

ORIGINAL SCIENTIFIC PAPER

Importance of Loyalty to a Sport Event for the Level of Sponsorship Awareness

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Abstract

Over the past twenty years there has been a need to explore the process of achieving the goals of sports sponsorship, which is widely accepted in academic circles as well as in practice as an effective marketing communications tool. Mass communication through traditional media is replaced by a much more credible form of communication. Sponsorship can be seen as a B2B relationship that provides benefits for both parties. Previous literature suggests that greater brand exposure by consumers, as well as congruence between the sponsor and the sponsored, makes it easier to identify the sponsor. Loyalty is a form of psychological relationship with a brand, a sports team, or a manifestation that results in a positive attitude and behavior towards that subject. True loyalty exists when a consumer regularly purchases the products of that brand and has positive associations on the brand and its products. In the event of manifestations, a loyal customer can be defined as the one who regularly watch the event, either live or via the media. So, the assumption is that fans who are dedicated to the team have a higher level of knowledge about the event and its environment, and therefore also about the sponsors of their favorite club, which will be the research topic of this paper.

Key words: *sport sponsorship, consumer loyalty, sponsorship awareness, brand awareness*

Introduction

Considering the fact that the strong brand is one of the main factors of competitiveness, special attention should be paid to its construction and strengthening, with the aim of equalizing the identity and image of the brand. If the brand does not clearly communicate its attributes, it will not be adequately recognized by the consumer. One of the ways of communication is sponsorship, and the effects of this type of communication are the subject of research in this paper. The growing trend of sponsoring investments stems from the unsustainable commercialization of everything that the marketing and media industry can exploit. Sleight (1989) defines sponsorship as a business relationship between a provider of funds, resources or services and an individual, event or organisation which offers rights that may be used for commercial advantage in return. Media activity, public relations and branding process through sponsorship present influential factors at a wider psychological level, and their long-term effect leave

consequences for the consumer and potentially influence their purchasing decisions.

Having a unique and memorable brand helps raise awareness about it and create a long-term favourable position on the market. Brand awareness is a measure that shows how well the brand is recognized within the target markets. Brand awareness is a key step in the process of communicating with the consumer and strengthening the value of the brand. If there is no brand awareness, other communication effects cannot be expected (Macdonald & Sharp, 2003). Brand awareness is also treated in AIDA marketing model (Awareness/Attention, Interest, Desire and Action), which describes stages in the purchasing decision-making process (Barry, 1987). Aaker (1991) further emphasizes the importance of investing in brand awareness as a key factor that influences the creation and maintenance of competitive advantage, as well as the strengthening of brand values in the long term. Moreover, Smith, Graetz and Westerbeek (2008) state that one of the main sponsors-



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hip goals is brand awareness, as a way to improve the overall image and value of the brand and the company itself. Before a company is able to induce positive associations and motivate consumers to purchase, it must contribute to raising awareness of its existence. If consciousness does not exist, the sponsor is more difficult to achieve other, more demanding goals, which ultimately lead to a rise in sales.

Global brands have integrated sport sponsorship into their strategic marketing programs, as it represents a long-term investment in creating a dynamic relationship between the brand and the consumer. Today, it's not unusual to see a few company logos in places such as sports facilities or equipment, because sport and corporations have become inseparable. In addition, the development of sponsorship in the field of football is such that it is almost unimaginable to think about professional football without sponsorship.

When talking about football, we need to highlight the difference between two types of supporters - loyal with season tickets, who regularly support their team and ordinary spectators who do not feel such strong connection with the team as the previous group. In a survey conducted by Biscaia, Correia, Ross and Rosado (2014), the focus was on comparison of brand awareness between these two target groups. The results showed that spectators first remember those sponsors whose logo is on team jerseys. Additionally, the highest level of recall exists with the sponsor whose logo is on the stadium for both categories of supporters. It is expected that loyal fans were more successful in identifying other sponsors than average viewers. However, two companies that were not sponsors, and are often present in the world of football, have been wrongly identified. This result shows that companies that generally sponsor sport can have long-term benefits - even in situations where they are not sponsoring the specific events. Nike, which has never been a sponsor of the Olympic Games, is often referred to as an example in the literature, and is always among the top five mentioned sponsors in research, precisely because of its engagement in sports and partnerships with athletes (Forbes, 2016).

During 2015, the club that earned the most through sponsorship is Manchester United (\$140 million). For a logo on the front of their jerseys, Chevrolet (General Motors) annually allocates \$80 million, Aon pays \$24 million a year for the stadium (for a secondary facility instead of the official Old Trafford stadium), and Nike allocated \$36 million for the sports equipment (Cheat Sheet, 2015).

Rising trend of sponsorship investment is explained by the fact that advertising through traditional media is becoming more expensive, while sponsorship is cost-effective and more reliable than conventional advertising (Meenaghan, 2001). Following the exponential growth of sponsorship investments, it is necessary to understand their efficiency for sport clubs and companies. A widely accepted mechanism for determining the effectiveness of sponsorship activity is awareness of sponsorship, and it is precisely the aim of this paper to evaluate the level of sponsorship awareness among Montenegrin consumers, loyal spectators of certain events or supporters of individual athletes, in order to confirm or reject the thesis that has been proved correct on the other markets.

From the perspective of the sponsor, brand awareness among fans is crucial in understanding the value and return on investment. Previous literature suggests that brand exposure by consumers, as well as congruence between sponsors and sports

entities, are crucial aspects for raising awareness of sponsorship (Biscaia et al., 2014). Numerous studies suggest that consumers who are loyal to the team or event can easily identify sponsors, which confirms their higher level of awareness. In his study, Madrigal (2004) found that consumers with a higher level of knowledge of the sport, and who are more emotionally involved, are more likely to observe and form opinions about the sporting event than the average viewer. He states this group of consumers will process more information about sponsorship than other groups, and at the same time it's more likely to seek additional information about sponsors. Therefore, the role of fans' attitudes toward the club must be taken into account when assessing brand awareness and sponsorship in the sphere of professional football, and sports in general. All in all, past empirical research on sponsorship effectiveness highlights fans' involvement and loyalty to sport entity as a necessary step in forming positive attitudes towards sponsor's products (Tsiotsou & Alexandris, 2009; McDonald, 1991; Nassis, Theodorakis, Afthinos, & Kolybalis, 2014).

Taking the previous research into consideration, authors assume that loyal fans who are dedicated to a team or an event, have a higher level of knowledge about the event and its environment, and therefore, they are likely to be aware of the sponsors of such team or event. Therefore, the aim of this paper is testing the sponsorship awareness among loyal fans and sport consumers.

Methods

Empirical research was conducted through an anonymous online survey. The questions were formulated in a way that the obtained data clearly contributed to the conclusion of the research problem.

In order to explore brand awareness, two measures are most commonly used - recall and recognition (Keller, 1993). By researching consumers' recall, consumers are asked to list the brand name, without any incentives. On the contrary, recognition refers to the ability of the consumer to indicate the prior exposure to the brand after being presented with a list of brands as an incentive. Therefore, a number of questions were of an open type, in order to facilitate the formulation of own responses by respondents, as well as revealing the level of awareness about sponsorship, which is especially important when examining the recall of sponsors. In contrast, closed-type questions, with multiple choice, are significant for the segment of the survey regarding recognition of the sponsor.

The survey was conducted in the first quarter of 2018. Sample consists of 250 respondents from Montenegro - 47.2% of men (118 respondents) and 52.8% of women (132 respondents). For the purpose of segmented access and data precision, five age intervals have been created. The age structure of the respondents is directly related to the defined primary target group of research, comprised of young people aged up to 35, as 86.8% of respondents belong to this sample segment. Besides age and gender, the level of education is the last criteria of the respondents' classification. Namely, students and respondents with a university degree are the dominant segment of the sample - 82.4%.

In order to interpret and analyze data from the survey, content analysis was conducted and the statistical method has been applied to the data processing for the purpose its graphical presentation and conclusions execution.

Results

Previous literature suggests that greater brand exposure by consumers, as well as an adequate link between the sponsor and the cause, makes it easier to identify the sponsor. Sponsorship awareness strongly influences the attitude towards sponsors, while the attitude towards the sponsor is one of the strongest predictors of purchase intentions (Biscacia, Correia, Rosado, Ross, & Maroco, 2013).

Following the established methodology for creating the order of the questions, before testing the level of sponsorship awareness for specific sport organizations and events, the

respondents, in the form of open questions, listed teams and athletes who they have been following for more than two years, as well as their sponsors. The results showed an extremely high level of sponsorship awareness when dealing with sport organizations and individual athletes, which is in line with the assumption that fans that follow a certain sport organization or athlete in the long run have a greater sponsorship awareness. Namely, as much as 90.6% of such respondents managed to accurately name companies sponsoring sport teams, while 72.7% were precisely named sponsors of individual athletes, which can be seen in the graph below (Figure 1).

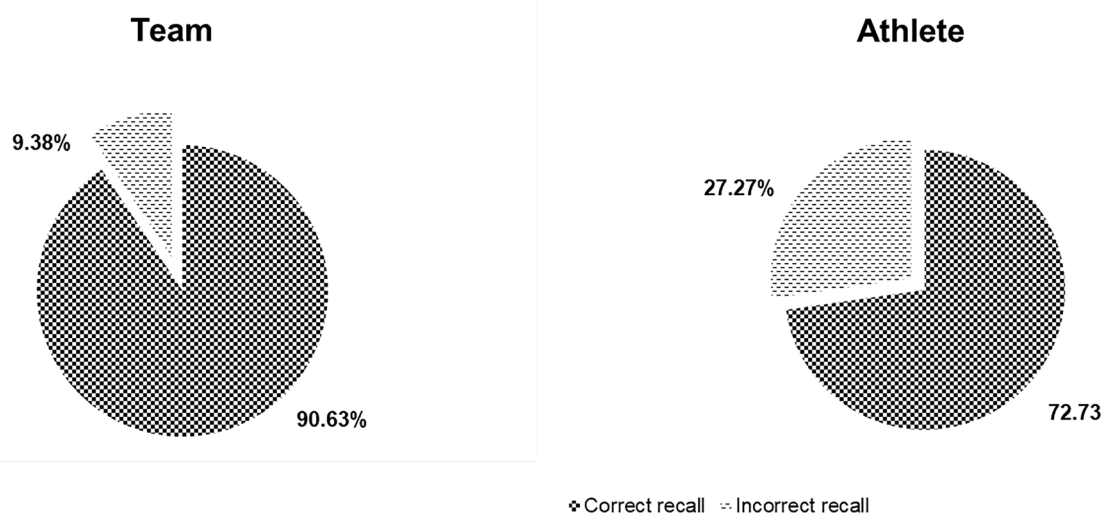


Figure 1. The degree of accuracy of the sponsorship recall

A lower level of sponsorship awareness when it comes to individual athletes can be explained by the misidentification of a sponsor of a club or a national team with a sponsor of an individual athlete. For example, among the respondents who incorrectly mentioned the sponsors, in 11% of cases, Legea, a sponsor of the Montenegrin national football team, is named as a sponsor of its member - Stevan Jovetic.

In contrast, respondents who listed athletes from individual sports (e.g. tennis players) linked tennis players and sponsors with 89.5% accuracy. In either case, respondents in both cases showed a high level of awareness of sponsorship, when it comes to their known sports organizations or individuals.

The most accurate linking of two parties is made for the sponsors who incorporate its brand name into the name of a sport club, as well as for jersey sponsors. This type of sponsorship, such as the cooperation between the Basketball club Crvena Zvezda Mt:s and Telekom Srbija (the name sponsor), as well as Real Madrid football club and Fly Emirates (jersey sponsor), is characterized by an extremely high level of recall. Namely, the level of recall when it comes to Montenegrin basketball club Buducnost Voli amounts to 91.2% for Voli, which is at the same time the name sponsor and sponsor whose logo stands out on the team's jersey.

In comparison, Bemax, which is also the sponsor of the club, whose logo is on the jersey, was listed by only 16.8% of respondents who follow Buducnost Voli. This difference can be explained by the participation of the club's basketball players in Voli's advertising campaigns, which are adequately presented by the media, as well as the general involve-

ment of Voli in the sponsorship activation in relation to other companies that support this club.

Similar results were achieved when referring to the sponsorship of the Montenegrin football team. Namely, out of the respondents following this team, 67.3% correctly identified the sponsors of the Football Association of Montenegro. Most recognized sponsors by the respondents are: Trebjesa Brewery (Niksicko Pivo) 35.5%, Crnogorski Telekom 28.4% and Legea 28.4%. Niksicko Pivo stands out on the basis of sponsorship activation. This company carries out extensive promotional campaigns and activities in which its brand relates to the national team. The obtained results are in line with the results of previous research, which highlight the sponsorship activation as an important factor in achieving competitive advantage among the group of sponsor companies (Papadimitrou & Apostolopoulou, 2009).

In the next set of questions, respondents expressed their opinion about a specific event - the Olympic Games, as the most important sport event in the world. The Olympic Games are especially significant from the aspect of sponsorship, given the global character and mass audience, as well as the amount of sponsorship investments. The results support this thesis - 56.4% of the respondents follow this event. Unlike the previous research segment, where recall was tested, this section examines recognition through multiple-choice questions, which is indicated in the literature as being easier for respondents. The results are shown in the graph below (Figure 2).

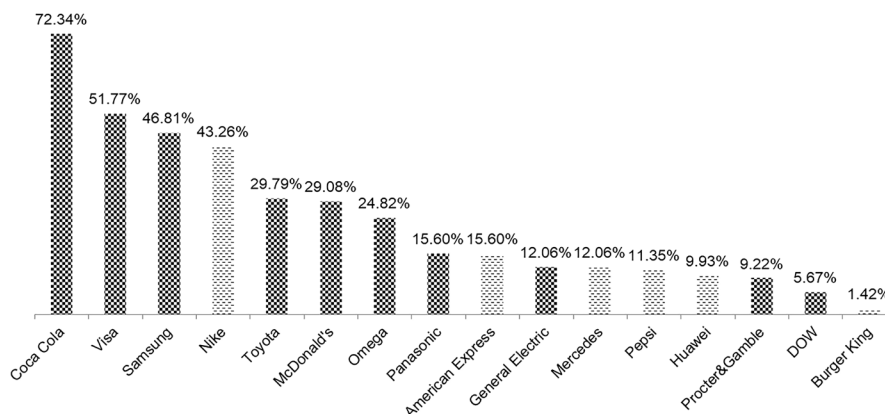


Figure 2. Identified sponsors of the Olympic Games

As shown in the figure, Coca Cola is recognized by the majority of respondents (72.3%) as a sponsor of the Olympic Games. The obtained results are not a surprise, since Coca Cola is the oldest sponsor of the Olympic Games. Its sponsorship activities date from the Amsterdam Olympic Games in 1928 (Coca Cola, 2018). In addition, this company is distinguished by the frequency and intensity of advertising related to the Olympic brand, the amount of sponsorship investments, the amount of money invested in sponsorship activation, and the number of Olympic athletes participating in its promotional campaigns. For the Olympic Games in Rio de Janeiro in 2016, Coca Cola has hired 79 athletes from 23 countries within its “#ThatsGold” campaign, which has been placed in over 50 markets (AdAge, 2016). Also, this company is trying to tie its brand strongly to Olympic values, and, for example, it sponsored the Olympic torch relay through 320 cities around the world (AdWeek, 2016b).

One of the interesting results is the high level of Nike’s identification as a Olympic sponsor, although this company has never been a sponsor of this event. Even 43.3% of respondents mistakenly identified this company as a sponsor.

The obtained results are explained by the fact that Nike was pursuing ambush marketing activities from the first commercial Games held in Los Angeles in 1984. One of the most striking examples originate from the 1996 Olympics in Atlanta, when Nike resorted to unfair trading by purchasing

a large amount of advertising space and time during the broadcast on NBC TV, largest radio stations and press, paying this media commitment \$ 35 million, which is almost twice as much as the amount the actual sponsor - Reebok paid for exclusivity (\$ 20 million). The ads featured Nike sport promoters - Olympic and NBA stars, while more than 1000 athletes competed wearing Nike Equipment at the Games. In addition to this campaign, around 130 billboards were posted in the vicinity of the courts (Trkulja, 2008). According to a survey conducted by Performance Research, 13% of sport enthusiasts recognized Reebok as an official sponsor and 18% identified Nike (Performance Research, 1996). This trend continued, and at 2016 Olympics, Nike’s „Unlimited“ campaign was the most effective one related to the Games, according to Google research (AdWeek, 2016). Namely, 34.4% of consumers in the US remember Nike’s TV ads, in competition with 12 brands with the highest frequency of online advertising, while the official sponsor - Coca Cola was second with 33% (Google Marketing Platform, 2016).

As the results of this empirical research show - global trends are present in our market. From the presented results, it is clear that Montenegrin consumers recognize companies as sponsors which tie their brand with the Olympic Games, such as Nike.

The following Figure 3. shows the relationship between the accurately and incorrectly identified Olympic sponsors.

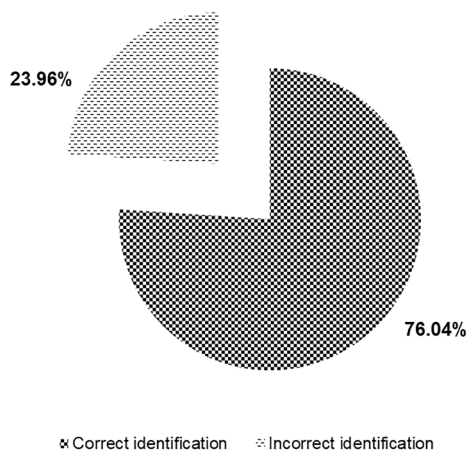


Figure 3. The degree of accuracy of the identification of the sponsor of the Olympic Games

Over $\frac{3}{4}$ of respondents, who are regularly watching the Olympic Games successfully recognized the sponsors of this event. This data indicates that consumers who follow a particular event have a higher degree of sponsorship awareness.

When it comes to other sport events, such as the Champions League in football, respondents showed a high level of sponsorship awareness, with a correct identification in 71.8% cases (Figure 4.)

Champions League sponsors recognition

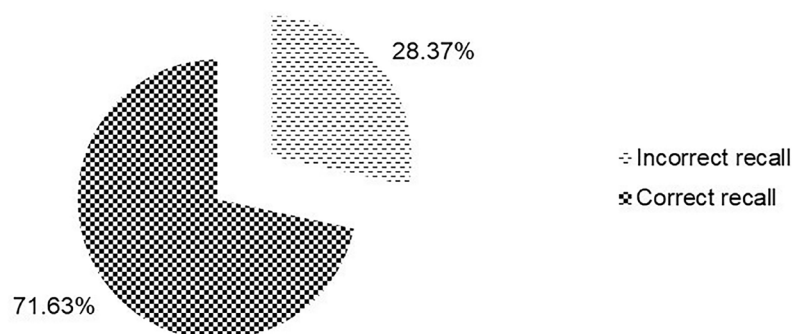


Figure 4. The degree of accurate recognition of the Champions League sponsors

Of all the listed brands, 83.6% of respondents identified Heineken as a sponsor of the Champions League, 75.8% and 34% recognized MasterCard and Gazprom, respectively. On the other hand, Samsung was incorrectly recognized by 24.1% of respondents, and Coca Cola by 4.9% of respondents. These results support the thesis that loyalty to the event positively influences the high level of sponsorship awareness. These results support the previous research conducted by Biscaia with a group of authors (2014), who also tested the level of sponsorship awareness of football and basketball fans. They came to the conclusion that those fans who have season tickets (making them loyal fans) demonstrated a higher level of knowledge and sponsorship awareness.

Discussion

In the last two decades, the concept of sponsorship, in response to the growing need for two-way communication, has developed from simple philanthropic activities to one of the most important ways of communication, and according to the IEG agency, companies are investing 23% of the total marketing budget in sponsorship, with a projected growth of 4.5% per annum (IEG, 2017). It allows connecting with consumers as no other medium so far, primarily because it involves a degree of altruism that does not exist in conventional marketing strategies and therefore is widely accepted and perceived as a marketing form that offers something in return. Sponsorship provides an efficient way of communicating with the target group, deepens the connection between businesses and consumers and leads to an increase in brand loyalty through the transfer of positive associations from sponsored events, organizations and personalities to the company. It gives a better impression, looks credible, and increases awareness of the company's social responsibility.

The results of the empirical research, on specific examples of sports events, organizations and athletes, have shown that greater brand exposure by consumers facilitates recognition of the sponsors. Additionally, the research identified factors that influence the effectiveness of sponsorship, in the form of sponsorship activation and management, as well as ambush

marketing. Results emphasize the importance of sponsorship activation, as the sponsorship investment itself is not enough to achieve the goals and the full sponsorship effect. In addition, ambush marketing contributes to creation of consumer confusion, and is a threat to corporate sponsorship, but also an efficient tool for companies that carry out such activities. Hence, the activities of ambush marketing, through contributing to the wrong identification of sponsors, have a significant impact on the sponsorship awareness.

Acknowledgements

There are no acknowledgements.

Conflict of Interest

The authors declare that there are no conflicts of interest.

Received: 09 January 2019 | **Accepted:** 28 February 2019 | **Published:** 01 June 2019

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