and their relevant sponsored activities gives an indication that there is more to sponsorship than such a simple pro rata substitute. The clue to this is given in one of the objectives which says the sponsorship is intended to improve and modernise the brand image. Indeed these sponsors closely correspond to the product-image-linked sponsors identified in Stage One. Detailed deliberation of that particular brand, its market situation, and sponsored activity leads one to conclude that the sponsorship possesses characteristics which could not find a substitute in conventional above-the-line vehicles. The bundle of characteristics which the communication of this sponsorship via media coverage comprises of is considerably different from that which a purely above-the-line campaign would comprise of. This again refers one to the notion of the medium being the message. For this particular company's sponsorship, the leisure activity sponsored is a significant message itself.

Group Three Corporate Exposure 11 Companies - 15% of the Sample

The overall objective of this group is reflected in its choice of sponsored activities. In comparison to the other groups, there is a strong tendency towards sponsoring arts activities and activities which have an appeal towards the upper socio-economic groups. Activities sponsored include opera, ballet, symphony concerts, and special equestrian events, thus suggesting that the sponsor wishes to portray himself as being respectable, mature and above reproach. They are companies whose total marketing communications display a heavy investment in corporate imagery associated with quality, discernment and professionalism.

It is perhaps surprising that only two out of these eleven companies put their sponsorship objectives into writing. One possible explanation could be that the sponsorship decision-makers are generally public relations personnel who may be less likely than, say, marketing management personnel, to adopt a structured approach to their work. This group is the least likely to specify a target audience for their sponsorship, which may somewhat evidence a not uncommon view that corporate image promotion is a rather nebulous affair. However, the specifying of a message is most common among this group which seems logical, and sixty-four per cent (7/11) specified a desired effect. A typical objective of this type is:

Examples of the objectives specified by this group include:

'Recognition of the company's product benefits, and wider use of its equipment by sports people, and then by the domestic trade.'

'To quickly establish the company as being a serious provider of fishing tackle to clubs and individuals.'

Group Five Employee Morale 4 Companies - 5% of the Sample

This small group of sponsors use sponsorship in order to contribute to staff morale dimensions and to demonstrate a sense of social awareness within the local community. One of the companies gave its objectives as being:

'To be seen as a responsible major employer and good citizen in the community in which we employ 40% of the working population.'

Since this form of sponsorship is not market related in the way the other four types are, it will not form a focus for any close attention. Nonetheless it has to be said that using sponsorship for this purpose can be an added benefit to a company using sponsorship for a primarily market related aim.

6.4 The Critical Content of the Sponsor Group's Objectives

As a result of the discussion which has taken place concerning the five groups of sponsors it was considered that the degree of precision of the objectives might reflect the overall marketing orientation of the companies and their critical approach to sponsorship.

It was hypothesised that the companies which would have the most rigorous objectives would be those in the brand publicity and target linked groups, and that the trade contact group would be the least critical because of the comparative lack of critical method in their overall approach to sponsorship.

This hypothesis was tested in the following way. For each subject the objective could have a maximum score

of five, that is, one point for each of the possible criteria of being (1) in writing, (2) stating a message, (3) specifying the target audience, (4) stating the effect, and (5) supplying an effect benchmark. Thus the maximum possible objective score for any given group would be the total number of companies in the group multiplied by five (the maximum number of objective criteria per company). For example, a group comprising ten companies would have a maximum objective score of fifty. If, however, each member of that group contained only two criteria in its objective, the group would have an objective score of forty per cent:

$$\frac{2}{5} \times \frac{100}{1} = 40\%$$

This is a somewhat rough and ready method; for instance it makes an assumption that each criterion is weighted equally for all sponsors, but it ought to give at least some indication of overall thoroughness of approach. The results achieved were as follows:

FIGURE 6.6

<u>Sponsor Group</u>	<u>Objective Score</u>	<u>Rank</u>
Trade contact	17%	4
Brand publicity	32%	2
Corporate exposure	29%	3
Target linked	36%	1

The figures above demonstrate that the hypothesis has been supported. The implications of this hypothesis lie in the fact that according to which of these four groups a sponsor falls into, he should give according attention to the critical content of his objectives. Earlier in this chapter it was said that all sponsors have room for significant improvements to be made in their objectives, however, Figure 6.6 shows that there are certain types of sponsor who are especially at risk and should be accordingly cautious.

6.5 The Perceived Effects of Sponsorship

So far in this chapter, attention has been devoted to the objectives which companies set for their sponsorship. In this present section discussion will centre upon the actual effects which the sample perceived had resulted from their sponsorship.

Analysis of the benefits claimed for sponsorship reveals that four effects predominate, namely, company awareness effects, development of closer trade relationships, portraying an enhanced corporate image, and greater product awareness. Figure 6.7 gives the full breakdown of effects and the percentage of the sample claiming to have achieved them.

FIGURE 6.7

<u>Sponsorship Effects</u>	
<u>Effect</u>	<u>%</u>
Company awareness - increased or reinforced	30
Closer trade relationships	23
Improved company image	22
Greater product awareness	19
Sales increase	11
Improved staff morale	10
Goodwill to the company	5
Improved product image	5
Publicity	5
Demonstrated social responsibility	5
Distributor support	1
Strengthened market position	1
Basis for successful product launch	1
Basis for total product promotion	1
Gained foothold into a new market	1
Better relationships with the media	1

Of the four major effects shown in Figure 6.7, three are very familiar marketing communications objectives. Having identified which area of marketing communications sponsorship fits into one is then in a position to draw upon the relevant bodies of knowledge and see the relevant implications for sponsorship.

Regarding the most common effect, that is 'greater company awareness', the author recently held an interesting meeting with a confectionery manufacturer. The company was considering engaging in sponsorship and sought the author's advice. During the course of conversation it became apparent that the company perceived a particular problem regarding company awareness. In its opinion, children were engaging in purchasing the product group on a highly brand conscious basis and to the almost total ignorance of the company name. The company was concerned about children growing up and leaving their childhood brands behind, and having only minimal company awareness. The firm considered it desirable that a certain amount of house awareness be developed among children so that when they grow up the job of promoting what are much more corporate orientated products will be made easier. Any form of above-the-line corporate campaign aimed at youngsters was ruled out. Finally it was considered that some form of sponsorship in which young people could participate might be an effective way of achieving a communications goal for which conventional forms of promotion were judged impracticable.

It is interesting to note how the various perceived sponsorship effects vary according to the five groups of sponsors identified in the previous section. As would be expected, there is a close correspondence between the effects attributed to sponsorship and the overall emphasis of the sponsor group. For instance, by far the most significant effect of the 'trade relationship' group was that relationships with trade associates had been improved. Improvements in brand image and brand awareness featured large in the effects of the 'brand publicity' group, while company awareness and corporate image benefits were major effects of the 'corporate exposure' group. Company awareness benefits were also important for the 'target linked' group, but so too were sales increases and company image. Not surprisingly, fulfillment of social responsibility featured predominantly in the effects claimed by the 'employee morale' group.

An especially striking factor to emerge was that members of the target linked group claimed more than one effect for their sponsorship much more than any

other type of sponsor. Indeed twenty-six per cent of them (8/31) stated that three or more individual effects could be attributed to their sponsorship. This compares with only eight per cent of trade relationship sponsors, twenty per cent of product publicity sponsors, none of the corporate image group, none of the social responsibility group. A possible explanation for these differences is the extent to which different types of sponsors see their sponsorship's role in relation to their overall marketing mix.

The variations in the pattern of effects perceived by the five sponsor groups are most clearly observable in Figure 6.8.

Sponsorship Effect by Sponsor Group

	<u>Sponsorship Effect</u>	<u>Group*</u>				
		<u>A%</u>	<u>B%</u>	<u>C%</u>	<u>D%</u>	<u>E%</u>
1	Company awareness	17	-	45	42	-
2	Closer trade relationships	42	40	-	13	25
3	Improved company image	8	-	36	19	-
4	Sales increase	-	7	-	23	-
5	Improved staff morale	8	13	-	13	25
6	Goodwill to the company	-	-	-	13	-
7	Greater product awareness	8	33	-	10	-
8	Improved product image	-	27	-	-	-
9	Publicity	-	13	-	6	6
10	Social responsibility	-	-	-	3	75
11	Distributor support	8	-	-	-	-
12	Strengthened market position	8	-	-	-	-
13	Basis for product launch	-	7	-	-	-
14	Basis for total product promotion	-	7	-	-	-
15	Foothold into new market	-	-	-	3	-
16	Better media relationships	-	-	-	3	-
17	Nothing	-	-	18	-	25
18	Don't know	-	7	-	10	-

*A = trade contact
 B = brand publicity
 C = corporate exposure
 D = target linked
 E = employee morale

The figures given in column A, B, C, D and E above represent percentages. The clear differences which can be discerned among the effects claimed for the different types of sponsors, provide further support for the validity of the classifications. That there is such a difference regarding effect 2 (closer trade relationships) between the brand publicity and target linked groups is very much in line with the belief

that the latter type of sponsor is particularly concerned with identifying with the private customer through its sponsorship. On the whole the effects elicited through the second fieldwork phase are very much in line with those which emerged during the first phase as being of significance. It is encouraging to observe that sponsors themselves do not see sponsorship effects in terms of media coverage, as many of the writers on the subject would have one believe, but do in fact describe their relevant effects in fairly clear and reasonable terms.

6.6 The Degree to which Perceived Effects Match the Objectives Set

The reader will recall that Britt's study of advertising effectiveness claims observed a significant degree of variation between the objectives set for a campaign and the effect claimed for the campaign. In fact the study identified that in sixty-nine per cent of cases the effects given were not directly related to the previously stated campaign objectives. The literature review focussed great attention upon the significance of the role of objectives in acting as a basis for comparison through evaluation. Accordingly the author undertook to identify the extent to which effects relate to objectives, and to discover whether companies whose objectives were more rigorous were more likely to identify effects which related to their objectives than companies who were less critical in approach.

In total terms, fifty-eight per cent of the effects claimed matched the objectives specified. There was no association between these two factors in twenty-three per cent of cases. In the remaining nineteen per cent there was some connection between the two, usually in that while the objective comprised two or three aims, only one was specified as having been achieved. If these aggregate statistics are split between those objectives which were written and those which were unwritten, the following picture emerges:

TABLE 6.9

	<u>Objectives and Effects Match Completely</u>		<u>Objectives and Effects Match Partly</u>		<u>Objectives and Effects Do Not Match</u>	
	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>
Written Objectives	18	78	1	4	4	17
Unwritten Objectives	24	48	13	26	13	26

Of particular noteworthiness in the above table is that objectives and effects matched more more closely for companies having written objectives than for those whose objectives were unwritten. This would seem to indicate that where a more structured approach has been adopted in the management of sponsorship, companies are more likely to identify the extent to which the desired effect was achieved. This relates back again to Elbing's assertion about method being specified in words since that renders it amenable to question etcetera. This is extremely important in the overall marketing context where different activities are intended to make varying contributions, each of which form the total marketing effort. Companies ought to determine the degree to which the various components of the communications mix are fulfilling their individual tasks. Therefore it is vital that they ascertain the precise effects of each individual activity to ensure that on the one hand duplication of effort does not occur, and on the other hand that there are no marked gaps in overall effect.

Further insight is gained into the relationship of objectives to effects if the following table of figures is considered. It shows the degree to which the objectives and effects of the five sponsor groups coincide.

FIGURE 6.10

Sponsor Group	A			B			C			
	<u>No</u>	<u>%</u>	<u>Total*</u>	<u>No</u>	<u>%</u>	<u>Objectives Written</u>	<u>No</u>	<u>%</u>	<u>Objectives Unwritten</u>	
Trade contact	7	58	2 17	3	25	2 100	5	50	2 20	3 30
Brand publicity	8	53	1 7	6	40	5 71	3	38	1 12	4 50
Corporate exposure	9	82	2 18	-	0	2 100	7	78	2 22	-
Target linked	14	45	9 29	8	26	8 73	6	30	8 40	4 30
Employee morale	4	100	- 0	-	0	1 100	3	100	-	-

*Key

- ✓ Objectives and effects match completely
- Objectives and effects match partially
- X Objectives and effects do not correspond

Looking firstly at the figures given in columns B and C one can see that for all groups of sponsors, effects matched objectives far more often when the objectives had been put into a written format. That this cuts across all types of sponsors lends further weight to the normative nature of this condition of objective validity. However, what comes as a surprise is that the groups of sponsors who had the lowest level of objective/effect agreement were precisely those whose objectives were the most rigorous, i.e. brand publicity and market development sponsors. Clearly some explanation is required for this variance. Closer inspection of all of objectives and effects reveals a tendency for those of market development sponsors to be more specific than the others. Especially where corporate publicity and social responsibility sponsors were concerned their objectives and effects were so broad that it would have been difficult for much variation between the two to have been possible. This may be an indication of the danger that woolly objective setting leads to complacency because it obscures how a company really is performing.

Having indicated that objectives and effects are more likely to agree with each other when the objectives are in writing, one then looked to see if any overall relationship could be discerned with regard to thoroughness of objectives and the objective/effect relationship. The results of this procedure are shown in Figure 6.11. It is hypothesised that the more rigorous an objective is, the more likely will the objectives set for an activity match the effects achieved.

FIGURE 6.11

Relationship between Rigour of Objectives and the Objective/Effect Comparison

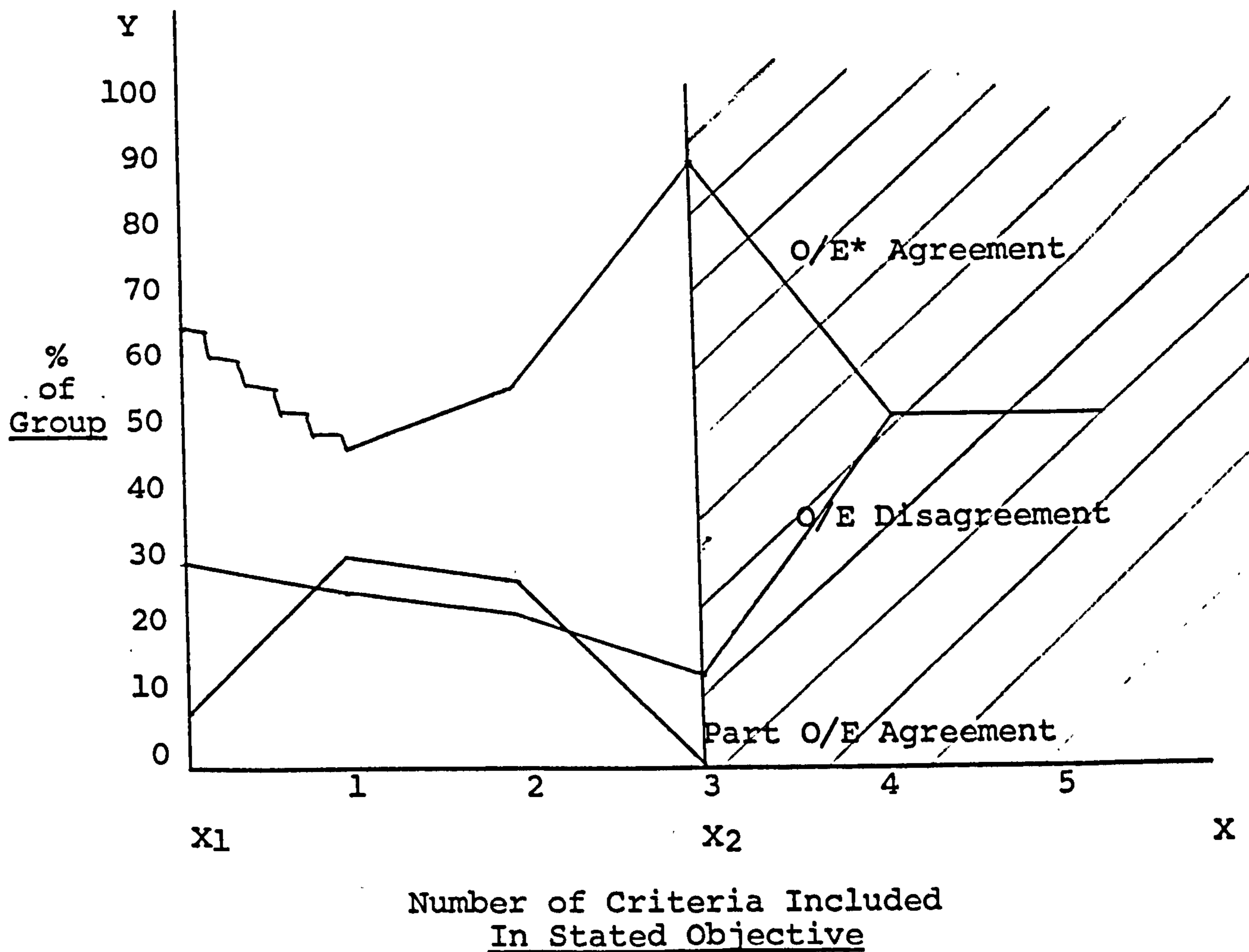
Objective/
Effect
Relationship

Number of Criteria Included in Specific Objective

	0		1		2		3		4		5	
	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>
Fully agree	9	64	9	45	15	54	7	88	1	50	1	50
Partly agree	1	7	6	30	7	25	0	0	0	0	0	0
Do not agree	4	29	5	25	6	21	1	12	1	50	1	50

The figures above are shown graphically in Figure 6.12

FIGURE 6.12



* Objective/Effect

To make figure 6.11 easier to interpret, the data is presented in graph form in figure 6.12. The number of subjects having four or more of the specified criteria in their objectives was too few to be of statistical validity, therefore the area to the right of point X₂ has been shaded out. This leaves the relevant sector of the diagram being X₁ - X₂.

What are otherwise clear trends is somewhat confounded by the section of the O/E Agreement line to the left of point 1 (the zig-zag line). Close inspection of the objectives and effects specified by those subjects whose objectives contained none of the relevant criteria revealed that they are so vague as to be of highly doubtful validity. In other words their objectives and effects were both so broad and general that they could not possibly fail to agree.

Thus, the hypothesis that the more rigorous a company is in the setting of its objectives the more likely it will be to have effects which match objectives has been supported.

The underlying normative assumption of this section has been that operationally valid objectives should be set for sponsorship and as such should be reflected in the effects achieved. This being so one would expect to see that where effects do match objectives, it will be reflected in the replies given to the structured question which requested subjects to indicate the extent to which they consider they have achieved their objectives.

The results of this comparison is shown in Figure 6.13. The relevant data is presented in graph form in Figure 6.14 to assist in its understanding.

FIGURE 6.13

Relationship between Objective/Effect Agreement and Beliefs Concerning Extent to which Objectives were Achieved

<u>Degree to Which Objectives Were Achieved</u>	<u>Objectives and Effects Match Fully</u>		<u>Objectives and Effects Match Partly</u>		<u>Objectives and Effects Do Not Match</u>	
	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>No</u>	<u>%</u>
Complete failure	-		-		-	
Little contribution	3	42	1	14	3	42
Moderate contribution	4	44	3	33	2	22
Quite good contribution	8	44	4	22	6	33
Very good contribution	19	70	3	11	5	19
Complete Success	8	67	3	25	1	8

FIGURE 6.14

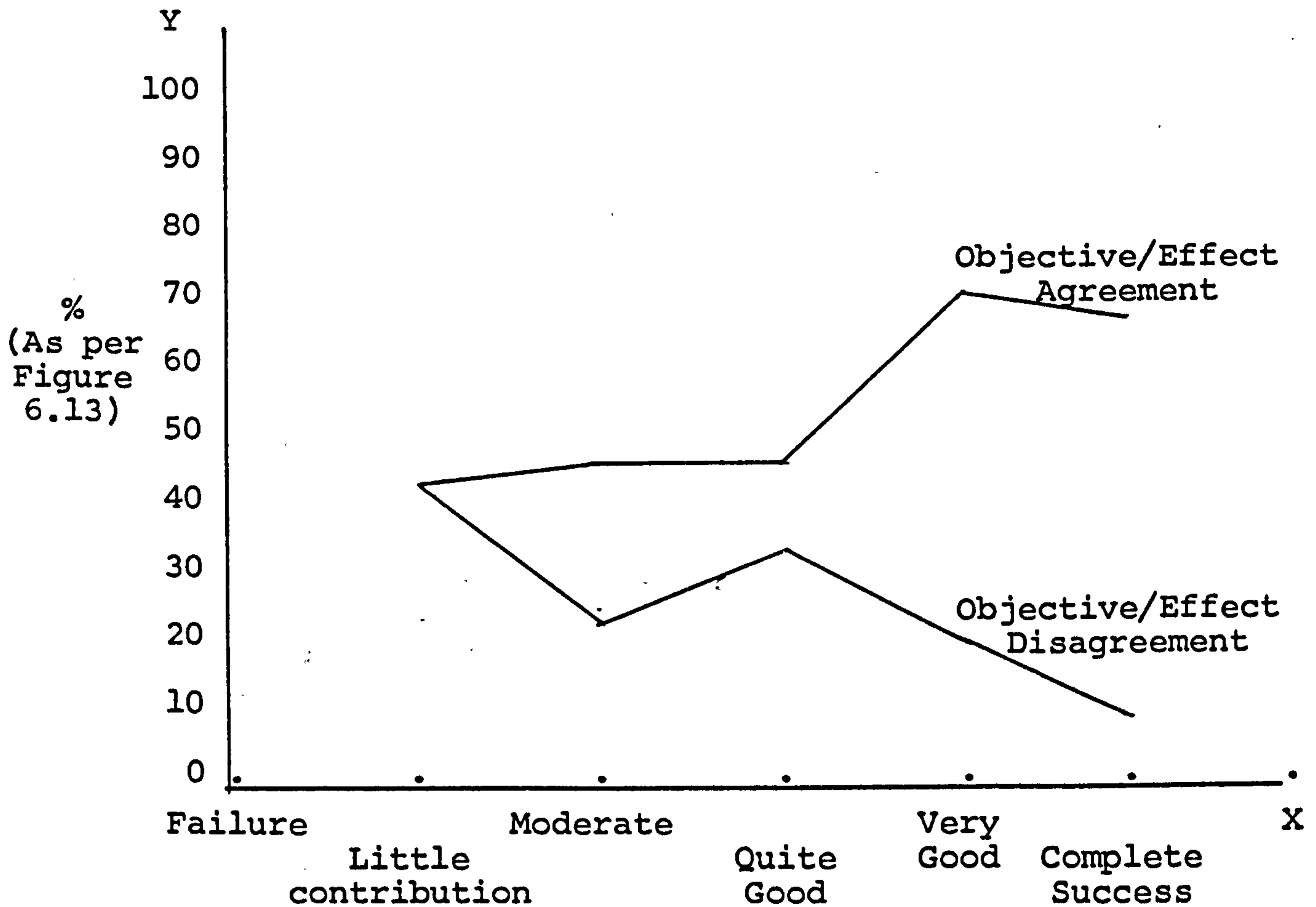


Figure 6.14 indicates a positive relationship in terms of objective/effect agreement and the extent to which companies perceive their sponsorship to have been successful. Although there is an assumption of equal intervals separating the points on the horizontal axis, it nonetheless supports the normative statement that managers who are uncritical in approach appear to achieve less success. This statement implies that a subject's perceived level of success is a reflection of the objective reality of the situation. The basis for their perceived success must be the information feedback which they have - their evaluation. Therefore the following chapter turns its attention to the way in which subjects evaluate their sponsorship.

6.7 Summary and Conclusions

The aim of this chapter has been to identify the effects which companies expect sponsorship to achieve for them. The approach taken has been both to identify the purposes for which sponsorship is used (the descriptive mode) and by analysing the relevant effects and objectives in the light of the literature (the normative mode) to lead to a better understanding of sponsorship and improved practice.

Six conditions or criteria of a valid communications objective were identified:

- 1 The objective should be one which the activity in question is capable of achieving.
- 2 It should be in a written form.
- 3 The target audience should be explicitly stated.
- 4 The specific effect required should be clearly stated.
- 5 The specific message to be delivered must be stated.
- 6 A target level of achievement should be specified.

The sample demonstrated significant failings in respect of these conditions of objective validity, for example, in seventy per cent of cases objectives were unwritten.

The data supported the hypothesis that written objectives will be more operationally valid than unwritten ones.

Despite the period of ten years which separate this study from those of Britt and Majaro, there appears to have been a failure to improve standards of critical objective setting.

Sponsorship usage was seen to be reflected in five overall orientations by the sample. They were referred to as being: trade contact, brand publicity, corporate exposure, target linked, and employee morale.

It was observed that the trade contact type of sponsorship was especially favoured by companies operating in an industrial marketing situation. If the trend from above-

the-line to below-the-line activity continues, the importance of this kind of sponsorship may grow considerably.

The brand publicity group led to the belief that in its capacity as a message form, sponsorship may be capable of assuming a powerful role for brands which find conventional above-the-line advertising insufficient for their needs. Suggestions for furthering this line of argument are to be found in chapter nine.

As with brand publicity sponsorship, the corporate exposure group showed that sponsorship may have significant attributes in its ability to communicate a desirable corporate image. However it was suggested that close attention be paid to the size and profile of the required target audience as opposed to the achieved target audience given the limit exposure of some of the activities sponsored.

The target linked group of sponsors' revealed the use of sponsorship to target a required audience fairly precisely through the choice of sponsored activity. Media coverage was much less important to this group than the brand publicity sponsors.

A small group of sponsors found sponsorship an appropriate method for enhancing staff morale and improving attitudes in the locale.

Although each group displayed a major orientation towards a particular aim it was nevertheless apparent that within the one overall framework sponsorship encompasses aspects of both above and below-the-line. The research showed that a major attraction of sponsorship is its ability to make a range of contributions to the sponsor. Identifying these relevant contributions will enable the appropriate extant knowledge to be drawn upon. For example, if sponsorship is being used by a company to project its corporate image via the media coverage of its sponsored activity, how does this practice compare with the theory and conventional wisdom on the matter. It is possible that sponsorship is being used to achieve communications objectives in a way which is in contravention to all relevant norms. Two implications apply, firstly, this sponsorship is being incorrectly used, or secondly, it may add another dimension to the conventional wisdom (especially if the sponsorship is demonstrably useful).

Four major sponsorship effects were identified, namely, company awareness effects, closer trade relationships, improved company image, and greater product awareness.

The hypothesis that the more rigorous is a company in the setting of its objectives, the more likely it will be that its effects match objectives has been supported.

Throughout this thesis the notion of the circular flow has been proposed. The literature has described the importance of evaluation in forming the link in the circular flow which enables practice to be gradually improved. It also underlined the primary role which objectives play in the evaluation process. In the absence of sound objectives, evaluation will suffer and this will be reflected in the failure to improve decision-making.

C H A P T E R S E V E N

S P O N S O R S H I P E V A L U A T I O N

7.1 Introduction

The results discussed in this chapter relate to the third of the thesis' objectives:

To identify the methods and approaches which companies use to validate the effectiveness of sponsorship.

In the chapter which discussed the Stage Two research methodology the matter of what is the meaning of evaluation was touched upon. It is a word which one is inclined to believe is self-explanatory and generally well understood. However the results of Stage One plus the Stage Two pilot study revealed that the meaning of evaluation is something which cannot be taken for granted. Through his experiences the author came to realise that evaluation is not a specific activity which is undertaken, or not as the case may be, but rather is something which all companies engage in to a lesser or greater degree.

During the literature review in chapter four it was said that evaluation is a process of determining magnitudes and comprises of the following three stages: information gathering, processing and utilisation. What varies is the extent to which these three activities are formalised.

Implicit in discussion of evaluation is the belief that there exists a common metric upon which any given company's attempts to establish the effect of any given activity can be located. Above a certain point on the scale the company can be said to conduct evaluation, and at points below that mark the company is not deemed to be evaluating. The problem lies in the difficulty of relating each company's behaviour to the common metric.

In the author's opinion every company should be considered to evaluate its activities. All companies make an assessment of the effectiveness of their actions, no matter how cursorily it may have been undertaken. Thus simply to say that some companies evaluate sponsorship and others do not is to examine the problem on far too arbitrary and limited a basis. It is a simplification which is unhelpful in understanding sponsorship.

As a consequence of the preceding discussion, obtaining information upon evaluation was approached in two ways. Firstly subjects were asked to describe the way in which they tried to evaluate their sponsorship. This question was aimed at allowing subjects to state their evaluation approach in their own words. It allowed them to indicate

the basis upon which they judged the success, or otherwise, of their sponsorship. The results of this question were compared with the subject's objectives and effects as a test of the logic of their behaviour. Differences in the evaluation approaches of the five sponsor groups are discussed.

Secondly, an attempt was made to identify the full range of informational inputs relating to the outcome of the sponsorship of each company. In this way it was intended that the total information feedback on sponsorship could be determined. This assists in two ways: it enables one to assess the weight of evidence in support of sponsorship benefits, and it furthers one's knowledge of the critical nature of sponsorship management, both of which are important in the development of sponsorship practice.

Sponsorship evaluation portrays management as being far from the rational-economic-man discussed in the literature review. Management scientists have continually striven to present decision-makers with more rigorous means of carrying out their responsibilities. The success of such strivings largely depends upon the willingness of decision-makers to adopt new methods and approaches. This present research indicates that the degree of such willingness may be much less than required. It appears as though decision-makers operate to a considerable degree upon an informal system of decision inputs. Thus attempts to contribute to improved practice based upon a rational economic model are going to be ill-founded. The significance of devising a user-model is strongly supported by this research, and chapter nine will develop this line of argument.

7.2 Overall Approaches to Evaluation

The general picture of sponsorship evaluation presented by the analysis of specified evaluation approaches is one of simplicity. In Figure 7.1 one can see the full range of approaches used and the extent to which they are found.

FIGURE 7.1

Specified Approaches to Sponsorship Evaluation

<u>Evaluation Type</u>	<u>No</u>	<u>%</u>
Media coverage	19	27
'Seat-of-pants'	11	15
Media coverage and all feedbacks*	7	10
Guest feedback	6	8
Media coverage and guest feedback	5	7
Media coverage and guest feedback and sales	5	7
Media coverage and market research	4	5
Activity and participation feedback [?]	4	5
Market research and audience feedback	1	1
None at all	11	15

*'All feedback' includes company staff, guest, and sponsored activity feedback.

One can see that the evaluation of almost six-tenths of the sample was based upon media coverage, 'seat-of-the-pants' or indeed totally absent. Of the remaining forty-three per cent, evaluation was on the basis of combinations of media-coverage and either staff, trade, or customer feedback. Only six per cent of the sample had any kind of market research data concerning their sponsorship, and even then it comprised mainly of two or three simple questions included in omnibus surveys.

It would appear that media coverage is commonly used as a surrogate measure of awareness. This is therefore an apposite point at which to discuss a case concerning the use of media coverage for measuring awareness.

The case concerns a major alcoholic drink manufacturer and distributor which has been sponsoring one of the annual classics of the horse racing calendar for the past fifteen years. The sponsorship has always been based upon the company's leading brand of cognac and aimed at developing a wider awareness of the brand among the brandy drinkers who have an interest in

horse racing. During each year of its sponsorship the company has been gratified to see ever increasing media coverage both on television and in the press. The conclusion drawn was that the brand must be achieving significant awareness among its target audience.

In seeking to test the validity of this conclusion the company decided to include some questions about its sponsorship in its continuing market research survey conducted in 1977. The results of this exercise came as quite a shock to the company which by this time had invested a total of well over three hundred thousand pounds in the sponsorship in current expenditure terms. What the results showed was that awareness of and attitudes towards the brand were no higher for those who identified the brand's sponsorship than among those cognac drinkers who were not aware of the sponsorship. Consequently the company is now considering a withdrawal from this particular sponsorship. However, one must add the caveat that this conclusion assumes that both the control group and the target group had equal awareness and attitude levels prior to the sponsorship commencing. In other words a benchmark should be determined for the relevant dependent variable prior to the commencement of the sponsorship, otherwise future judgements of effect will be highly questionable.

There is the example of a major petroleum company which began a new motor sport sponsorship a couple of years ago. During the course of a discussion held between the author and representatives of the company, it was indicated that the company intended to conduct an awareness survey at the end of the first year of the sponsorship. However, upon being questioned it became apparent that the company did not propose to establish awareness levels before the sponsorship was to begin. One wonders what kind of interpretation will be made of the awareness levels identified by the first year survey. Admittedly it will provide a basis for comparison with subsequent years performance, but nonetheless falls well short of a critical approach.

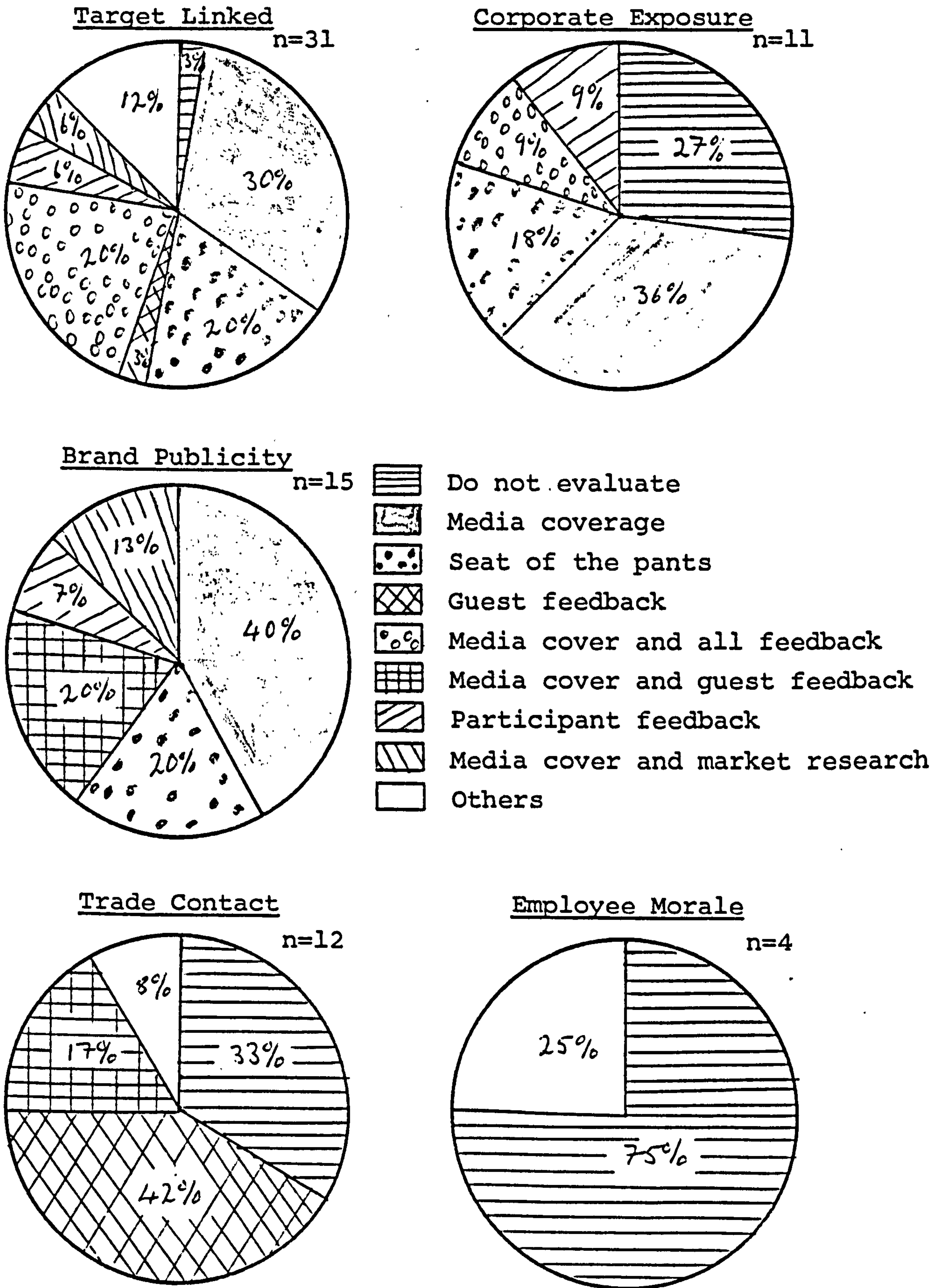
Caution has to be exercised where the use of awareness surveys is concerned for several reasons. In common with advertising, sponsorship displays an element of carry-over in its effect. It is not uncommon for a significant proportion of a sample population to claim to have been exposed in a given year to a sponsorship which ceased possibly three or four years previously. It is also the case that a significant proportion of a sample, whilst acknowledging that a sponsorship was terminated two or three years previously will continue

to display attitude and awareness effects related to that past sponsorship. For example, the Gillette sponsorship survey of 1977 showed that over forty per cent of the sample were aware of the Watney football competition which had expired four years previously.

It is interesting to observe how the evaluation approaches of the five sponsor groups identified in chapter six vary, especially with regard to the proportion of each group that says it does not evaluate sponsorship. Here one finds a very close fit with the rigour demonstrated in their objectives; that is to say those companies which have poorly defined objectives are the most likely to say that they do not evaluate their sponsorship. Figure 7.2 shows the specified evaluation profiles of the sponsor groups.

FIGURE 7.2

Evaluation Method by Sponsor Group



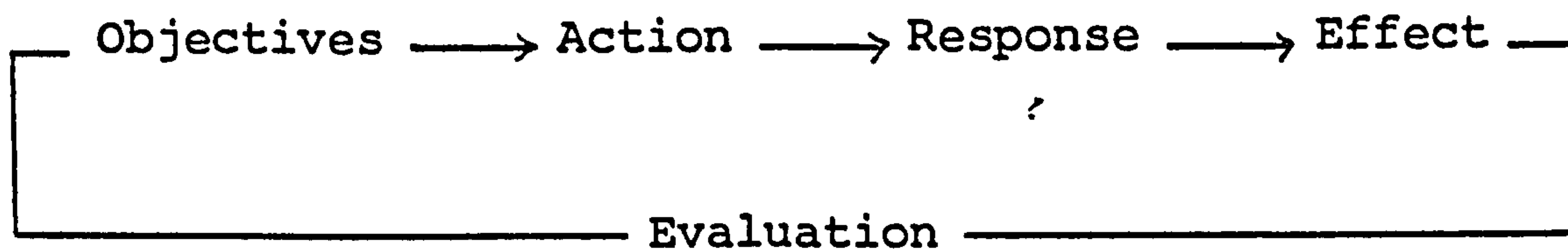
Reflected in the pie charts in Figure 7.2 is the varying importance of guest entertainment among the five sponsorship orientations. Despite the fact that one-third of the trade-contact sponsors do not claim any evaluation, it is logical to observe that all of the evaluation which this group undertakes is based upon feedback of one sort or another from guests who attended their sponsorship. Interestingly one trade contact type of company with which the author came into contact during the course of his research decided to conduct some research upon its trade guests as a result of the author's prompting. The company found the exercise of great value as it alerted it to two problems. Firstly, the timing and location of the sponsorship could be improved, and secondly there was considerable dissatisfaction concerning certain aspects of the catering.

That eighty-one per cent of the evaluation of the corporate exposure group is either non-existent, based upon seat-of-the-pants judgement, or media coverage is in line with the rather casual approach to its sponsorship observed at an earlier point. Target linked sponsors displayed the most thorough approach to evaluation, which would follow given the comparative rigour of their objectives. For example, thirty-eight per cent of this group of sponsors have an evaluation method based upon combinations of market research, all forms of feedback, media coverage, and sales off-take at the sponsorship venue. In other words they are less inclined than other sponsors to base their evaluation on just one information input such as media-coverage, or guest entertainment, or indeed, no evaluation at all.

As a check upon the specified evaluation approach a comparison was made between it and the response given to the question which asked subjects to specify which information is considered to be of most value in appraising their sponsorship. The result of making this comparison was the emergence of an almost fifty-fifty split in terms of the number of cases in which the two issues were congruent to each other. In sixteen per cent of subjects the two were completely at variance, for example their evaluation was stated to be based upon media coverage and yet guest feedback was deemed to be the most useful evaluation information. Quite a large number of this sixteen per cent of the sample were companies which although specifying a particular type of evaluation approach did not know what information was most useful to them.

7.3 The Relationship between Objectives and Effects, and the Overall Evaluation Approach

It will be recalled that through this research it is intended that one will be able to assess the weight of evidence in support of sponsorship effects, and to better understand the critical nature of sponsorship management. In regard to both of these issues it is important to consider how the method of evaluation chosen relates to the objectives set and the effects claimed for sponsorship. Critically speaking, evaluation should provide the logical link joining the two as follows:



The closer the type of evaluation is to both objectives and effects the more confident one can be that the effects claimed are a good representation of what actually has been achieved. Conversely, the more widely evaluation differs from objectives and effects the less critical the company is behaving and the less credence can be given to any effects which they may claim to have achieved. To take an extreme example, serious questions would need to be asked if a company set out to achieve closer relationships with trade customers, and by an awareness survey of the company among adults in Scotland, claimed to have achieved an effect of an improvement in company image as perceived by financial institutions and members of staff.

Thus, the present section is aimed at understanding the degree to which the approaches to evaluation as specified by sponsors relates to their objectives and effects.

The procedure of comparing objectives and effects with the stated evaluation approach reveals that in just over forty per cent of companies there are grounds for doubting the validity of the specified evaluation method. These doubts concern either a lack of compatibility between evaluation and objectives or effects, or indeed both. In nearly half of these cases of evaluation

incompatibility the reason for this incompatibility is that no form of evaluation is used. This means that in just over one-fifth of the total sample, claims are being made for sponsorship effects in the absence of any specified evaluation. It is also fairly common to see sponsors claiming to have achieved greater awareness of the company based upon, as they put it, purely 'seat-of-the-pants' considerations. Some consolation may be gained from the fact that there are few cases where a method of evaluation is engaged in which is not compatible with objectives and effects. One may conclude, therefore, that where a company does engage in some form of sponsorship evaluation, it is generally relevant and the effects claimed. However, saying that an evaluation approach is not unrelated to an objective or effect is not necessarily the same as saying that it can reasonably be expected to have proved that the effect has indeed occurred. Far from it. For example, some thirty-seven per cent of the sample employ media coverage monitoring as their primary method of judging whether company and brand awareness and image have been improved through sponsorship. The case discussed earlier demonstrated that there may indeed be no such correlation between volume of media coverage and relevant brand awareness. The author has stressed that media coverage is very much a surrogate variable and cannot necessarily be inferred as showing any actual shifts among the target audience.

Another common evaluation approach which although not unrelated to objectives and effects, is feedback from the organisers and officials of the activity sponsored. The use of highly subjective comments as a basis for forming judgements about sponsorship success is something which has to be questioned.

Although the stated method of evaluation provides a very valuable overview of how a company appraises its sponsorship, it provides an insufficient basis on which to comment upon the total information input which effects are claimed to have been achieved. For example, despite the fact that a company may claim to have achieved greater awareness of its new logo by appraising media coverage of its sponsorship, the depth of that appraisal may be very slight indeed. Accordingly, it was seen that one needed to have a very detailed knowledge of the extent of all possible information inputs in the evaluation decision process. In seeking to achieve this goal, questions were asked concerning all of the possible dependent variables of sponsorship. The results of this exercise is discussed in the following section.

7.4 A Review of the Total Information Input of Sponsorship Appraisal

Based upon the desk research and phase one field research, eleven separate types of information were identified as representing the range of sponsorship dependent variables, and are as follows:

- Venue sales
- Venue enquiries
- Survey techniques - awareness, attitude etc
- Media coverage
- Participation
- Market place sales
- Live spectatorship
- Media audience
- Guest
- Activity feedback
- Staff feedback

The general approach used was to ask for each of these factors, are they relevant to the sponsor? What targets were set? What data is available about them? What impact it had in improving decision-making? This latter issue is especially significant when it is recalled that evaluation is essentially of use only insofar as it aids future decision-making. During the review of the literature emphasis was placed upon the fact that information is valued according to its impact in reducing uncertainty. As such it is to be employed in subsequent decision-making, and information neglect has to be seen as being a cost.

The author believes it important that the reader should have a detailed understanding of the degree to which each of these dependent variables and sources of information are considered by sponsors. Therefore, each one of them will be discussed in turn.

Venue Sales Target

Only six per cent of the sponsors aim to sell their product at the sponsorship venue. Those who do set venue sales targets achieve them.

Enquiries Facility at Venue

Forty per cent of subjects have publicity material available at the venue, mainly in the form of a fixed display stand of some type. Quantification of enquiry levels is of a subjective nature. A satisfactory level of interest is usually recorded. Brand publicity sponsors are strongly represented in this group.

Market Sales Target

This applied to only two of the companies interviewed. The major reason for not setting a sales target is that sponsorship is generally only a small percentage of total public relations and advertising effort, and as such, its effect cannot be distinguished from their overall involvement. However, some twenty-nine per cent of sponsors believe that their sales have benefited directly from sponsorship, albeit based largely upon visceral feelings.

Survey Data

This is rarely obtained, indeed, only fourteen per cent have any survey data available on their sponsorship, of which half are from especially commissioned sponsorship surveys. Common reasons for not conducting market research are that such an undertaking would be a waste of time, and that the spending on sponsorship is too small to merit the necessary expense.

Those companies which obtain survey data on their sponsorship spend more, both absolutely and as a percentage of total promotional budget, on sponsorship than do the others. Moreover, written objectives are commonly encountered by such sponsors. Brand publicity and target linked companies are the most likely to undertake market research into their sponsorship.

Media Coverage

Although eighty-three per cent of subjects aim to gain some degree of media coverage, the quantity sought after is not defined with any precision, indeed not one of them sets any target level of media coverage. They merely state that they like to gain as much as possible.

Basically sponsors seek to gain coverage by all media; ten per cent aim especially for television coverage, while fourteen per cent are primarily after press coverage.

Although ninety-four per cent of companies engage in some form of media coverage monitoring, for all but a handful of them it is part of their on-going PR

monitoring, i.e. not specially set up for sponsorship purposes.

Well in excess of half of all subjects make no attempt whatever to quantify the media coverage gained. Very few make an accurate assessment of column centimetres or seconds of airtime achieved. Eight per cent mentioned that they make a rate card comparison. It was interesting to note that, the general feeling, where expressed, was that editorial coverage is worth more than paid-for advertising. Nearly all of the companies which quantify their media coverage are either target-linked or brand publicity sponsors.

Over half of subjects claim media coverage to be an important input into their evaluation of sponsorship, while the remaining forty-four per cent is split fairly evenly between those who regard it as being of partial importance and those who claim it is of no importance. Again it is brand publicity and target-linked sponsors who consider media coverage to be particularly important.

In general it appears that interviewees do not draw conclusions from their media coverage other than observing that it has been gained. In other words, they do not really know the value of the media coverage gained. There is a broad measure of satisfaction with the amount of media coverage gained; only seven per cent expressed dissatisfaction with the level of coverage received.

Less than a fifth of the sample commented that they had made any changes in their sponsorship as a result of the media coverage gained. Those who did claim to make relevant changes tended to be brand publicity based sponsors.

Active Participation

In only fourteen per cent of cases was participation by the target audience in the activity sponsored viewed as being of relevance. In such cases the level of participation achieved was always on or above target. This fairly small group of companies were nearly all target-linked.

Live Spectators

About one-third of the subjects claimed that they require a certain level of live spectators, as against fifty-eight per cent for whom this is irrelevant. The level of live spectatorship is on target in three-quarters of cases, and seventeen per cent are not pleased with the level of live spectatorship achieved.

As might be expected, live spectatorship featured minimally as an information input of brand publicity sponsors, reflecting the importance of media coverage to this group. This contrasts with target-linked sponsors amongst whom the level of live spectatorship was considered to be important.

Media Audience

Neither readership figures nor radio listenership figures are accessed by any of the sample. Nineteen per cent claim that they aim to achieve a particular size of television audience, however none of them have any clear target in mind. Only six subjects had any idea of the television viewership of their sponsorship, four of whom had achieved between two and five million viewers, and the remaining two sponsors more than six million viewers. Only one company was dissatisfied with its viewing rating.

Guest Impressions

Eighty-three per cent of the sample use their sponsorship as an opportunity to entertain especially invited guests. Naturally enough, they rarely have any difficulties getting the desired people to attend, almost always find that guests have a favourable impression, and rarely make any changes in their sponsorship as a result of guest feedback.

Activity Feedback

Ninety per cent of respondents have at least some feedback from the organisers and officials of the activity sponsored. This feedback generally relates solely to the details of the sponsorship rather than to any commercial considerations. Only minor points are changed such as in catering, albeit in only a small proportion of subjects.

Staff Feedback

Nearly all respondents have received some feedback from members of staff of their own company. Only six per cent reported any unfavourable comments, whilst thirty-eight per cent stated that sales staff found it to be useful. Staff feedback has prompted changes in only fourteen per cent of companies. The only common feature of sponsors who claim to have initiated changes as a result of staff feedback is the importance they place on a wide range of information inputs.

As a check upon the views expressed in the open-ended questionnaire replies the structured questionnaire provided a list of seven common types of information (plus an 'others' category) and asked subjects to rank their usefulness on a five point scale. The results can be seen in Figure 7.3.

FIGURE 7.3

Extent to which Different Types of Information are of Use in Appraising Sponsorship

	<u>No Use</u>		<u>Of Some Use</u>		<u>Useful</u>		<u>Very Useful</u>		<u>Extremely Useful</u>	
	No	%	No	%	No	%	No	%	No	%
Survey Information	0	-	1	1	2	3	2	3	1	1
Formalised Media Monitoring	4	6	8	11	11	15	15	21	13	18
Informal Media Monitoring	5	7	19	27	13	18	4	6	2	3
Periodic Meetings with Representatives of the Sports or Arts Body	5	7	12	17	12	17	17	24	10	14
Informally Expressed Views of Representatives of the Sports or Arts Body	8	11	11	15	12	17	13	18	6	8
Views of Invited Guests	4	6	13	18	18	25	18	25	6	8
Feedback from Staff	4	6	13	18	20	28	15	21	11	15
Others	1	1	1	1	2	3	1	1	4	4

What emerges from close examination of Figure 7.3 is that four types of information are of main significance in evaluation, namely, staff feedback, guest feedback, formal activity feedback, and formal media coverage, in that order. This aptly demonstrates the pervasiveness of subjectivity in sponsorship evaluation because such forms of feedback are generally of a none too critical nature. As has already been observed the responses elicited by the questioning display a lack of impact on subsequent decision-making by the information available. This does not augur well for future decision-making and practice.

As an example of how available information is not fully utilised, consider that of the thirty-one subjects whose stated method of evaluation is based upon media coverage, fewer than half made any attempt to quantify the media coverage achieved. By the term quantify one means, say, counting column centimetres in the press and the number of times the sponsor's name appeared on television or the number of times it was mentioned by the commentator. It does not mean that a calculation is made of how much the coverage would have cost to buy in the normal way of advertising space buying. As indicated earlier, only eight per cent of the sample admitted to engaging in a rate card comparison to determine if their sponsorship had been cost-effective or not. A point of interest is that while the Mintel report on sponsorship (26) recommended that free media coverage should be calculated on the basis that it is worth only one-tenth of the value of ordinary paid-for advertising (pro-rata), all of those companies who engage in making a rate card comparison related that they, in fact, value free editorial coverage much more highly than normal above-the-line advertising. The reason given for this opinion was that the reader would consider the endorsement of a company or brand in editorial to be less biased and prejudiced than when it is the company which is promoting its own cause via advertising. The absurdity of the Mintel approach has been seen in the way in which sponsorship is used instead of above-the-line because of the uniqueness of its message.

7.5 Whether Evaluation is Related to Size of Sponsorship Budget

It would seem fairly reasonable to assume that evaluation approach will be related to the amount of resources expended on the sponsorship. For example, it could be hypothesised that the greater the amount spent on

sponsorship, the greater will be the emphasis placed upon evaluation. Analyses have been undertaken to examine the relationship between these two variables. Unfortunately this exercise could not be as precise as would have been liked because the data available on sponsorship expenditure was gathered by using expenditure bands which it is now considered were rather too wide. It is recommended that any future research should be more precise on the matter of sponsorship budgetting. Nonetheless what does emerge is that those companies spending the most on evaluation were those whose sponsorship budgets both absolutely and relatively were the greatest. These are the four companies which both commission market research and accurately quantify the media coverage of their sponsorship. However, with these few exceptions, no clear pattern can be discerned in terms of the relationship between sponsorship spending and thoroughness of evaluation. Thus it seems that in general, evaluation is not a dependent variable to budget size in either absolute terms or as a percentage of total promotional budget, but this is somewhat inconclusive. Such a situation implies a general failure by companies to relate the need for evaluation to the scale of any given sponsorship involvement.

It is interesting to note in this regard that when asked if difficulties in evaluation would deter the subject from increasing his sponsorship involvement, twenty-seven per cent said it would vis-a-vis fifty-six per cent who said it would not. Somewhat similarly, when asked:

'Regarding overall public relations and advertising activity, do you think the amount of resources expended depends upon how well the activity can be evaluated?'

the following picture emerged.

	<u>No</u>	<u>%</u>
Yes it does	11	19
No it does not	31	52
To some extent	17	29
	<u>59</u>	<u>100</u>

It appears, therefore, as though managers are employing a model of decision-making in which evaluation by no means plays the major role. From the information available it seems that the inconsistent way in which sponsorship is managed is a manifestation of a much wider problem. The fact that the setting of objectives has not improved since Britt's research at the latter part of the nineteen-sixties adds weight to the view that there are basic problems with respect to the critical nature of promotional management. This underlines the significance of the fundamental and broad approaches taken in the evaluation literature review since it focusses upon issues which are of widespread applicability.

In developing the understanding of the relationship between evaluation and budget size a comparison was made between sponsorship spending and the full range of information discussed in spending and the full range of information discussed in the previous section. If each of the types of information relating to sponsorship is termed a bit, it emerges that there is a positive relationship in terms of the number of bits a company has available and the amount spent on sponsorship both absolute and relative. Furthermore, and as one would hope, the number of bits held by a sponsor is positively related to the amount of money spent on evaluation. Therefore, there is some evidence to support the view that the more a company spends on its sponsorship activity, the more information it will have available as an input into its subsequent decision-making. However, there is nonetheless a marked failure to systematically acquire decision-making information.

Brand publicity and target linked sponsors spend more on sponsorship than do trade contact sponsors, and spend a proportionately greater amount of money on evaluation.

Finally, it is worth noting that in almost nine out of ten cases the cost of evaluation is put at less than one per cent of total sponsorship budget. In no instances does it account for more than five per cent. Sixty-five per cent estimate that the cost to them of evaluating sponsorship is less than one hundred pounds, while at the other end of the spectrum twelve per cent spend in excess of one thousand pounds on evaluation. This means that the estimated total cost of evaluating sponsorship for all of the sample was in the region of twenty-nine thousand pounds, a figure which represents zero point three eight per cent of their total sponsorship expenditure. Such a figure seems very low indeed and gives a clear impression that very little in the

way of serious sponsorship research is being carried out, with the relevant consequences for the future.

7.6 Summary and Conclusions

During this chapter, attention has been focussed upon the ways in which companies evaluate the effects of their sponsorship. The reason has not just been to enable a description of evaluation per se to be devised but through such an investigation to further the critical understanding of management behaviour.

This discussion of evaluation has shown that it is largely unsystematic in nature. Indeed, nearly one-third of those interviewed admitted that their evaluation was either non-existent or based purely upon intuitive judgement. A further fifty-nine per cent base their evaluation on various combinations of media coverage and non-quantified personal forms of feedback. The subjects display a failure to identify dependent variables capable of being evaluated.

The type of evaluation approaches used by the five main groups of sponsors identified in chapter six appear to reflect their overall posture regarding sponsorship. For example, target linked and brand publicity sponsors put the most effort into evaluation, whereas those of the employee morale group devote the least attention to it.

A comparison of evaluation methods with objectives and effects revealed considerable discrepancies in more than forty per cent of cases. It was common for subjects to claim an effect in the total absence of evaluation.

A review of the information sought and held on all possible sponsorship related effects revealed four major types, namely, staff feedback, guest feedback, formal activity feedback, and media coverage. This is in line with the overall specified approaches to evaluation. Particularly striking was the absence of targets set for the various dependent variables indicated as being of relevance. Such a situation makes evaluation somewhat meaningless given the emphasis which the literature review placed upon setting benchmarks. It was observed that even when a type of information could be quantified, as in the case of media coverage, in general it tended not to be. The fact that in most cases no conclusions were reached about the value of

the media coverage gained was an indication that information was not being used to improve practice through more optimal decision-making.

Very little is spent on sponsorship evaluation which may well be partly responsible for the lack of knowledge which exists.

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C H A P T E R E I G H T

THE EVIDENCE FOR SPONSORSHIP EFFECTS

8.1 Introduction

This chapter addresses itself to the fourth of the research objectives:

To critically evaluate the weight of evidence in support of the claimed effects of sponsorship.

By drawing together the information on effects presented in chapter six and the observation concerning evaluation made in chapter seven it is intended that this objective will be answered. The outcome of this will be to develop a fairly clear picture of how companies justify the effects which they claim for their sponsorship. Such an aim is desirable for a number of reasons. Firstly, it points to those effects which have reasonably objective supportive evidence, and this will be useful for sponsorship decision-makers. Secondly, it identifies those effects which are particularly lacking in validation, the implications of which are firstly that it identifies which areas require further research, and secondly it allows decision-makers to appreciate those sponsorship effects upon which they will have to rely on judgement for their assessment of effectiveness. This latter point is important because it enables the decision-maker to assign a reasonable probability estimate to the usage of sponsorship. Faced with a range of alternative promotional tools to tackle a problem, a manager should choose the most cost-effective method - a decision which implies a reasonably accurate knowledge of the cause and effect relationship of his alternative promotional types. During the discussion of ways of valuing information the significance of applying accurate outcome probability estimates was underlined. Therefore the more able a decision-maker is to gauge the likelihood of the success of an activity the better he is positioned to take decisions.

For instance, a manager may not be prepared to commit substantial sums of money to a particular type of sponsorship if he is subsequently unable to satisfactorily evaluate its value. Admittedly, what has been said is based upon the descriptive model of evaluation which may fall far short of any normative one. However, given the current state of knowledge it is necessary to initiate the process of developing improved evaluation practices by fully understanding how the descriptive model operates.

The evaluation literature stressed that information is valued according to its ability to reduce uncertainty. It will be recalled for example that Oldman proposed that 'Its (information's) value lies in how nearly it approximates perfection', and that according to Emery 'Information derives its value from the effect it has on organisations behaviour'. As such it is necessary that evaluation is fed back into decision-making. In reviewing the type of information available to the sample and the use to which it is put it was considered that one could begin to understand the nature of the sponsorship feedback system. Throughout this thesis there has been an underlying theme of a circular flow of corporate behaviour. A decision is taken from which an action ensues, the consequences of which are monitored and fed back into subsequent decision-making with the expectation that practice will continually progress towards optimisation. This leads to the conclusion that on aggregate, where domestic consumer sponsorship effects are concerned in fewer than twenty per cent of cases is there reasonable evidence to support the effects claimed. That is not to say that the remaining eighty odd per cent of claims are wrong, it is that they are based upon largely unsupported hunches.

It may be the case that whereas companies cannot convincingly prove the effects which they think they achieve, they believe that they would suffer ill effects as a result of the negative aspects of a withdrawal from sponsorship.

8.2 Effects and their Supportive Evidence

The effects attributed to sponsorship and their frequency of occurrence were shown in Figure 6.7 on page 175 and from which it can be seen that there are four groups in terms of their relative occurrence. The most commonly encountered effects are:

- Increased or re-inforced company awareness
- Closer trade relationships
- Projection of company image
- Increased or re-inforced product awareness

Next in terms of likelihood of occurrence are:

Sales increase
Improved staff morale

and these are followed by:

Greater goodwill to the company
Improved product image
Publicity
Fulfilment of social responsibility.

Finally is a series of single effects including; providing the basis for a product promotion strategy, and developing a better relationship with the media.

8.2.1 Increased or Re-inforced Company Awareness

Probably the most meaningful way to discuss the evidence in support of any particular sponsorship effect is to do so with reference to the relevant target audience. For example, what may be a reasonable way to demonstrate greater company awareness among the trade sector will probably vary greatly where the domestic consumer is the target. It is readily appreciated that the size and geographical distribution of a target audience has an important bearing upon evaluation.

In about one fifth of the cases where this effect is claimed the target audience is the trade customer. The information inputs upon which this conclusion of effect has been reached are the success of the reception provided for guests and their reactions to it, plus the views of those members of the sponsor's staff who attended the event.

Where the private domestic consumer is the target audience the information upon which company awareness effects are based is media coverage. Indeed in seventy per cent of cases this is the cornerstone of evaluation. However it is curious to notice that whilst having identified this surrogate as being the relevant dependent variable, attempts to quantify the amount of media coverage achieved are made in only one-third of cases. This is all the more surprising when it is considered that a portfolio of media coverage is readily accessible. For example there is a soft drinks manufacturer which is involved in a major sporting sponsorship. The company has a considerable above-the-line appropriation (in the region

of thirty times as large as that of its sponsorship) and uses the sponsorship to re-inforce the awareness of its advertising. The sponsorship is geared totally towards gaining media coverage but no attempt is made to identify a target level of coverage, and the coverage which is achieved is not appraised in any formal way at all. It is possible that this company is using a model of promotion in which sponsorship plays a role in achieving that additional element of awareness which enables the company to break through some salient threshold of awareness. Possibly the sponsorship has a potentiating effect upon the company's advertising. However such thoughts are mere speculation. The company has shown no sign of considering the unique qualities which sponsorship may have in projecting a message which advertising is incapable of doing. It would seem as though the company's approach to sponsorship demonstrates the lack of a well-defined marketing communications plan within which each individual promotional form has a specified part to play.

For half of the sponsors claiming a consumer awareness effect a significant input to the evaluation is the number of participants in, and live spectators of, the sponsored activity. However, in the case of spectators there is a marked absence of any knowledge of the numbers concerned. If such information were available it is possible that some form of cost per thousand calculation could be made.

Three of the companies (fourteen per cent) have commissioned awareness surveys which in two instances have demonstrated awareness levels which are regarded as validating the usefulness of sponsorship.

One of these companies conducts interviewing on an annual basis to gauge awareness of the company's sponsorship, attitudes towards the activity chosen, and the attitudes towards the sponsorship. The company is satisfied that the relevant market sector has been appropriately influenced by the sponsorship. Implicit in the company's approach to sponsorship is a model in which attitudes precede behaviour. It is hoped that by developing the relevant attitudes towards the company through awareness of the sponsorship, behaviour beneficial to the company will ensue. That shifts in attitude are identified as being an appropriate dependent variable shows a more considered approach to sponsorship than tends to be the case. The company holds the view that its particular sponsorship achieves a type of awareness for which above-the-line alone is impracticable.

The third company to conduct market research has obtained results which were not very conclusive, probably resulting from its failure to establish benchmarks in advance of the sponsorship.

In conclusion, therefore, increased or re-inforced company awareness among a trade target audience is based upon how many attend the sponsorship and how well they appear to enjoy it. As far as the domestic consumer is concerned effect is judged primarily in terms of media coverage, and to a lesser degree by the number of participants and spectators attracted. There is little hard evidence to show whether this media coverage, participation or spectatorship has in fact heightened awareness of the sponsor company.

8.2.2 Closer Relationship with Trade Associates

In this instance the target audience for the sponsorship is defined by the effect. Of the twenty companies which claim to have achieved this effect only one of them conducts any kind of market research. In fact this is the company discussed in the previous chapter as having undertaken research in response to the author's suggestions. The company's objectives were loosely stated as being to entertain trade customers. Attendance and satisfaction with the occasion were judged by the company to be appropriate measures of success, and it set out to test this with a sample of over six hundred of its guests. As reported earlier the company detected dissatisfaction with its catering and the location and timing of the sponsorship. Such information is of use to the extent that those issues are of relevance, but they demonstrate a rather facile approach to the fundamental problem of what is the buying decision-making model of its trade customers.

In that particular case it was possible for research to be carried out since the sponsor invited well in excess of one thousand customers and associates to its annual sponsorship at a cost well in excess of one hundred thousand pounds. In those instances where the number of invited guests is of a more modest order such research is probably not a feasible proposition. This is because the response to a self-completion questionnaire may be too low, and the deployment of interviewers both too costly and likely to lead to antagonism.

In common with increased trade awareness of one's company, the personal comments of trade guests plays the major role in determining if closer trade relationships have been achieved. These are gleaned both through direct conversation with the trade guests themselves and by canvassing the opinions of members of staff who have been in contact with those guests. Two companies arrange what are termed company round-ups by which members of the sponsor's staff are required to submit a written report of how valuable the sponsorship has been in developing smoother trade relationships. However, for the great majority of companies their evidence rests upon the numbers of guests who attended the sponsorship and how favourably they seemed to respond to it. The point of comparison used to gauge the favourability of response is not identified by anyone. It is likely that a good response is presumed to be anything which is not obviously negative. It ought to be pointed out that given the fairly lavish nature of most sponsorship entertainment it is improbable that either poor attendance or adverse reactions will occur.

One may conclude by observing that the facilitation of closer trade relationships is an effect which is presumed to have taken place as a consequence of the attendance levels achieved, and how well guests appeared to appreciate their attendance through either comments of the guests themselves, or members of the sponsor staff. Finally, about a quarter of those claiming this effect stated that they gained sales orders as a consequence of people having attended the sponsorship, however causation could not be demonstrated.

8.2.3 Projection of Company Image

Out of the twenty-two per cent of the sample who claim to have used sponsorship successfully as a way of projecting their corporate image, in all but two of them the domestic customer is the primary target audience. It is interesting to note that no one type of information predominates as evidence of this effect having been achieved (although media coverage is perhaps the most prominent). The logic of these sponsors appears to be that the activity which they sponsor projects an image which is regarded as being consonant to their corporate image. As such they believe that this in

itself will facilitate the perception of corporate image by those viewing, engaging in or otherwise being aware of the sponsorship. This all presupposes that a decision-maker has an accurate knowledge of his organisation's corporate image and can determine the image projected by alternative leisure pursuits in order to choose the best fit.

Among these sponsors it can be observed that while media coverage is of some importance to nearly all of them, only two companies make any quantification of the coverage received. This is further evidence of the fact that available information is not being used. One case concerns a brewery which uses sponsorship of activities which it is regarded have special appeal for its geographical target area. It is intended that via media coverage of the company's involvement with its chosen activities the target audience will perceive an improved corporate image for the brewery. However no attempt is made to analyse the saliency of the media coverage achieved, not even, for example, some kind of comparative list of the relative value of the different leisure activities which they sponsor. Again, the company has failed to lay down any specific targets for sponsorship to achieve. Without such targets making comparisons between alternative types of sponsorship is a somewhat empty exercise.

Staff and activity feedback feature highly as information inputs but there is little to suggest that they provide any real evidence of the extent to which the target audience had an enhanced perception of corporate image as a consequence of sponsorship. This is especially so when one considers that activity feedback relates almost entirely to the details surrounding how well the running of the sponsorship went and not to whether the desired objective was achieved.

A factor which seems to have been largely ignored is the size of the actual audience of many of the activities sponsored and its relevance to the company. Arts activities are frequently chosen as desirable vehicles for portraying corporate image. However, the sponsor has to give close consideration to both the number of live spectators and the degree of awareness of the sponsorship generated by what is likely to be limited media coverage. Moreover, what of the relevance of communicating the particular corporate image to this target audience? For example there is a company which is part of the service sector of industry which sponsors opera and classical music concerts to project an appropriate company image.

No attempt whatsoever is made to set any type of effect objective in terms of quantity or quality of media coverage, or size and make-up of live audiences. This lack of benchmarks fails to provide the company with a critical basis for future decision-making. None of these companies have any market research data at all in support of this effect.

To conclude, the achievement of a corporate image projection effect is essentially an assumption made as a result of a believed image congruence between sponsor and sponsored activity.

8.2.4 Increased or Re-inforced Brand Awareness

By far the most important target audience for this effect is the domestic consumer. Regarding those few instances where the trade customer is concerned, their awareness of the brand is deemed to have heightened solely by their presence as guests at the sponsorship venue. Again, the mere presence and apparent appreciation of this group of people is considered sufficient proof of success. Each of the four sponsors which have claimed a trade brand awareness effect relate that they have gained orders. However, the taking of a few orders does not necessarily mean that brand awareness has been increased.

Turning to the domestic consumer as a target audience, media coverage forms the basis of evaluation. In contrast to those who claimed to have increased or re-inforced company awareness, the present group demonstrates a much stronger incidence of media coverage quantification. Therefore, although media coverage is being used as the primary surrogate of the claimed effect, this group of sponsors does at least have some quantitative basis for it. When buying media in the normal way the buyer will use data such as that of JICTAR and JICNAR in order to identify salient audience profiles. Such an approach could be adopted for assessing the value of sponsorship coverage by identifying the relevant characteristics of the coverage received. However there is no evidence of any such approach having been used.

The level of live spectatorship is not a very important information input for this effect, and staff feedback is really only relevant regarding the trade guests who were entertained.

Two companies have conducted market research to test the extent to which objectives are being achieved. The results of one of them have already been discussed and suffice is to say that the research concluded that the media coverage received appeared to have had no impact at all upon the target audience. However, the results achieved by the other company showed the exact opposite to have occurred. A random sample of 720 males aged between fifteen years and twenty-four is conducted once a year and has demonstrated growing awareness of the brand in association with the sponsorship. One explanation for this success lies in the highly novel nature of the sponsorship and the imaginative above-the-line back-up which it receives in comparison to the rather mundane sponsorship of the former, less successful company. It is very important that the sponsorship is developed according to a brand's market situation.

Thus the achievement of increased or re-inforced brand awareness rests almost wholly upon the media coverage received. Market research has shown that a generally increasing level of media coverage may not necessarily be correlated with any actual increase in awareness.

8.2.5 Sales, Improved Staff Morale, Projection of Brand Image, and Goodwill to the Company

The achievement of a sponsorship/sales effect is most commonly said to have occurred where a trade customer has been a guest at the sponsorship. Despite orders having taken at the sponsorship it is difficult to say whether the sponsor would have secured those orders anyway. The small number of companies who believe they have achieved increased sales through their sponsorship are those which have chosen to sponsor an activity in which their product is used. For example, the multiple retailer discussed earlier which promoted fishing tackle through angling sponsorship. There is also an example of this effect afforded by a manufacturer of physiotherapy equipment. Through its sponsorship of a squash competition the company has been able to display its products in recreation centres throughout the country and has achieved considerable success in selling its wares.

There is the case of a brewing company which used sponsorship as the basis for a new product launch. The sponsorship provided a powerful foundation upon which the entire launch strategy was based. Subsequent quantification of media coverage demonstrated to the company's satisfaction that this successful product launch was achieved with a much smaller budget than an alternative above-the-line strategy would have required.

The achievement of an improvement in staff morale is a benefit which its claimants profess vigorously. This is evidenced largely by visceral feelings but in one instance is backed up by an annual survey of a sample of fifteen hundred employees. The company regards its sponsorship to be a significant component of a strategy which has enabled it to maintain a stable confident, trouble-free workforce. Sales staff are most often regarded as being the personnel whose morale benefits most from sponsorship.

That a brand image has been successfully projected via sponsorship is an effect for which evidence is based almost entirely upon media coverage. Moreover, media which tends not to be appraised in any methodical way. One company has conducted market research and has concluded that it has indeed achieved a considerable improvement in the perceived brand image among its prime target audience as a result of its sponsorship.

The final effect to be discussed concerns the achievement of greater goodwill towards the sponsor company. This is a rather odd expression which appears essentially to relate to making people feel more kindly disposed to the company. Whilst this is an effect which one would presume would be part of the thinking of all sponsors there is a small group of three which explicitly mentioned it. It is perhaps best considered to be an aspect of image improvement. Those who claim this effect base their contentions upon the media coverage which they obtain. One company conducts an annual sponsorship survey but from the questions asked and the results obtained there is little to support the impression that the company has achieved more goodwill than it previously had.

8.3 Summary and Conclusions

The discussion which has taken place in this chapter has drawn attention to the distinction between instances where the target audience is actually in attendance at the sponsorship and those cases where the bulk of the target audience are made aware of the sponsorship through the media. In the former instance trade customers tend to form the primary target audience whereas the domestic consumer is the main target of the latter. The distinction is primarily a function of the numbers involved.

Where an effect relates to a trade audience the supporting evidence is based upon the number of relevant customers who attend the sponsorship and how well they enjoy themselves. This is using sponsorship as an alternative (or possibly in addition) to taking these people out to lunch and providing them with gifts at Christmas and other such perquisites. It seems reasonable to assume that the novelty value of sponsorship may be closely related to what competitors are doing in terms of sponsorship. Where there are no competitors providing key purchasing decision-makers with this type of attraction, the value of sponsorship may be much greater than instances where it is the rule rather than the exception. A case in which the author recently had some involvement concerns a bank which was using sponsorship as a means of promoting its travellers cheques via the hospitality afforded to prospective customers (foreign exchange clerks in competing banking groups) at the venue. The company was the only one using this novel approach. However the overseas parent company decided that it did not wish the sponsorship to continue and so it was terminated. This left a gap which the company had nothing with which to fill and provided its main competitor with an opportunity to step in with a similar kind of sponsorship and strengthen its competitive position. What this case underlined was the importance of having a promotional plan (which the company in question lacked) which takes into account the strengths and weaknesses of competitors promotional activity. The company ought to have identified the possible consequences of its sponsorship cessation and devised an appropriate withdrawal strategy aimed at mitigating any adverse effects.

In the building and construction industry sponsorship of horse racing is so common place that one questions what competitive advantage it has to offer. Indeed, this may be an instance of the advertising phenomenon of competitive parity occurring in sponsorship. One could speculate that while sponsorship may offer little competitive advantage, not sponsoring may have adverse competitive implications.

The effects claimed with regard to the trade target audience are of an essentially subjective nature based as they are upon the opinions of members of the sponsor companies staff and whatever feedback is gained from trade guests.

Where the domestic consumer is the target, media coverage plays the dominant role as evidence of success. All too frequently the appraisal of the coverage gained is uncritical in terms of both quantity and quality. This variable is especially important in demonstrating effects concerning company and brand awareness. However where field research has been conducted the results are inconclusive in terms of whether media coverage is a valid surrogate of effect. Clearly this is an area where further research is required. It is likely that the choice of activity sponsored is a key factor in influencing the outcome of sponsorship. This relates to the importance of objectives and particularly upon the significance of the role played by marketing situation appraisal in the setting of objectives. A product which has a rather dull image may have far more to gain by sponsoring an exciting newsworth activity than might a product which is already perceived as being dynamic. Sponsorship should be regarded as being part of an overall marketing strategy by being expected to have an effect which will fill in gaps left by other components of the mix. It ought to be used to achieve effects for which other types of promotion are either inadequate or more expensive.

There is some evidence to suggest that sponsorship can increase company awareness and brand awareness and can facilitate an improvement in corporate and brand image, and that in certain circumstances it can assist in sales development. However the extent to which each company included in this survey can honestly demonstrate the effects they claim is highly doubtful.

Where projection of corporate image is concerned the visceral outweighs the cerebral in almost all instances. This effect is essentially presumed from the image association between sponsor and sponsored.

Of those companies who have claimed an increase in domestic consumer awareness fewer than twenty-five per cent have evidence sufficient to reasonably support their claims.

Approximately thirty per cent of those claiming to have achieved stronger brand awareness have a reasonable basis upon which to base their beliefs. This being the results of field research and where product sales have been closely linked to a sponsorship based marketing strategy.

C H A P T E R N I N E
C O N C L U S I O N S

9.1 Introduction

The primary aim of this thesis has been to develop a sound understanding of sponsorship, and to develop proposals that will be useful to sponsorship managers.

In attempting to come to terms with a little researched field, one encounters a situation in which the scarcity of information brings about a lack of necessarily defined paradigms, and this lack of adequate definition perpetuates the inadequacy of knowledge. Trying to break this blind loop has therefore required a combination of both a measured logical approach and an element of entrepreneurial licence. Whilst the fundamental setting of research objectives and methodology have progressed in a critical and logical fashion, the interpretation of results has of necessity required the making of various assumptions and speculations. A major reason lies in the absence of benchmarks for many of the issues encountered. Thus it is hoped that this thesis will make a worthwhile contribution to the development of sponsorship thinking by providing points of reference for future researchers and by initiating a structured approach to the topic.

For sponsorship understanding to grow it is important that it is based upon fact. It is considered that this research is an addition to such a factual basis.

This chapter comprises three parts. Firstly, it summarises the main findings with respect to the first four of the five research objectives. In the second part, proposals are made for developing a framework for sponsorship planning and evaluation, that is, the fifth objective. Part three is a discussion of the implications of the research, and concludes by discussing the need for establishing precisely how sponsorship works at the cognitive level of the target audience.

9.2 Achievement of Objectives

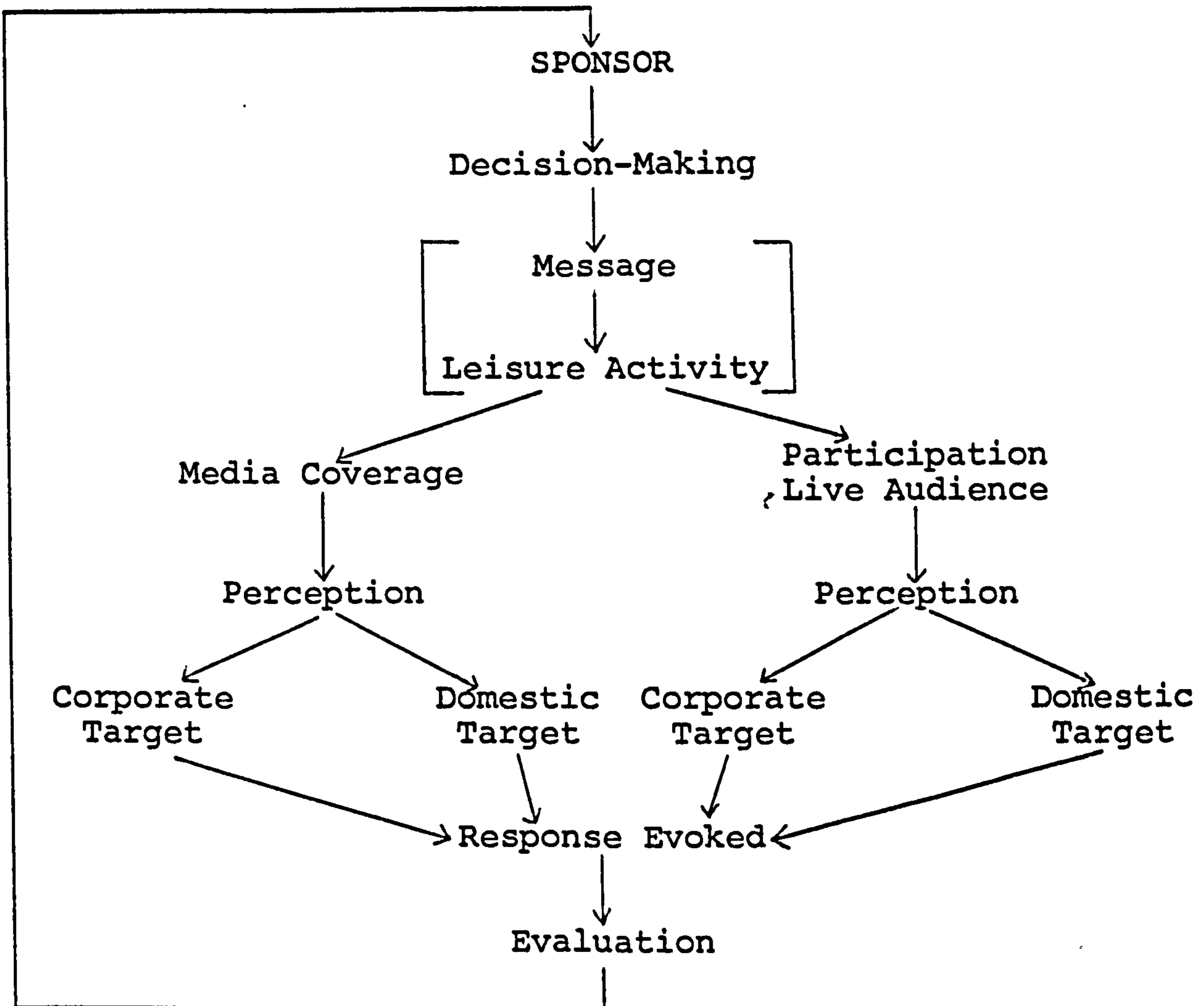
Objective One

To identify the major interacting components of the sponsorship process.

Sponsorship is a device used by companies to communicate with the market for their products

The process is conceptualised in the following way:

FIGURE 9.1

The Sponsorship Process

The target audience for the message is defined by the target audience of the sponsored activity, i.e. those who attend that particular event, watch it on television, listen to it on radio, or read about it in the press.

The target audience is communicated the sponsor's message either directly through participation and live attendance, or via coverage of the sponsorship by the media.

The vast majority of sponsorship funds are attracted by sporting activities. This is a reflection of the wider appeal which sport has for guest entertainment, plus the considerable media coverage which it attracts.

The use of leisure pursuits for promotional purposes ought to be seen against changes in contemporary society; for example, reduction in working hours, increasing holiday entitlements, growth of discretionary income. One can expect a gradual increase in leisure both as an industry in its own right, and as a vehicle for promotion.

It is estimated that the total sponsorship expenditure both direct and indirect in the UK is currently in the region of £30 million.

Sponsorship has gained the approval of a broad spectrum of industries as a viable tool of promotion, albeit in the absence of detailed research. The evidence available suggests that it is assuming greater importance within the promotional mix.

Half of the sample sponsored more than one leisure pursuit, indicating the desire to utilise the potential which sponsorship offers for targetting different groups of actual or potential customers.

Objective Two

To identify what effects sponsorship is used to achieve

The conventional view that sponsorship is simply an alternative method for gaining media exposure has been shown to be a gross over-simplification.

Sponsorship is used essentially as a strategic tool in that it is geared towards long-term goals such as portraying corporate image, altering attitudes, strengthening brand awareness, enhancing the goodwill of trade clients.

Sponsorship exhibits elements of hybridity in that it can encompass both above and below-the-line within the one framework. It can comprise above-the-line attributes through its media coverage, and below-the-line

aspects through public relations activity with the trade, and promotional spin-off such as point-of-sale display material and packaging. Where a franchise can be linked to a sponsorship, the whole event may be self-liquidating.

Sponsorship can be used to achieve short-term effects such as sudden dramatic exposure for a brand or company.

Through the choice of activity to be sponsored it is possible to precisely target relevant groups.

Sponsorship operates through the media audience attracted, and through actual participants and live spectators. One could also add that its impact can be felt through promotion of the sponsorship by the rest of the promotional mix. This brings one to the point that sponsorship is a message in addition to being a medium. It is important that companies are made aware of the potential which sponsorship has in this regard.

A company buying media in the normal way has control over factors such as copy, creativity, size of advertisement and positioning. However, the only such control which the sponsor can exercise is in the choice of leisure activity. This has to be fully understood in the decision-making phase.

Although companies can and do use sponsorship to achieve a variety of effects there tends to be a particular orientation which forms their primary aim. Five such orientations have been identified. Those who seek to develop closer trade relationships; those who wish to project corporate identity; those seeking to promote brand awareness and imagery through media coverage; those wishing to strengthen their competitive position by developing more favourable attitudes towards the product by sponsoring activities of particular interest to its domestic customers; and those seeking to enhance staff morale.

The sponsored activity possesses characteristics of its own which will add to the total message which the sponsor is projecting through his sponsorship.

Objective Three

To identify the methods and approaches which companies use to validate the effectiveness of sponsorship.

The literature showed evaluation to be the means through which knowledge of performance is gained, and forms the basis for subsequent decision-making.

The practice showed evaluation to be a generally unstructured and unsystematic process.

The sample displayed a marked failure to appreciate the role of evaluation. For evaluation to be fully understood and appreciated, managers need to have a clear decision-making model so that their actions become more purposeful.

The scarcity of clearly defined objectives, benchmarks and targets is both contributable to and demonstrable of the unsystematic nature of sponsorship.

Written objectives were observed in only thirty per cent of the sample, and displayed more rigour than their unwritten counterparts.

Major evaluation information inputs were various forms of subjective feedback such as from invited guests and members of staff. Although media coverage was a commonly stated aim, there was a marked failure to appraise the coverage gained in anything other than a cursory fashion.

Market research techniques were employed by a very small number of companies, and even then it tended not to be very thorough.

Objective Four

To assess the weight of evidence in support of sponsorship effects.

In the literature, Britt, Majaro and Sampson underlined that inadequate criteria are put forward to allow for meaningful evaluation to be conducted. The present research shows that the problem has not been resolved in the ten years since those previous writers first discussed it.

It was estimated that the total spending on sponsorship evaluation by the sample is less than £30,000 per annum, a sum which seems entirely inadequate to make significant improvements to knowledge.

As already discussed, the singular lack of well-defined dependent variables has meant that the supportive evidence for sponsorship is generally not very robust.

Information available about the impact of sponsorship tended not to be used for subsequent decision-making.

It was seen that the quantity of media coverage obtained may not necessarily reflect itself in any actual awareness improvement.

There was some market research data which strongly supported the notion that the characteristics of the sponsored activity can have valuable benefits in terms of both increasing awareness and improving attitudes.

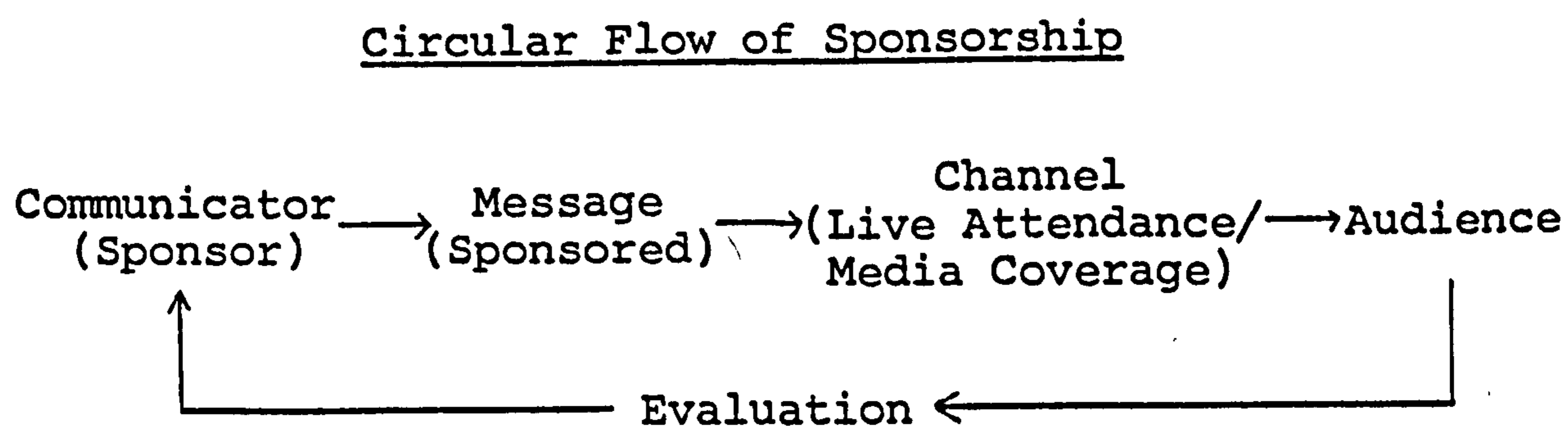
With a few exceptions the benefits of sponsorship are of an intuitive rather than objectively demonstrable nature.

9.3 A Framework for Sponsorship Planning and Evaluation

During this thesis it has been seen that there are two related aspects to sponsorship management; firstly, on a general level there is the necessary understanding of the dynamics of decision-making; secondly, is the specific understanding of the dynamics of sponsorship cause and effect.

For the usage of sponsorship to be refined and improved it requires a constant learning process. The results of decisions must be identified and appraised. The circular flow of marketing behaviour has been stressed and evaluation has been identified as the link which makes the chain continuous as follows:

FIGURE 9.1



In fact the movement of the above model should be an upward spiral. Through evaluation, refinements in decision-making will take place with the result that the whole process will gradually move towards more optimal allocations or resources and thus cost-effectiveness. However, if evaluation is either not taking place, or is not being fed back into decision-making, the model will fail to take on a spiral movement, instead it will remain a two dimensional cycle perpetuating a misallocation of resources.

By its very nature the need to make a decision means the existence of uncertainty, and evaluation is the process by which information is made available to reduce uncertainty. For such a normative set of circumstances to work efficiently it requires the setting of precise objectives as this introduces necessary control. Therefore the improvement of sponsorship ought to commence with a thorough understanding of cause and effect, and in this regard it is important that research be undertaken to gain deeper

understanding. The following checklist comprises nineteen points considered to be worthwhile framework for sponsorship planning and evaluation.

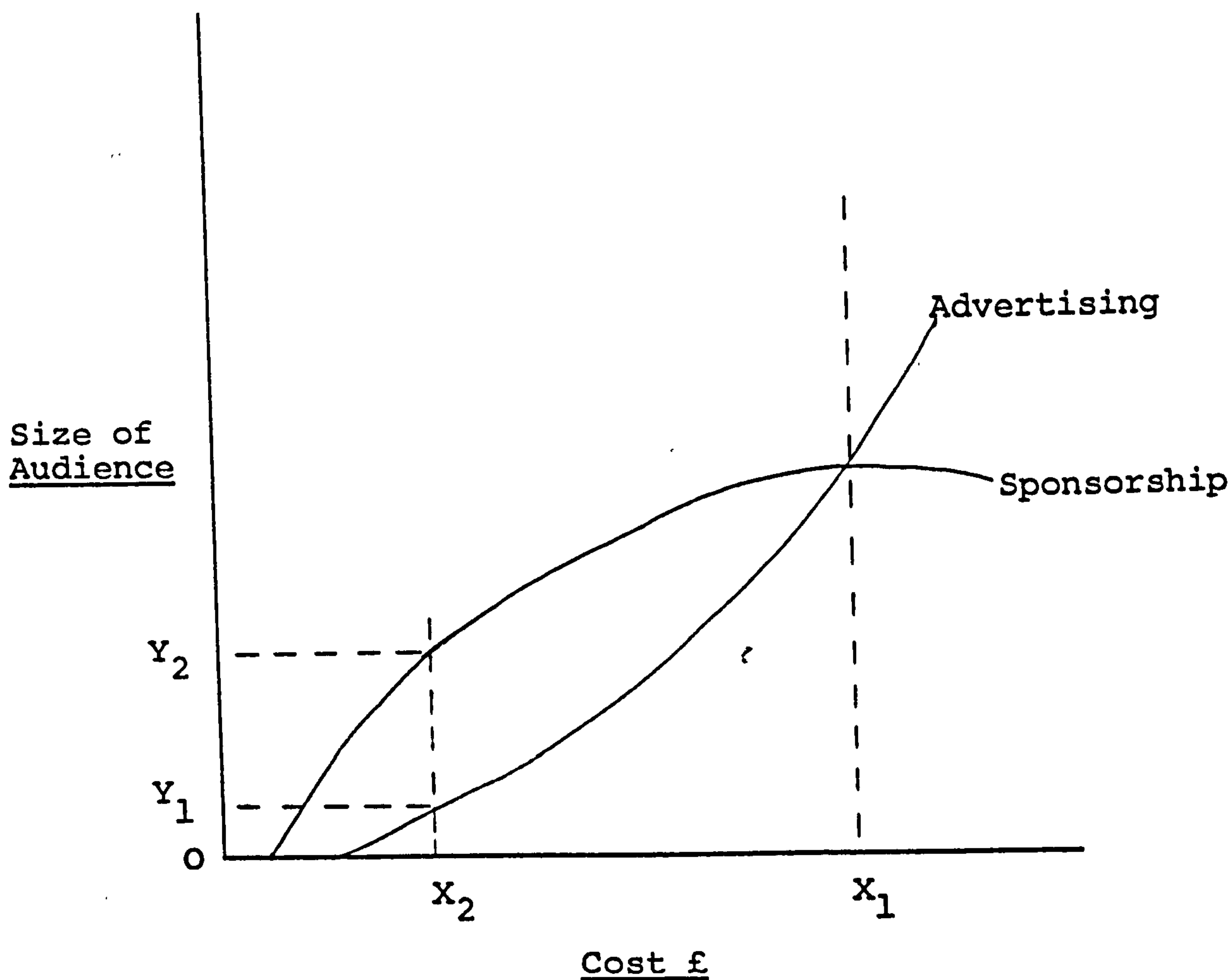
- 1 Are there well-defined overall marketing communications objectives?
- 2 Is there a place for sponsorship within the overall marketing communications plan, in terms of the effects which sponsorship can achieve and its costs?
- 3 What are the objectives of the sponsorship?
- 4 Are the objectives:
 - a achievable?
 - b written?
 - c inclusive of a target audience?
 - d inclusive of a message?
 - e inclusive of an effect?
 - f inclusive of a benchmark of effect?
- 5 What is the length of time span expected between cause and effect?
- 6 Are the characteristics of alternative leisure pursuits well understood and relevant?
- 7 Is there any documented information that can provide guidance?
- 8 What dependent variables are going to be used to test for effects?
- 9 To what degree can one practicably measure the effects?
- 10 What other factors will impinge upon the outcome, to what extent are any of them controllable?
- 11 What measures ought to be made prior to the sponsorship commencing which will act as benchmarks for subsequent comparison?

- 12 Can future decisions be identified for which evaluation will be an important input?*
- 13 How will competitors react to the sponsorship?
- 14 Is existing management expertise sufficient? What outside help might be required?
- 15 Will relevant members of staff give their full co-operation to the sponsorship?
- 16 By what means will the sponsorship be communicated to the target audience?
 - a Through the media?
 - b By live attendance?
 - c Through other above-the-line and below-the-line publicity?
- 17 Can a cost per 1000 comparison be made between sponsorship and alternative forms of promotion?
- 18 Up to what level should evaluation expenditure be sanctioned?
- 19 Will evaluation information be fed back into the decision-making model?

The exercise of applying a cost per thousand calculation to sponsorship may provide a useful aid to decision-making; consider the following diagram.

*i.e. An information user model

FIGURE 9.2

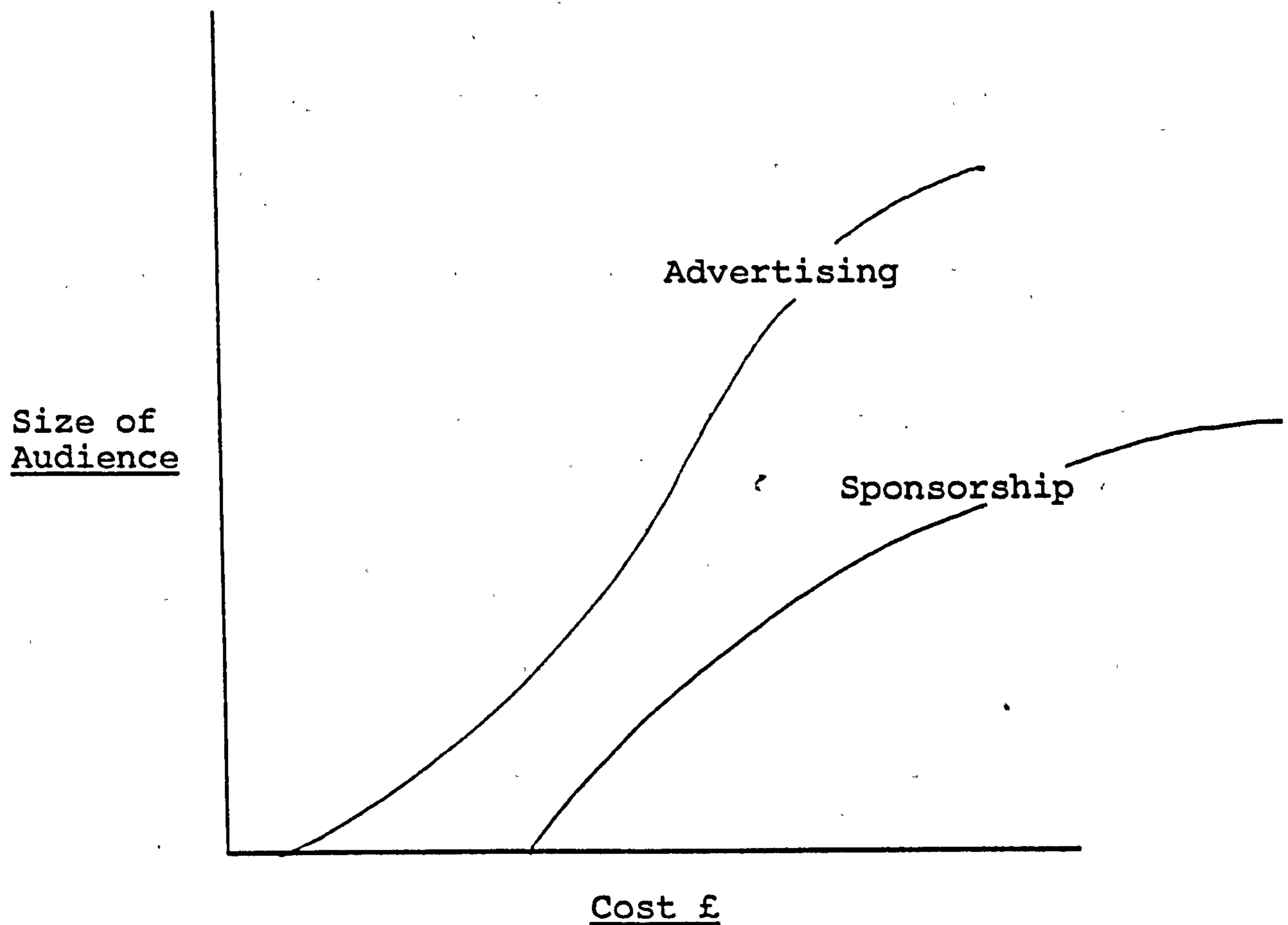


Let it be assumed that the objective to which Figure 9.2 refers is the projection of corporate image and that the sponsor is using opera as his sponsorship medium. If the chosen communication vehicle is advertising fairly substantial levels of expenditure will be required to achieve exposure to any reasonable size of audience, hence the shape of the curve in Figure 9.2. However, for small levels of sponsorship expenditure the company will be able to gain a worthwhile live audience plus media coverage. At spending level $\pounds X_2$ above, sponsorship achieves Y_2 audience figures, whereas advertising achieves only Y_1 .

At a certain point there will be a limit to the amount of media coverage which can be achieved, and a plateau will be reached. However, through advertising an increasing amount of media presence can be bought. At spending levels in excess of $\pounds X$, in Figure 9.2 advertising is a more cost-effective method of communication.

Some forms of sponsorship may be so expensive that they will always be below the advertising curve, this is shown in Figure 9.3.

FIGURE 9.3



By carefully monitoring the quantity and quality of media coverage obtained by sponsorship, the decision-maker will be able to estimate the likely cost per thousand of future ventures and use this for making inter-media comparisons.

Sponsorship may be particularly valuable where a company is unable to afford anything other than a lowly above-the-line appropriation.

Companies could develop their knowledge of the relative effectiveness of sponsorship through experimentation. Using, say, video equipment a piece of film could be compiled of a sporting event included in which are references to a sponsor. By employing before and after measures various constructs such as awareness, attitudes, and intention to buy could be tested among an experimental group. As a comparison, one could include a conventional

advertisement for the same brand or company in a commercial break in the middle of a television programme. Again, relevant before and after measures would be made. One could then compare the relative effectiveness of sponsorship exposure to advertising and by computing the cost differences, arrive at a measure of cost-effectiveness. A similar method could be used for radio and print media.

By using the above procedure one could try varying the activity to be sponsored in the same fashion as advertising pre-testing to test for whether different activities will have varying effects.

Evaluating sponsorship requires an assessment of costs and benefits and an appreciation of the way in which accessible information will be used to reduce uncertainty.

Many companies already have information which will be of use to their sponsorship management. For example, Target Group Index (TGI) can be used to indicate the leisure predilections of desirable target audiences, and can also show their media consumption. Similarly the Joint Industry Committees on readership, television and radio audiences have valuable information for identifying the type of media coverage which will be required of sponsorship.

Most companies have a press cutting service and the references to a company's sponsorship picked up in this way can be compared with the coverage identified through National Readership Survey (NRS) as being relevant to the target audience. A similar approach to such validation can be used where a company subscribes to television and radio monitors.

Attendance figures at sponsorship venues can be fairly readily obtained at no cost.

Companies which already engage in conducting market research can include questions relating to their sponsorship at a negligible marginal cost. It is commonplace for companies to fail to undertake such questioning within their on-going research.

As far as client relationship aspects of sponsorship are concerned, it would be fairly easy and inexpensive for relevant company personnel such as salesmen to complete reports upon the results of the sponsorship. For example they could comment upon the satisfaction felt by guests about the sponsorship hospitality, its location, and timing, the choice of invited guests, whether the salesmen has found the sponsorship of use

during his sales calls and whether he thinks it provides him with an edge over competitors.

In cases where it is not already available, companies might consider subscribing to press cutting services, television and radio monitors. Such information gives a guide to the presumed effect of sponsorship whereas undertaking market research will give a far clearer picture of the actual effect achieved. There are three main ways in which a company can engage in such research, each reflecting varying levels of cost. The most inexpensive is likely to be the use of an omnibus survey, another alternative is to devise a syndicate of sponsors to measure effect, and thirdly, and most expensively, the sponsor could conduct his own research project.

Obviously the cost of accessing information must be related to the likely benefits accruing. Moreover, engaging in evaluation information gathering requires that effect benchmarks be set and that the relevant dependent variables are measurable through the evaluation. The value of the information gained must be estimated to be greater than the cost of its collection.

The literature showed that the greater the cost of obtaining information, the less it should be neglected, i.e. there should be a positive relationship between the cost of information and its usage. This underlines the importance of having a realistic information user model, since this will define information requirements. In developing such a model it forces managers to give due consideration to the way in which different types of information impinge upon their decision-making. It ought to highlight the rewards and sanctions that surround the usage of information.

9.4 Research Implications

This research underlines the crucial importance of understanding the pathway from cause to effect if resource allocation is to make progress towards optimisation. Although some companies have fairly substantive evidence for the effectiveness of their sponsorship effort, they are very much the exceptions rather than the rule. Through the literature research one has been able to begin to understand why sponsorship remains so enigmatic. This is because the understanding of the role of evaluation and the characteristics and role of an objective is insufficient.

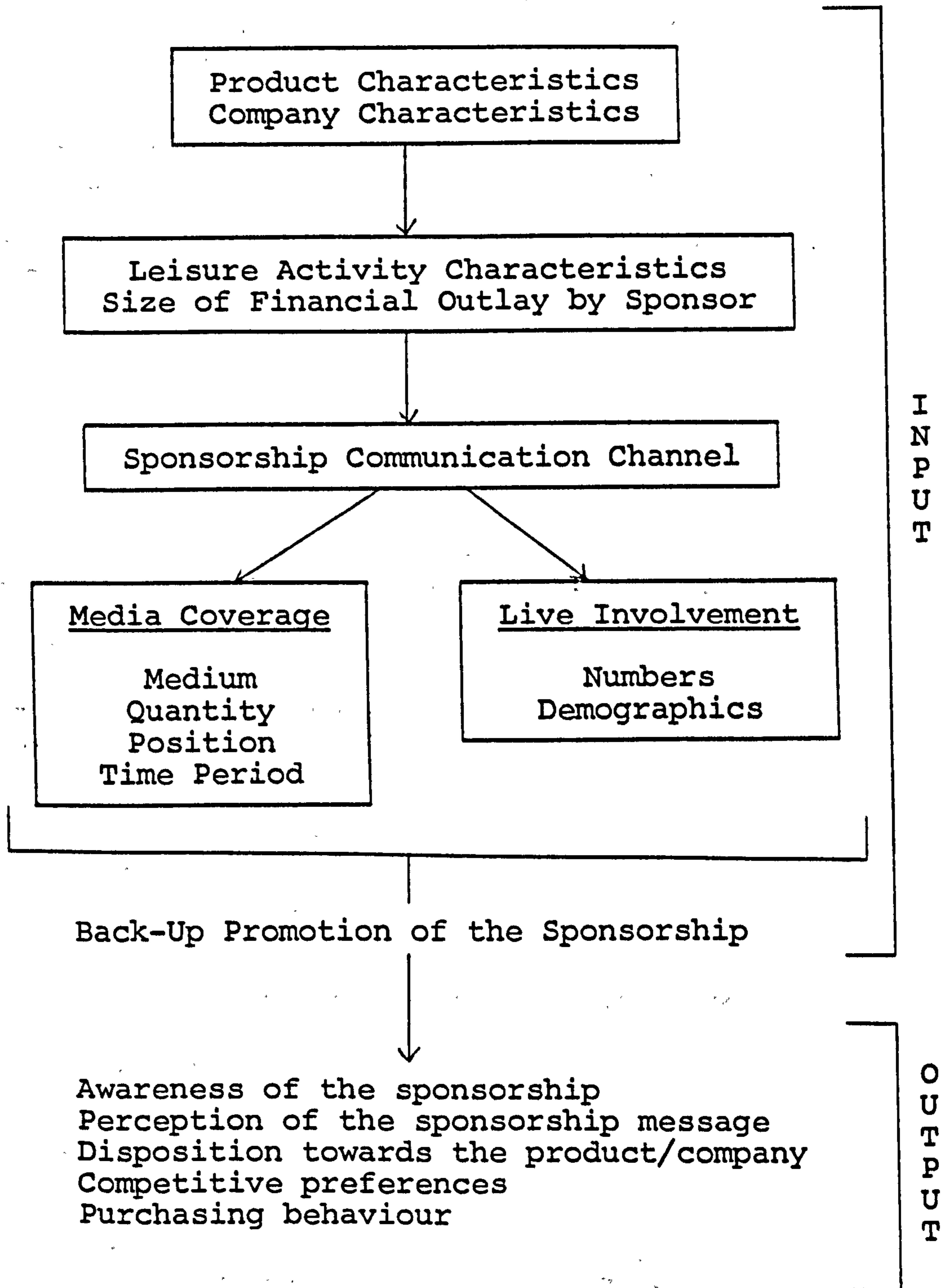
For the knowledge of sponsorship to develop it requires the adoption of critical methods which will gradually enable cause and effect to be more fully understood. As Charles K Raymond has commented:

'A problem is not attacked, but painfully translated into a set of answerable questions. There are no breakthroughs, only small decreases in the unexplained variance. Instead of final conquest, there will simply be better advertising decisions - measurably better.128

It has been pointed out that leisure activity sponsorship is likely to assume increasing significance within the societal infrastructure. Therefore it is all the more pressing that research be carried out to assess the actual impact of sponsorship upon target groups of consumers, both corporate and domestic, and to compare its cost-effectiveness with alternative means of promotion.

Recently the author has been involved in the development of a research plan aimed at establishing the way in which sponsorship impinges upon people, cognitions and behaviour. Evaluation to date has been based upon the assumption that media coverage is indicative of effect. However it has been observed that such an assumption is not necessarily valid. The only research so far undertaken to test directly for the impact of sponsorship has been a few awareness and attitude surveys of a limited kind. What is required is thorough going knowledge aimed at understanding the following relationships:

FIGURE 9.4



It would appear as though the management of sponsorship is little different from that of other types of marketing communication. The unstructured way in which sponsorship is managed is common to other promotions. Therefore it is to be hoped that this research will encourage managers to review their total marketing communications activity and consider whether the normative circular flow discussed throughout this thesis is being operated. Where sponsorship does differ to other forms of advertising and promotion is in its newness to executives. There is a general unfamiliarity with it which appears to be manifested in a particularly uncritical approach to its handling.

This thesis shows that management tends towards the subjective ad hoc pole of the rational-economic/subjective ad hoc continuum discussed during the literature review. A failure to appreciate the necessary characteristics of an operationally valid objective has been identified. It has also been observed that the role of evaluation in improved decision-making needs to gain wider currency.

A framework for the development of marketing communications objectives has been proposed, and it is hoped that managers will be encouraged to gain more value from experiences by structuring them in a way which will aid decision-making. For example, by gradually developing a formalised fund of knowledge about the success and failures of sponsorships.

Having sketched the overall sponsorship process and identified ways of improving the usage of sponsorship, it is vital that further research be undertaken aimed at gaining a thorough knowledge of how it is perceived by target audiences. The effectiveness of sponsorship relative to other forms of promotion can ultimately only be known by testing the final arbiter, i.e. the customer. The thesis has proposed that sponsorship should be viewed in a much more meaningful way than solely as a cheap method of achieving media coverage. For this to be satisfactorily demonstrated, the added message content and special characteristics of sponsorship will need to be more adequately established.

This research has been primarily concerned with companies actually engaged in sponsorship. As such it deliberately omitted to investigate those companies which have ceased sponsoring and those which have not sponsored. It is recommended that future researchers look more closely at the issues which underlie the

the decisions to enter into or to cease sponsorship. It would be interesting to compare the criteria employed by those planning to commence sponsorship with the criteria used by companies to decide to cease sponsorship. Such research may enable one to identify more clearly particular weaknesses in the evaluation of sponsorship. This could be achieved by seeing whether particular effects, which were identified for sponsorship to achieve at its inception subsequently proved impracticable to evaluate thus leading to a withdrawal. One is seeking to identify the way in which actual experience of sponsorship modifies what is expected of it.

Sponsorship presents itself as a useful addition to the promotional mix and its potential is more likely to be realised once its full effects can be demonstrated. Given the present annual expenditure of approximately £30 million on sponsorship, industry should be encouraged to devote resources to such research.

The findings of this research have serious implications for marketing management practice at the general level. A picture has been painted of managers failing to grasp the essential characteristics of marketing communications objectives. Furthermore, one has called into question the understanding which managers have of the relationship between decisions taken and the evaluation of their consequences. High priority must be given by all levels of management to effecting necessary remedies.

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A P P E N D I C E S

APPENDIX 1

Shifts in Consumers' Expenditure 1961 - 1976

	At Constant Prices (1970 = 100)		% Change	At Current Prices 1976
	<u>1961</u>	<u>1976</u>	<u>1961/76</u>	<u>£m</u>
Food	93	102	+10	14,095
Alcoholic drink	73	140	+92	5,912
Tobacco	104	98	-6	3,106
Housing	77	113	+47	10,921
Fuel and light	78	107	+37	3,595
Clothing and footwear	79	116	+47	5,938
Motor vehicles - purchase	52	117	+125	2,385
Motor vehicles - running costs	45	121	+169	4,418
Furniture and floor coverings	86	109	+27	1,622
Radio, electrical, other durables	71	172	+140	1,757
Other household goods	81	109	+35	2,061
Books	107	124	+16	262
Magazines and newspapers	110	88	-20	827
Chemists' goods	73	139	+90	1,245
Communications - postal etc	63	132	+109	1,192
Travel	93	106	+14	2,467
Entertainment, recreation	73	140	+92	3,106
Consumers' expenditure abroad	87	101	+16	1,276
Other expenditure	87	90	+3	7,471
Total consumers' expenditure	81	112	+29	73,656

QUESTIONNAIRE ON SPONSORSHIP

Introduction

Most of the following questions require you to put a tick in the relevant boxes. Some questions ask you to rank a list of statements in order of priority; please put a 1 to represent top priority, a 2 to represent the second priority and so on. A few questions seek brief answers in your own words.

Please leave blank any questions which you are unable to answer. Please return the questionnaire even if you are unable to answer some of the questions.

When you have completed the questionnaire, please return it in the pre-paid envelope provided.

Thank you, in anticipation for your help.

1. Please specify which specific sport, artistic, cultural, or other activity your company sponsors (e.g. show-jumping, golf, cricket, opera, concerts etc.) If your organisation has more than one sponsorship activity, please specify the major activity in terms of your expenditure.

.....

2. Please indicate when your company first engaged in sponsorship by putting a tick in the relevant box below:

before 1960	<input type="checkbox"/>
1960 - 1965	<input type="checkbox"/>
1966 - 1970	<input type="checkbox"/>
1971 - 1973	<input type="checkbox"/>
1974	<input type="checkbox"/>
1975	<input type="checkbox"/>
1976	<input type="checkbox"/>

QUESTIONNAIRE ON SPONSORSHIP

Introduction

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.....

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before 1960	<input type="checkbox"/>
1960 - 1965	<input type="checkbox"/>
1966 - 1970	<input type="checkbox"/>
1971 - 1973	<input type="checkbox"/>
1974	<input type="checkbox"/>
1975	<input type="checkbox"/>
1976	<input type="checkbox"/>

3. Do any of the following people within your organisation have an interest (to the best of your knowledge) as an active participant, spectator or enthusiastic follower of the major activity which your Company sponsors.

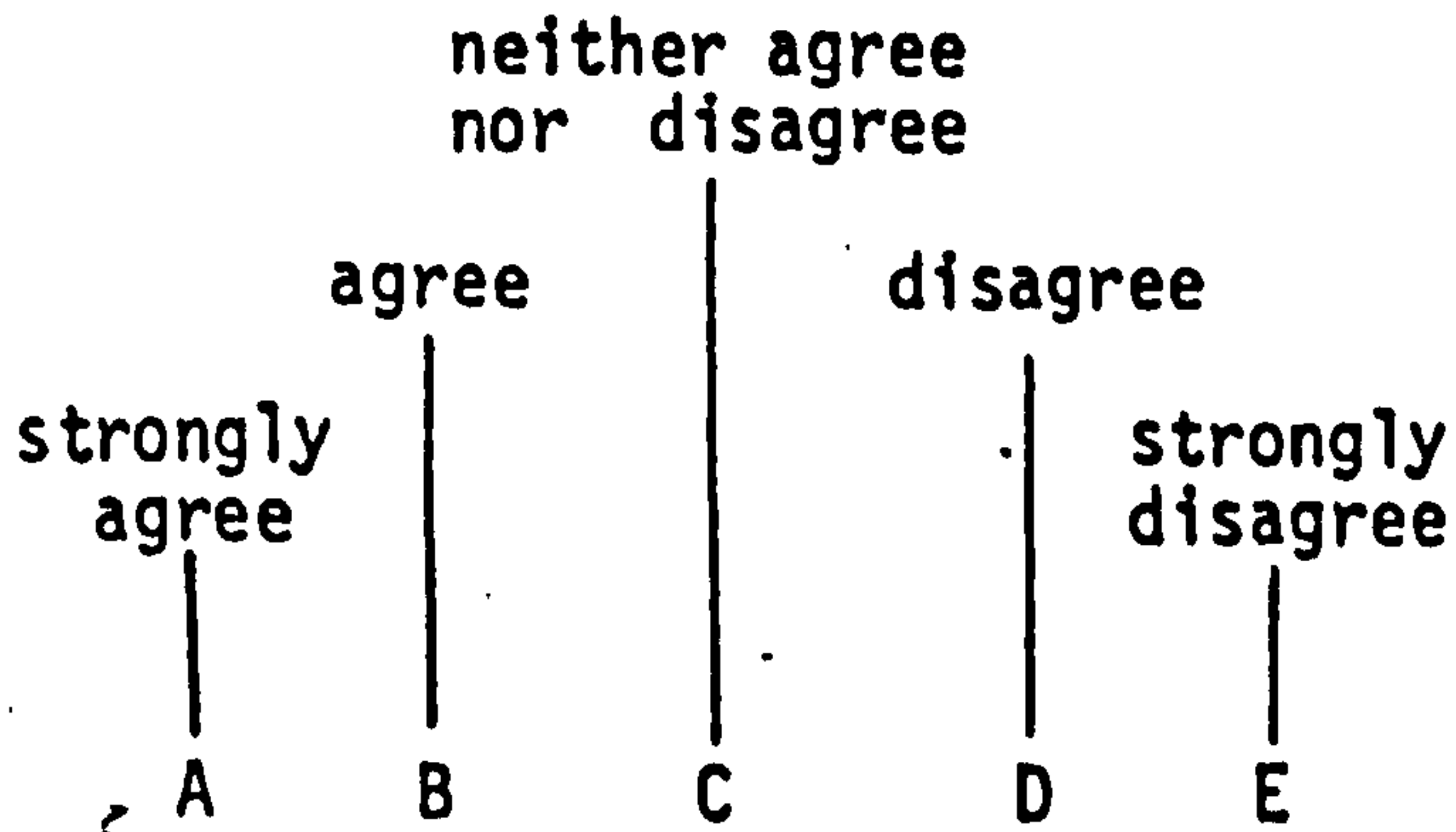
- Advertising Manager
- Assistant Product Manager
- Chairman
- Managing Director
- Marketing Director
- Marketing Executive
- Marketing Manager
- Product Manager
- Sales Director
- Sales Manager
- Sales Representative
- Others (please specify)
-
-

4. Is your company still actively involved with sponsorship

- YES
- NO

5. Below are listed a number of statements made by people involved with sponsorship. Each of them relate to the benefits which they believe they gain from sponsorship.

(a) Please indicate your response to the statements by putting a tick in the relevant boxes under the appropriate letter headings.



"By sponsoring an activity we are able to provide a setting for a cost-effective way of rewarding important customers, e.g. by taking them to a golf tournament".

"We sponsor leisure activities because it is a relatively inexpensive yet effective way of improving staff morale".

"By engaging in sponsorship we are contributing to the fulfilment of our Company's social responsibility

"Through our sponsorship we receive publicity from television, radio and the press".

"We sponsor in order to avoid being put at a disadvantage by those of our competitors who use sponsorship".

(b) Please underline that statement from the statements listed above which represents your most important reason for engaging in sponsorship. If none of the above are appropriate, please specify your main reason below:

.....

8. Many companies do not believe it necessary to set objectives for their sponsorship activity. However, if your company did set an objective for its major sponsorship activity specified in answer to Question 1, please specify what that objective was.

.....
.....
.....

9 (a) In the boxes provided below please indicate by a tick which of the following people in your organisation (actively) participated in the decision to sponsor your major sponsorship activity.

(b) Please underline which person had the most influence in the decision to sponsor your major sponsorship activity.

- Advertising Manager
- Assistant Product Manager
- Chairman
- Managing Director
- Marketing Director
- Marketing Executive
- Marketing Manager
- Product Manager
- Sales Director
- Sales Manager
- Sales Representative
- Others (please specify)
-
-
-

10. (a) In column A below would you please indicate which of the following criteria you used in order to decide to sponsor your major activity.
- (b) In column B would you please arrange those criteria which you ticked in column A in rank order by assigning 1 to the most important and so on.

	A	B
Ability to attract media coverage	<input type="checkbox"/>	<input type="checkbox"/>
The sponsored activity should use or be strongly connected with the Company's products or services.	<input type="checkbox"/>	<input type="checkbox"/>
Senior management leisure interests	<input type="checkbox"/>	<input type="checkbox"/>
Number of spectators present at an activity	<input type="checkbox"/>	<input type="checkbox"/>
Demographic profile or participants and/or spectators.	<input type="checkbox"/>	<input type="checkbox"/>
Others (please specify)		
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>

11. Please tick which of the statements below, if any, most closely reflects the sponsorship practice of your Company.

- "The major activity which we sponsor uses, or is closely associated with our products"
- "The major activity which we sponsor has an image which is similar to that of our products/services"
- "We sponsor an activity which has an image similar to that of our corporate image"

12. Which of the following conditions do you think are of overriding importance in ensuring a successful sponsorship?

A product usage association between sponsor and sponsored activity.

An image association between sponsor and sponsored activity.

Neither of the above.

13. In which of the following types of promotion does your Company use themes from, identify with, or otherwise associate itself with its major sponsorship activity.

Television advertising

Radio advertising

Press advertising

Point of sale display

Sales representatives materials

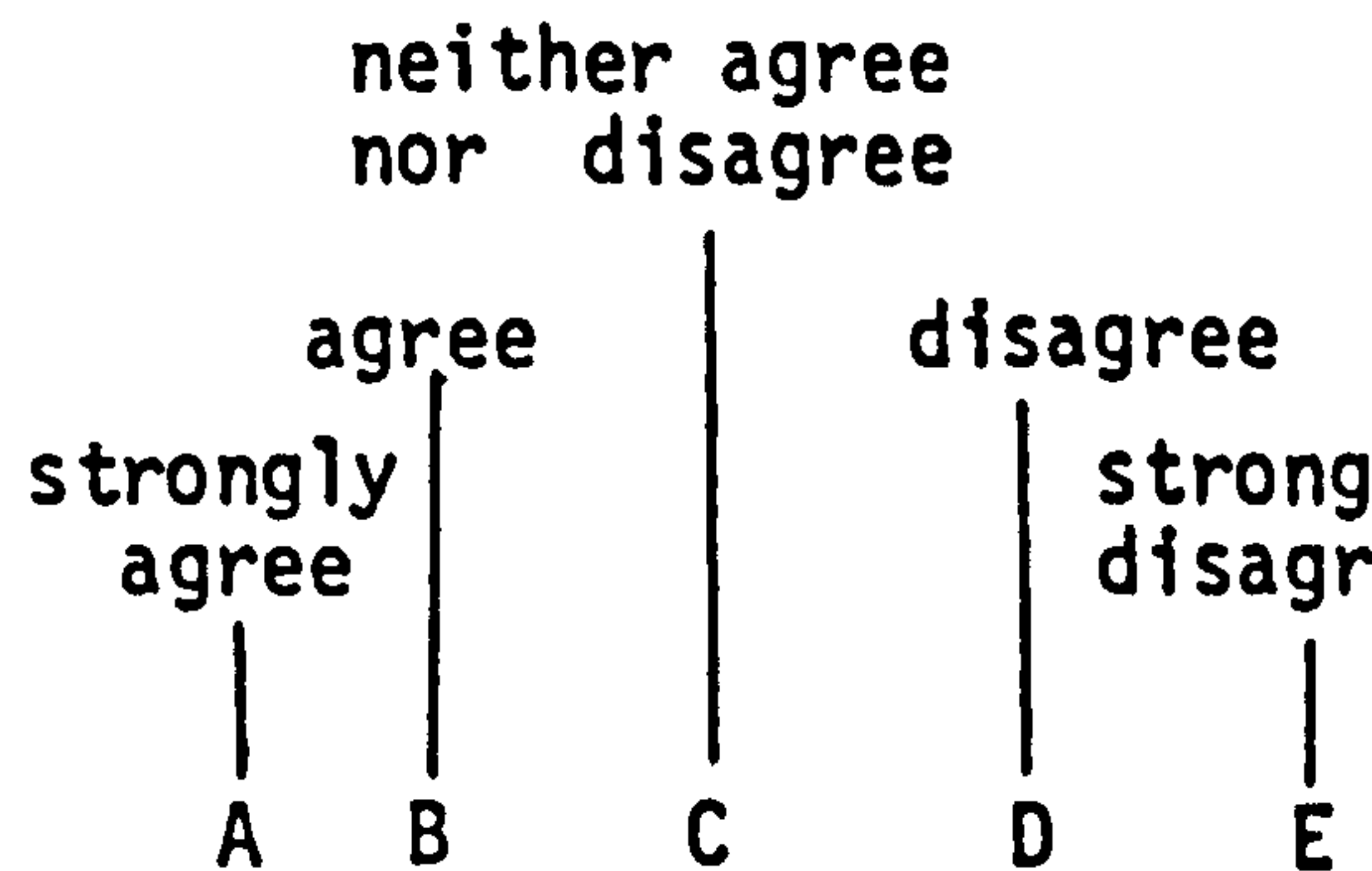
Others (please specify)

.....

.....

.....

14. If for any reason your sponsorship activity were to be or has been curtailed, which of the following consequences would apply or did apply to your company.



"When our sponsorship stopped we had to employ alternative methods for stimulating market growth".

"We had to call in point of sale material as it reflected our sponsorship".

"The cessation of our sponsorship had no effects upon the remainder of our promotional activities".

"We found we had to alter some of our press ads".

"We were faced with a situation in which we had to step up other forms of promotion in order to maintain the same level of public awareness".

"It resulted in our having to reappraise our entire promotional strategy".

"It was necessary for us to re-brief our representative force".

Can you think of any other consequences of a sudden halting in your sponsorship activity? Please specify below.

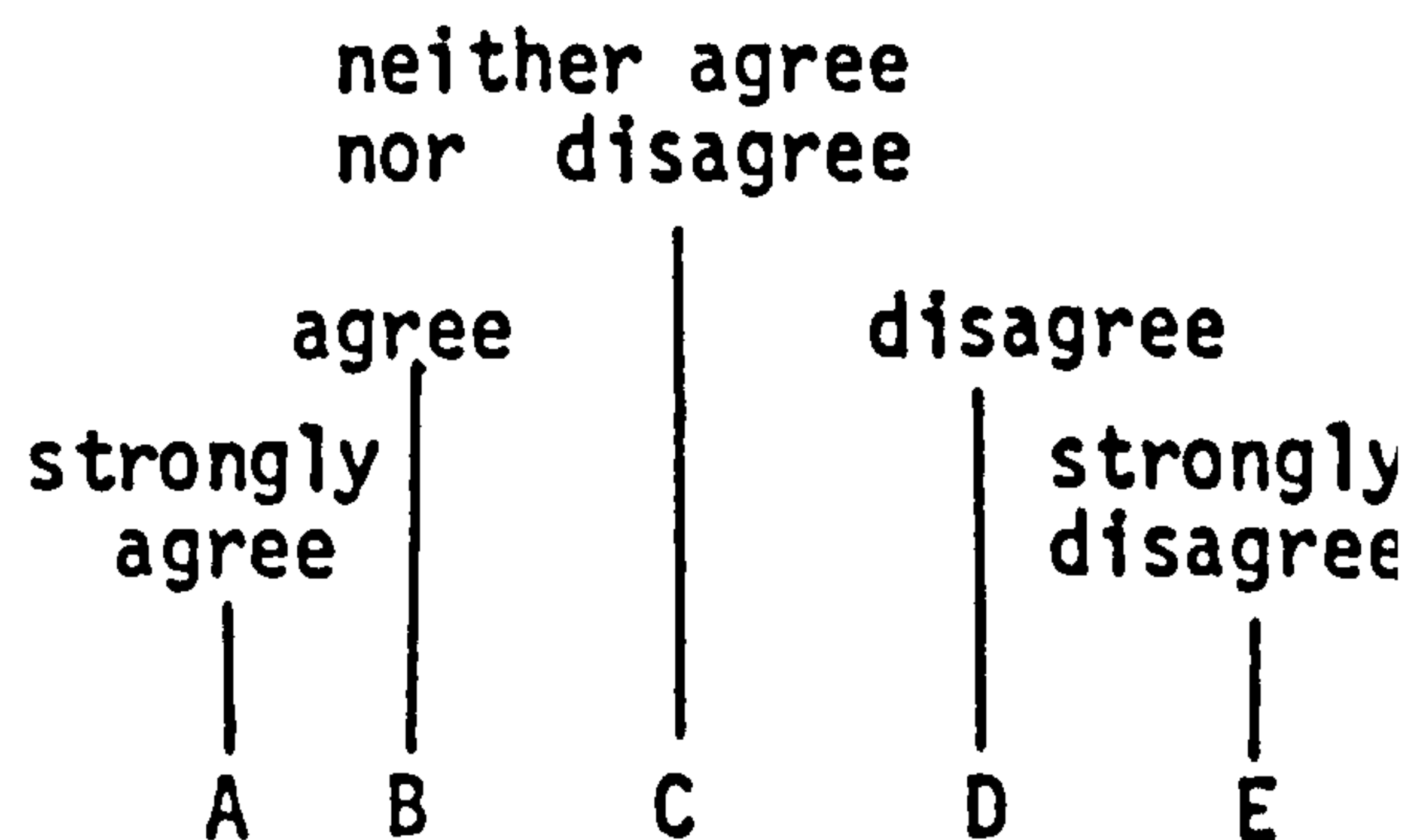
.....

.....

.....

.....

14. If for any reason your sponsorship activity were to be or has been curtailed, which of the following consequences would apply or did apply to your company.



"When our sponsorship stopped we had to employ alternative methods for stimulating market growth".

"We had to call in point of sale material as it reflected our sponsorship".

"The cessation of our sponsorship had no effects upon the remainder of our promotional activities".

"We found we had to alter some of our press ads".

"We were faced with a situation in which we had to step up other forms of promotion in order to maintain the same level of public awareness".

"It resulted in our having to reappraise our entire promotional strategy".

"It was necessary for us to re-brief our representative force".

Can you think of any other consequences of a sudden halting in your sponsorship activity? Please specify below.

..... (.....

15. Below are statements made by companies expressing what they believe sponsorship has accomplished for them.

- (a) In column A please tick those which you believe apply to your Company's experience of sponsorship.
- (b) In column B please tick which of the eight items listed below you believe to be capable of having their effectiveness assessed.
- (c) In column C please tick which of the following eight items your company does actually evaluate.

	Apply to us A	Can be evaluated B	Are evaluated by us C
"Sponsorship has increased consumers' awareness of our Company".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Sponsorship has led to an increase in brand awareness by consumers".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Public attitudes to our Company have improved because of sponsorship".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"The public have a more favourable attitude to our brands because of sponsorship".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Sponsorship has contributed to our having a closer relationship with some retailers and wholesalers".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Our sales have increased because of sponsorship".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Sponsorship has benefitted us".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify any other effects which you think are attributable to sponsorship.

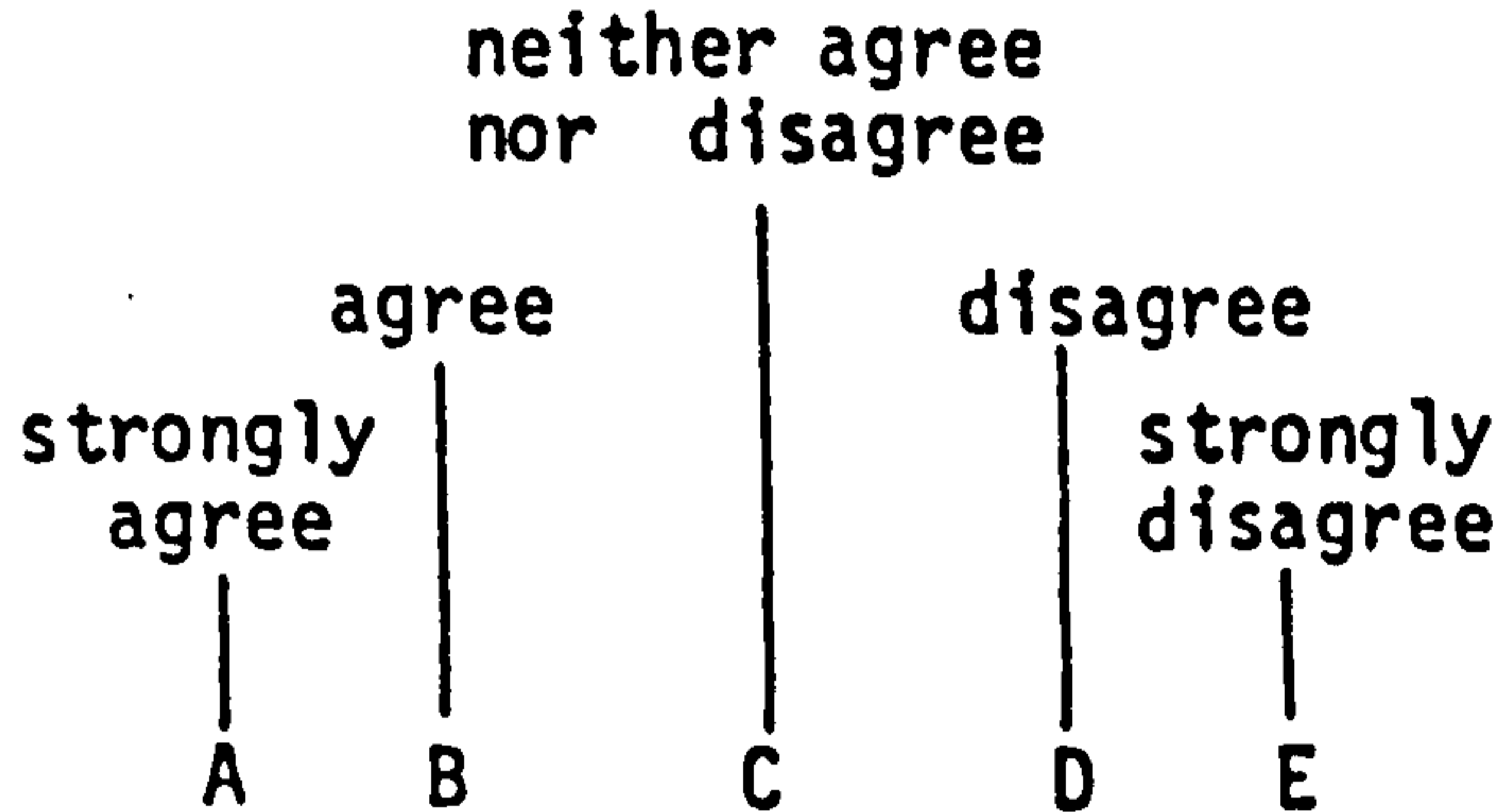
.....

.....

.....

16. If you do not attempt to assess the effectiveness of your sponsorship.

(a) please indicate the extent of your agreement with the following reasons given by others who do not attempt evaluation



"We do not attempt to evaluate sponsorship because we have insufficient staff resources".

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

"On a cost/benefit basis it would not be worth our while to evaluate sponsorship".

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

"It is impossible to assess the effectiveness of sponsorship".

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

"Techniques available for measuring sponsorship effectiveness are inadequate".

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

Others (please specify)

.....

.....

.....

.....

(b) Please underline which of the above statements represents the most important reason why you do not assess the effectiveness of your sponsorship.

17. How much did your organisation spend in total on all of its sponsorship involvement last financial year? (If you no longer sponsor, please indicate the amount spent during your last full year of sponsorship and note alongside the year to which it refers)

0	-	£5,000	<input type="checkbox"/>
£5,001	-	£10,000	<input type="checkbox"/>
£10,001	-	£50,000	<input type="checkbox"/>
£50,001	-	£100,000	<input type="checkbox"/>
£100,001	-	£250,000	<input type="checkbox"/>
£250,001	-	£500,000	<input type="checkbox"/>
£500,001	or above		<input type="checkbox"/>

18. Please indicate the percentage of your total promotional budget allocated to all sponsorship.

0	-	5%	<input type="checkbox"/>
6	-	10%	<input type="checkbox"/>
11	-	25%	<input type="checkbox"/>
26	-	50%	<input type="checkbox"/>
51	-	75%	<input type="checkbox"/>
76	-	100%	<input type="checkbox"/>

19. (a) Please put a tick in the boxes in column A alongside those items from the list below which are considered as being part of your organisation's promotional budget.
- (b) In column B please specify the percentage of your total promotional budget allocated to those items indicated in column A (to the nearest 5%).

	A	B
Sales Representatives	<input type="checkbox"/>	<input type="checkbox"/>
Television Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Radio Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Press Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Poster Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship	<input type="checkbox"/>	<input type="checkbox"/>
Point of Sale Displays	<input type="checkbox"/>	<input type="checkbox"/>
Competitions	<input type="checkbox"/>	<input type="checkbox"/>
Others	<input type="checkbox"/>	<input type="checkbox"/>

Total 100%

Finally, please answer the following three questions to help us in our analysis.

Position in Company

Approximate Company Turnover in £'s

Please specify the product groups or category of services your company sells

.....

Please tear off if you wish to remain completely anonymous

Thank you for completing the questionnaire. Should you wish to receive a summary of the final report, and/or a copy of our sponsorship bibliography, please indicate below

I would/would not like to receive a summary of findings.

I would/would not like to receive a bibliography

(Please delete as appropriate)

Name

Company

Address

If you experienced any difficulties in answering this questionnaire or have any comments which you would like to make, please do so below.

APPENDIX 3

Industry Classification of Sample

It was considered that the sample of 385 companies was the same as the total universe in question. The composition of the sample in terms of industrial groupings was as follows:

	<u>No</u>	<u>%</u>
Alcoholic & Soft Drinks	62	15.75
Entertainment	10	3
Food & Confectionery	41	11
Insurance, Banking & Finance	30	8
Industrial Goods	41	11
Consumer Durables & Semi-durables	41	11
Construction & Allied Industries	20	5
Motoring ¹	28	6
Transport & Travel	16	4
Clothing ²	18	5
Gambling	14	4
Personal Care Products	12	3
Professional Services ³	13	3
Tobacco	12	3
Newspapers	11	3
Retailing	16	4
Trading Stamps	1	0.25

1 Includes oil, tyre and motor accessory companies.

2 Includes retailers and manufacturers.

3 Estate agents, auctioneers, art dealers, surveyors.



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23rd September, 1976

EVALUATING SPONSORSHIP

Sponsorship is a fast growing commercial activity. Despite its increasing importance as a marketing tool surprisingly little is known about the successful implementation and evaluation of sponsored activities.

There is a great need to develop a sound body of practical knowledge which will assist sponsors, such as yourselves, to ensure a more cost effective use of this activity. This need is acknowledged in the basic aims of the recently formed Association for Business Sponsorship of the Arts under the Chairmanship of Lord Goodman.

Thus at Cranfield School of Management with our emphasis on undertaking empirical research on real business problems we decided to undertake a thorough analysis of Sponsorship. A year has already been spent examining the complexities of Sponsorship. During this time two activities have been undertaken. A comprehensive bibliography of all selected published material has been compiled and assessed, secondly, discussions have been held with some of those involved in Sponsorship; sponsors and those sponsored, and some small scale research undertaken. We wish to enlarge on the knowledge gained so far. We seek your advice and assistance.

We have developed a questionnaire based on our earlier work. By completing it you will enable us to provide some further insight into some of the hitherto unsolved problems of Sponsorship. Your cooperation will help produce authoritative business oriented results.

What will you gain from this exercise? Firstly, we shall be pleased to forward a summary of the research findings in which we shall have collated the views and practices of other people like yourself. Secondly, we hope that the exercise of completing the questionnaire will itself provide you with a framework for a modest appraisal of your Sponsorship activities to date.

The questionnaire has been specially designed to make its completion as quick and as easy as possible. It should be stressed that complete confidentiality is assured in respect to all information supplied. You need not identify your organisation, either.

If Sponsorship is not your responsibility, please forward this letter and enclosures to the appropriate person within your organisation.

/Cont.....

We look forward to receiving your early reply in the enclosed reply-paid envelope.

Please do not hesitate to contact me if you require any further information either about the questionnaire or our other research into this topic. Thank you for your help in this matter.

Yours sincerely,

Nigel Waite

APPENDIX 5

Turnover of Respondents

<u>Turnover</u>	<u>No</u>	<u>%</u>
Less than £1 million	4	4
1 - £10 million	17	16
11 - £50 million	30	29
51 - £200 million	15	14
More than £200 million	28	26
Unspecified	12	11
	<hr/>	<hr/>
	106	100

APPENDIX 6

List of 52 Minor Sponsor Activities

Amateur gymnastics	Ladies football
Angling	Majorettes
Ballet	Motor-cycle racing
Ballooning	Mountaineering
Basket ball	Opera
Beauty contests	Orienteering
Books	Parachuting
Bowls	Point-to-point
Boxing	Polo
Brass bands	Power-boat racing
Cattle and sheep shows	Pub games
Circus	Road safety
Cucumber tossing	Rugby
Curling	School sport
Cycling	Sculpture
Darts	Sheepdog trials
Dog shows	Shooting
Exploration	Singing
Fencing	Ski-ing
Football	Snooker
Grass ski-ing	Social affairs projects
Greyhound racing	Speedway
Heavy Horses	Table-tennis
Ice-skating	Talent contests
Judo	Trawler-racing
Ladies golf	Weight lifting

APPENDIX 7

Notes on the System 3 Sample

Notes concerning the companies reported on.

- 1 The data presented in the System 3 report was based upon a series of in-depth discussions held with about thirty industrial companies; a mailed questionnaire completed by approximately five hundred of the countries largest companies; and telephone interviews held with an undisclosed number of firms aimed at checking the mailed questionnaire results.
- 2 The in-depth discussions were held with companies representing a variety of industries, on sizes of expenditure on sponsorship and on activities sponsored. Among them were some who had largely withdrawn from sponsorship and others whose involvement was quite new or who were considering so doing. Participating companies included five from the alcoholic drinks industry, two financial institutions, two oil companies, three food companies, two from the automobile industry, one tobacco company, two primary producers and one large retail organisation, an airline, a tyre company, and a cosmetics firm.
- 3 The mailed questionnaire was sent to 3,000 of the largest companies irrespective of whether or not they sponsored.

6 Would you tell me the way in which you evaluate your sponsorship?

7 Many companies do not believe it necessary to set objectives for their sponsorship. However, if your company has set objectives for sponsorship, please specify what they are.

8 Are these objectives formally written down in some form of document?

YES

NO

9 If YES, could you let me have a copy to see exactly what the objectives are?

10 If NO, why were no objectives set?

SALES RESPONSES

11 Do you set a sales target for your product at the sponsorship venue?

YES → Go to 13

NO
↓

12 If NO why was that?

Go to 15

13 If YES what target was it?

14 Did you achieve it?

YES

NO

15 Do you provide a facility for handling enquiries about your company or products at the sponsorship venue?

YES

NO → Go to 18

16 If YES to 15, what facility do you provide?

17 What volume of enquiries were dealt with?

18 Why did you decide not to provide an enquiries facility?

19 Apart from the sponsorship venue itself, did you set a target for sales of your product in your normal market place for sponsorship to achieve?

YES → Go to 24

NO

20 Why do you not set any kind of sales target for your sponsorship?

- Is part of overall promotional strategy and as such its effect on sales cannot be singled out

21 Have you in fact noticed any change in your sales for which you think sponsorship to have been responsible?

YES → Expand

NO → Go to 27

Comments: Orders have been received which we would not have got without sponsorship.

PROBE: Source of sales change; extent of it

22 What information has led you to conclude that this sales increase has taken place:

23 Over what period of time would you say this sales change has occurred?

Short-term	1-4 weeks	<input type="checkbox"/>
Medium-term	3 months	<input type="checkbox"/>
Long-term	3 months	<input type="checkbox"/>

24 What sales target did you get?

25 What have you achieved?

26 How have you been able to tell the effect on sales for which sponsorship has been responsible?

SURVEYS

27 Would you describe which people are the targets for your sponsorship?

28 Do you use information collected from surveys of your sponsorship target audience in order to test for a response to your sponsorship?

YES → Go to 30
 NO

29 If NO to 28, why do you not undertake such surveys?

Go to 37

30 Do you conduct special surveys aimed solely at investigating sponsorship?

YES
 NO

OR

Are they surveys aimed at examining how people respond to a number of your promotional and advertising communications?

YES
 NO

31 What made you decide to undertake this survey work?

32 Would you describe the survey in terms of:

a Who the sample was comprised of?

b What questions were asked?

c What the overall objectives were?

d How often the survey is conducted?

33 What results and conclusions have come from the survey?

34 What format do the results take?

Computer print out

Detailed report

Others

35 Which people receive copies of the survey results?

Respondent

Marketing Director

36 What do they do with the information?

Give it a cursory glance

Is important in the decision to
continue sponsorship

MEDIA COVERAGE

37 Is your sponsorship aimed at getting media coverage?

YES

NO → Go to 39

38 How much do you aim to get?

As much as possible

No firm target set

PROBE: Are you after coverage by

Television

Radio

Press

Other

39 Is the amount of media coverage which you gain monitored
in any way?

YES

NO → Go to 48

40 Is the monitoring on a formal basis or is it purely a
matter of keeping a casual eye upon any possible coverage?

FORMAL

INFORMAL

41 Is the monitoring done in-house or do you use an agency?

Press cutting service

TV monitoring service

Radio monitoring service

42 Does this monitoring form part of your overall PR monitoring activity, or has any of it been initiated purely to look for coverage of sponsorship?

Part of overall PR monitoring

43 Do you quantify the amount of media coverage you receive?

PROBE: How, How much

44 Is the media coverage obtained an important input into your evaluation of sponsorship?

45 What conclusions have you reached about your sponsorship as a result of the amount and type of media coverage received?

46 Are you generally pleased with these results?

YES

NO

53 Is an objective of yours to get a certain number of live spectators at the sponsorship?

YES

NO

→ Go to 57

54 What number are you aiming to attract?

55 What numbers do you get?

56 Are you pleased with the level of attendance?

57 Are you aiming to get a particular level of spectatorship via television, radio and press?

YES

NO

→ Go to 63

58 What level are you trying to achieve?

PROMPT: Is there a level below which you would think of ceasing sponsorship?

YES

NO

What is it?

59 What level of home spectatorship do you achieve?

60 What is the source of this information?

61 Are you satisfied with the figures achieved?

62 In what way does this information have a bearing upon your sponsorship practice?

63 Why is this not important to you?

SUBJECTIVE NON-SALES RESPONSES

64 Is an objective of yours to entertain especially invited guests?

YES

NO

Comments:

65 Which groups of people do you invite?

66 Do they in fact attend?

67 Have you been able to gauge their reaction to the occasion? (ie enjoyable, eager to attend again)

68 Have you changed any aspects of your sponsorship as a result of feedback from your invited guests?

69 Have you had any feedback from the organisers and officials of the activity which you sponsor?

YES

NO

→ Go to 73

70 Does this take the form of special meeting at which the two of you review progress, or is it purely informal?

FORMAL

INFORMAL

HOW OFTEN

71 What sort of feedback have you had?

72 Has this resulted in any changes being made in your sponsorship?

73 What feedback have you had from members of staff of your own company?

74 Have you made any changes as a result of this?

CONTRIBUTION OF SPONSORSHIP AND EVALUATION

- 75 In what ways do you think that sponsorship has assisted your company?
- 76 Do you think that other types of promotion could have made these contributions equally cost-effectively?
- 77 What are the major difficulties which you have in evaluating your sponsorship?
- 78 Are you generally satisfied that the way you approach the evaluation of sponsorship is the right one?
- 79 Which of the sources of information discussed are most useful to you in evaluating sponsorship?

80 Why did you decide to evaluate sponsorship in the way you do?

PROBE: Why use these approaches?

81 Which people are involved in sponsorship decision-making?

82 What kind of decisions are influenced by the various forms of evaluation information?

PROMPT: Continuation level of spending, activity sponsored,

83 When deciding upon how to evaluate sponsorship do you consider a number of alternative ways, work out their cost and assess the likely value of their benefit?

PROBE: thoroughly

- 84 If you were not to engage in the evaluation which you have described, in which aspects of sponsorship do you think you would have done worse?
PROMPT: Continuation, choice of activity, level of involvement
- 85 At what level do you think you would commit no further resources to sponsorship?
- 86 Do you think that difficulties in the evaluation of sponsorship would dissuade you from spending more on sponsorship?
PROMPT.: If you could quantify the results of sponsorship would you be likely to increase your involvement?
- 87 Do you think that the amount of resources expended on an activity depends upon how well it can be evaluated?
PROBE:
- 88 Is there a level of sponsorship spending at which you would have to put more effort into its evaluation?

YES

NO

→ Go to 91

89 If YES, at what level?

90 What methods of evaluation would you be likely to employ?

91 Why not?
PROMPT:

APPENDIX 9

INSTRUCTIONS The following questions require you to put a tick in the relevant boxes. If you have any queries, please ask for assistance.

- 1 Please indicate when your company first engaged in any type of sponsorship by putting a tick in the relevant box below.

Before 1960	<input type="checkbox"/>
1960 - 1965	<input type="checkbox"/>
1966 - 1970	<input type="checkbox"/>
1971 - 1973	<input type="checkbox"/>
1974	<input type="checkbox"/>
1975	<input type="checkbox"/>
1976	<input type="checkbox"/>

2 Which of the following types of promotion do you use to publicise your sponsorship before the event takes place?

- Television Advertising
- Radio Advertising
- Press Advertising
- Point-of-sale Display
- Sales Representatives
- Others (please specify)

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3 In which of the following types of promotion do you have direct references to your sponsorship in order to exploit the promotional potential which it offers?

- Television Advertising
- Radio Advertising
- Press Advertising
- Point-of-sale Display
- Poster Advertising
- Sales Representatives
- Others (please specify)

.

.

.

.

.

.

4 Below are listed a number of objectives for which sponsorship might be used. Tick which of them, if any, are objectives which you are specifically aiming to achieve through your sponsorship.

- | | | |
|----|---|--------------------------|
| 1 | Increase awareness of our product by <u>general public</u> | <input type="checkbox"/> |
| 2 | Increase awareness of our product by <u>specific group of consumers</u> | <input type="checkbox"/> |
| 3 | Increase awareness of our product by <u>business and industry consumers</u> | <input type="checkbox"/> |
| 4 | To achieve media coverage | <input type="checkbox"/> |
| 5 | To entertain trade customers | <input type="checkbox"/> |
| 6 | To use it as a platform for other promotions | <input type="checkbox"/> |
| 7 | To communicate a corporate image | <input type="checkbox"/> |
| 8 | To increase awareness of the company by the <u>general public</u> | <input type="checkbox"/> |
| 9 | To increase awareness of the company by a <u>specific target group of consumers</u> | <input type="checkbox"/> |
| 10 | To increase awareness of the company by <u>business and industry</u> | <input type="checkbox"/> |
| 11 | To improve attitudes held towards the company by <u>the general public</u> | <input type="checkbox"/> |
| 12 | To improve attitudes held towards the company by <u>specific target group of consumers</u> | <input type="checkbox"/> |
| 13 | To improve attitudes held towards the company by <u>business and industry</u> | <input type="checkbox"/> |
| 14 | To improve attitudes to our product by <u>general public</u> | <input type="checkbox"/> |
| 15 | To improve attitudes to our product by <u>specific target group of consumers</u> | <input type="checkbox"/> |
| 16 | To improve attitudes to our product by <u>business and industry</u> | <input type="checkbox"/> |
| 17 | To increase sales to the <u>general public</u> | <input type="checkbox"/> |
| 18 | To increase sales to a <u>specific market segment</u> | <input type="checkbox"/> |
| 19 | To increase sales to <u>trade and industry sector</u> | <input type="checkbox"/> |
| 20 | To improve the company's standing in influential circles such as financial institutions, political parties, pressure groups | <input type="checkbox"/> |
| 21 | To help the sport or art which we sponsor | <input type="checkbox"/> |
| 22 | To bring about a change in our <u>brand image</u> | <input type="checkbox"/> |
| 23 | To bring about a change in our <u>corporate image</u> | <input type="checkbox"/> |
| 24 | To present the company as a socially responsible organisation and hence gain any benefits which may accrue accordingly | <input type="checkbox"/> |

4 Below are listed a number of objectives for which sponsorship might be used. Tick which of them, if any, are objectives which you are specifically aiming to achieve through your sponsorship.

- | | | |
|----|---|--------------------------|
| 1 | Increase awareness of our product by <u>general public</u> | <input type="checkbox"/> |
| 2 | Increase awareness of our product by <u>specific group of consumers</u> | <input type="checkbox"/> |
| 3 | Increase awareness of our product by <u>business and industry consumers</u> | <input type="checkbox"/> |
| 4 | To achieve media coverage | <input type="checkbox"/> |
| 5 | To entertain trade customers | <input type="checkbox"/> |
| 6 | To use it as a platform for other promotions | <input type="checkbox"/> |
| 7 | To communicate a corporate image | <input type="checkbox"/> |
| 8 | To increase awareness of the company by the <u>general public</u> | <input type="checkbox"/> |
| 9 | To increase awareness of the company by a <u>specific target group of consumers</u> | <input type="checkbox"/> |
| 10 | To increase awareness of the company by <u>business and industry</u> | <input type="checkbox"/> |
| 11 | To improve attitudes held towards the company by <u>the general public</u> | <input type="checkbox"/> |
| 12 | To improve attitudes held towards the company by <u>specific target group of consumers</u> | <input type="checkbox"/> |
| 13 | To improve attitudes held towards the company by <u>business and industry</u> | <input type="checkbox"/> |
| 14 | To improve attitudes to our product by <u>general public</u> | <input type="checkbox"/> |
| 15 | To improve attitudes to our product by <u>specific target group of consumers</u> | <input type="checkbox"/> |
| 16 | To improve attitudes to our product by <u>business and industry</u> | <input type="checkbox"/> |
| 17 | To increase sales to the <u>general public</u> | <input type="checkbox"/> |
| 18 | To increase sales to a <u>specific market segment</u> | <input type="checkbox"/> |
| 19 | To increase sales to <u>trade and industry sector</u> | <input type="checkbox"/> |
| 20 | To improve the company's standing in influential circles such as financial institutions, political parties, pressure groups | <input type="checkbox"/> |
| 21 | To help the sport or art which we sponsor | <input type="checkbox"/> |
| 22 | To bring about a change in our <u>brand image</u> | <input type="checkbox"/> |
| 23 | To bring about a change in our <u>corporate image</u> | <input type="checkbox"/> |
| 24 | To present the company as a socially responsible organisation and hence gain any benefits which may accrue accordingly | <input type="checkbox"/> |

25 To give assistance to the activity sponsored, to improve the general quality of life in a purely altruistic way, thus expecting no spin-offs for one's own company

26 None of the above

27 Others (please specify)

.
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.
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.
.
.
.
.

5 If you believe your company has experienced a sales increase as a result of its sponsorship, in which of the following market segments do you think the sales increase has occurred?

Existing private consumers

Existing intermediary customers - wholesalers and retailers

Existing industrial customers

New private consumers

New intermediaries - wholesalers and retailers

Don't know

None of the above

Others (please specify)

.
.
.
.
.
.
.

6 Please tick which of the following characteristics describe the target audience for your sponsorship.

	Private Consumers	Business Customers	Other	Other
Male	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Female	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Married	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Under 12 years of age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 - 18 years of age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 - 30 years of age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31 - 45 years of age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46 - 65 years of age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
66 and over years of age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Socio-economic groups A and B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Socio-economic groups C1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Socio-economic groups C2, D and E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Existing light customers for your product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Existing moderate customers for your product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Existing heavy customers for your product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Potential customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7 Which of the following type of surveys do you use to get information about your sponsorship effectiveness?

a Special surveys set up to examine the effects sponsorship is having on its target audience

b Surveys which are used to gain information about a variety of the company's marketing communications

c We do not have any survey based information concerning our sponsorship effects

d Others (please specify)

.
.
.
.
.
.
.

8 Which of the following areas are covered in the survey that you ticked above in Question 7

Purchasing behaviour - - - - -

Intention to buy your products - - - - -

Attitudes to your products - - - - -

Attitudes to your company - - - - -

Awareness of your sponsorship by general public - - -

Awareness of your sponsorship by a particular market segment - - - - -

Attitude to your sponsorship by respondents - - - - -

Awareness of your company - - - - -

Awareness of your products - - - - -

Others (please specify)

.
.
.
.
.
.

10 Below are listed a number of media. Please tick which of them, if any, you monitor to identify references to your sponsorship.

Radio

Commercial Radio (please specify which stations)

.
.
.

BBC Radio 1,2,3 and 4

BBC Local Radio (please specify)

.
.
.

Television

BBC Television

Commerical Television (please specify which network)

.
.
.

Press

Quality dailies - - - - -

Popular dailies - - - - -

Regional morning papers - - - - -

Regional evening papers - - - - -

Regional weekly papers - - - - -

London evening papers - - - - -

Quality Sunday papers - - - - -

Popular Sunday papers - - - - -

Trade and Technical publications - - - - -

Special interest magazines - hobbies etc - - - - -

Popular monthly magazines - - - - -

Popular weekly magazines - - - - -

Others (please specify)

.
.
.

11 In column A please indicate how much you spent directly on all sponsorship last year. In column B please indicate how much you spent on indirect sponsorship costs such as advertising and promoting the sponsorship.

	A	B
£ 0 - £ 2,000	<input type="checkbox"/>	<input type="checkbox"/>
£ 2,001 - £ 10,000	<input type="checkbox"/>	<input type="checkbox"/>
£ 10,001 - £ 50,000	<input type="checkbox"/>	<input type="checkbox"/>
£ 50,001 - £100,000	<input type="checkbox"/>	<input type="checkbox"/>
£100,001 - £250,000	<input type="checkbox"/>	<input type="checkbox"/>
£250,001 or above	<input type="checkbox"/>	<input type="checkbox"/>

12 In column A indicate how much you spent directly upon your major sponsorship last year. In column B please indicate how much you spent on indirect costs associated with the major sponsorship activity.

	A	B
£ 0 - 2,000	<input type="checkbox"/>	<input type="checkbox"/>
£ 2,001 - £ 10,000	<input type="checkbox"/>	<input type="checkbox"/>
£ 10,001 - £ 50,000	<input type="checkbox"/>	<input type="checkbox"/>
£ 50,001 - £100,000	<input type="checkbox"/>	<input type="checkbox"/>
£100,001 - £250,000	<input type="checkbox"/>	<input type="checkbox"/>
£250,001 or above	<input type="checkbox"/>	<input type="checkbox"/>

13 Please indicate the percentage of your total advertising and promotional budget allocated to your total (direct and indirect) sponsorship effort.

0 - 5%	<input type="checkbox"/>
6 - 10%	<input type="checkbox"/>
11 - 25%	<input type="checkbox"/>
26 - 50%	<input type="checkbox"/>
51 - 100%	<input type="checkbox"/>

- 14 If your major sponsorship activity is based upon one of your branded products, please indicate what percentage of the brand's total advertising and promotional budget is accounted for by sponsorship.

0 - 5%	<input type="checkbox"/>
6 - 10%	<input type="checkbox"/>
11 - 25%	<input type="checkbox"/>
26 - 50%	<input type="checkbox"/>
57 - 100%	<input type="checkbox"/>

- 15 Please estimate the percentage of your total sponsorship expenditure which you spend on evaluating your sponsorship.

Less than 1%	<input type="checkbox"/>
1 - 5%	<input type="checkbox"/>
6 - 10%	<input type="checkbox"/>
11 - 25%	<input type="checkbox"/>
More than 26%	<input type="checkbox"/>

- 16 Please estimate how much you think it costs you to assess the effectiveness of all your sponsorship.

Less than £100	<input type="checkbox"/>
£ 100 - £ 500	<input type="checkbox"/>
£ 501 - £1,000	<input type="checkbox"/>
£1,001 - £5,000	<input type="checkbox"/>
£5,001 or above	<input type="checkbox"/>

- 17 Please estimate how much you think it costs you to assess the effectiveness of your major sponsorship activity.

Less than £100	<input type="checkbox"/>
£ 100 - £ 500	<input type="checkbox"/>
£ 501 - £1,000	<input type="checkbox"/>
£1,001 - £5,000	<input type="checkbox"/>
£5,001 or above	<input type="checkbox"/>

18 Please indicate how useful the following types of sponsorship information are in your company's evaluation of sponsorship.

	No Use	Of Some Use	Useful	Very Useful	Extremely Useful
Survey information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Formalised monitoring of media coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Informal checks on media coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Periodic meetings with representatives of the sports or arts body	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Informally expressed views of representatives of the sports or arts body	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Views of invited guests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feedback from numbers of your company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. If your major sponsorship activity is based upon one of your branded products:

a In column A please tick which of the items below form part of that brand's promotional and advertising mix

b In column B please specify what percentage of the brand's promotional and advertising budget is allocated to those items indicated in column A (to nearest 5%)

	A	B
Television Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Radio Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Press Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Poster Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship	<input type="checkbox"/>	<input type="checkbox"/>
Point-of-sale Display	<input type="checkbox"/>	<input type="checkbox"/>
Others (please specify)		
.		<input type="checkbox"/>
.		<input type="checkbox"/>
.		<input type="checkbox"/>
.		<input type="checkbox"/>
.		<input type="checkbox"/>

20. Regarding your overall company promotional and advertising mix:

a In column A please tick which of the items below form part of your promotional and advertising mix

b In column B please specify what percentage of total promotional and advertising spending is allocated to those items indicated in column A (to nearest 5%)

	A	B
Television Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Radio Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Press Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Poster Advertising	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship	<input type="checkbox"/>	<input type="checkbox"/>
Point-of-sale Display	<input type="checkbox"/>	<input type="checkbox"/>
Others (please specify)		
.		<input type="checkbox"/>
.		<input type="checkbox"/>
.		<input type="checkbox"/>
.		<input type="checkbox"/>

21 Please indicate the extent to which you think your major sponsorship activity is achieving its objective:

1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>	6	<input type="checkbox"/>
	Completely failed to achieve aims	Made little contribution to its aims	Made moderate contribution to its aims	Made quite good contribution to its aims	Made very good contribution to its aims	Made very good contribution to its aims	Made very good contribution to its aims	Made very good contribution to its aims	Made very good contribution to its aims	Made very good contribution to its aims	Completely achieved aims

22 How likely is your company to continue to engage in sponsorship for the next three years?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Certainly not continue	Continuation doubtful	Will possibly continue	Will probably continue	Will certainly continue	Will certainly continue

Finally, please answer the following three questions to help us in our analysis.

Position in Company

Approximate Company Turnover per annum in £s

Please specify the product groups or category of services
your Company sells