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Beyond brand exposure: measuring the sponsorship halo effect.
Lenny Vance Maria M. Raciti Meredith Lawley

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Beyond brand exposure: measuring the sponsorship halo effect

Introduction

Although sponsorship has become an ubiquitous marketing tactic, the lack of credible methodologies for the measurement and comparison of sponsorship outcomes has been identified as an important issue for the industry (Meenaghan and O'Sullivan, 2013). Sponsorship occurs across different types of activities and can be undertaken for multiple reasons (Dolphin, 2003; Mack, 1999; Quester and Thompson, 2001). For example, sponsorship of professional sporting activities is primarily undertaken to achieve brand awareness (Masterman, 2007) while sponsorships of activities such as amateur sport, arts programs or charitable causes are generally undertaken to foster community goodwill and enhance brand image (Mack, 1999; Quester and Thompson, 2001). This diversity in the objectives of sponsorships creates challenges for performance comparison, particularly for companies that develop portfolios of diverse sponsorships.

Halo effects in consumer research are defined as a tendency for a consumer’s beliefs about one dominant brand association to influence their other beliefs about a brand (Leuthesser et al., 1995). Sponsorship generates a halo effect through consumer awareness of, and goodwill for, the sponsor’s support for an activity favoured by those consumers (Fahy et al., 2002). Levels of consumer exposure to a sponsor’s brand at, for example, a sporting activity or a charity event is a tangible construct relatively easy to measure (Cornwell et al., 2005; Meenaghan and O'Sullivan, 2013). In contrast, any resulting halo effect is an intangible construct and is at the core of the measurement challenges (Meenaghan and O'Sullivan, 2013).

Research shows that many sponsorship managers believe sponsorships deliver long-term consumer based brand equity through increased awareness and improved perceptions of their brands (Cornwell et al., 2001). Yet performance evaluation is often limited to measures of brand exposure, namely audience reach and media coverage, leaving a critical gap between objectives and performance measurement (Meenaghan, 2013). While there is a need to measure the short-term tangible brand exposure from sponsorships, the focus of performance evaluation should include the less obvious outcomes: the halo effect arising from sponsorship awareness and goodwill.

This paper presents a methodology for measuring and comparing the halo effects of sponsorships in a portfolio. We use a matrix that combines levels of sponsorship awareness and goodwill. The goodwill levels are determined by comparing a sponsor’s brand attribute
ratings from consumers who are aware of a sponsorship with those who are not. The potential of the matrix for industry application is tested through archival analysis of six years of brand-track data supplied by an Australian company that employs sponsorship as a lead marketing tactic.

**Literature review**

**Sponsorship overview**

Sponsorship is defined as the purchase of exploitable rights associated with an activity to achieve various marketing related objectives (IEG, 2000; Masterman, 2007). Those rights, such as use of intellectual property and exclusive access to brand ambassadors, allow the sponsor to link its brand to the sponsored activity in order to conduct sponsorship-linked marketing; this is a wide-ranging practice that incorporates other communications tactics to achieve broader awareness of sponsor messages (Cornwell et al., 2005).

While consumer awareness of a sponsorship is an initial objective the impact of that awareness is critical to ultimately determining a sponsorship’s success (Meenaghan, 2013). This is because it is the purported goodwill and positive image transfer, resulting from the perceived altruistic intentions of the support provided, that gives sponsorship an advantage over more traditional forms of marketing communications (Dolphin, 2003; Meenaghan, 1999). In contrast, sponsorships that are perceived by consumers to be overtly commercial or have a less than credible association can have a negative impact on the sponsor’s brand (Fleck and Quester, 2007; Rifon et al., 2004). A misaligned sponsorship that conflicts with social norms, or the unpredicted anti-social behaviour of a key participant (such as a sponsored celebrity) can cause brand damage to the associated sponsors (Wilson et al., 2008). This is particularly relevant for companies operating in mass-market situations where it is critical to assess the halo effect (potentially negative or positive) (Polonsky and Speed, 2001).

Increased awareness of brands and an enhanced corporate image have been the sponsorship objectives most commonly identified in academic studies (Walliser, 2003). Sponsorships of professional sports are seen to be best suited to delivering awareness and commercially oriented objectives as a result of higher volumes of audience and media exposure. In contrast, sponsorship of arts or cause-related activities are more likely to be associated with community relations objectives (Cornwell et al., 2005; Quester and Thompson, 2001). Sponsorships for community relations are perceived by consumers to be altruistic and, therefore, more likely to result in enhanced brand image (Mack, 1999; Quester and Thompson, 2001). In contrast, commercially driven sponsorships are often perceived to
be overtly exploitative or egotistical (Garry et al., 2008; Rowley and Williams, 2008). However these two objectives are not mutually exclusive and it is common for companies to establish a portfolio of sponsorships targeting multiple objectives and broader brand related outcomes (Cornwell et al., 2001).

The literature shows there is a hierarchy of effects that may influence consumer responses to sponsorship exposure. These include: perceptions of congruence or ‘fit’ between the sponsor and the sponsored activity; a consumer’s relationship with both parties; and market and management factors (Cornwell et al., 2005; Meenaghan, 2001). This study is concerned with developing a methodology for measuring the actual outcomes of sponsorship rather than the level of influence that such variables may have and the two variables that are researched are sponsorship awareness and goodwill.

**Measuring the sponsorship halo effect**

Progress in sponsorship is hindered by reliance on audience and media exposure as key performance measures, and cost per impression formulae borrowed from advertising to determine financial values (Meenaghan, 2013; Newton, 2013). Such measurement techniques do not consider the complex halo effect outcomes of sponsor awareness and goodwill (Ryan and Fahy, 2012). Sponsor awareness is fundamental to generating goodwill and is commonly regarded as a primary indicator of the sponsorship halo effect (Meenaghan, 2001). Sponsor awareness can be measured using standard recall and recognition tests (Meenaghan, 2013).

Sponsorship goodwill arises from consumer belief that the sponsor’s investment benefits the activity (Meenaghan, 2001) and can be expressed in consideration and purchase of the sponsor’s products or services (Bibby, 2009; Polonsky and Speed, 2001). Therefore, it is as important to focus on the goodwill outcomes as it is on the levels of awareness achieved (Cahill and Meenaghan, 2013).

Consumer ratings of a brand based on a set of attributes are used in consumer research to determine the effect that various marketing tactics have on consumer beliefs and attitudes (Keller, 2003). Brand attributes that are reflective of a company’s image and reputation can be impacted by sponsorship as the sponsorship may increase the consumers’ levels of familiarity and liking for a company (Polonsky and Speed, 2001; Rifon et al., 2004). Familiarity and liking for a brand are considered to be drivers of positive halo effect (Wilkie et al., 1974) whereby a consumer’s preference for a brand based on one association influences their higher ratings of that brand on other attributes (Beckwith et al., 1978).
Measurement of consumer attitudes and beliefs is usually undertaken using brand-tracking studies (Zikmund et al., 2011). These are longitudinal quantitative studies that involve the collection of information from consumers at regular intervals. These studies provide baseline information by which managers can monitor the strength of their brand’s attributes and draw conclusions about the effects of marketing activities on consumer knowledge and attitudes for their brand (Keller, 2003).

Because of the diversity of sponsorship types and objectives, there is no single measure of sponsorship success. We propose that the halo effect, measured by combining sponsor awareness and its goodwill impact on brand attributes, is a relevant construct for measuring sponsorship performance. As this method involves two dimensions of measurement the use of a matrix framework is an applicable method of data presentation to facilitate comparisons of the performance of sponsorships within a company portfolio.

**Sponsorship portfolio performance matrix**

Marketers have used an assortment of statistical mechanisms to analyse product, brand or business portfolios (Zikmund et al., 2011). Portfolio techniques are popular in that they allow programs involving products or brands to be analysed in a methodical manner. Boston Consulting Group (BCG), McKinsey & Company and others have developed portfolio matrices to characterise and compare the performance of market alternatives (Abell and Hammond, 1979). The approach has been to construct matrix or ‘maps’ based on two axes that depict relevant dimensions to determine and compare positioning for subjects within a portfolio (Kotler et al., 2013). Subjects are depicted as circles in the matrix with the area of the circles representing their relative importance.

One of the main challenges for the use of matrix techniques is the selection of dimensions on which to compare subjects. Perceptual maps that analyse brand positions measure the way subjects are perceived by consumers (Kardes et al., 2008). BCG developed the business portfolio matrix based on measures of relative market share and potential market growth to determine the comparative performance of business units (Henderson, 1970). Similarly, McKinsey’s GE matrix is based on the dimensions of industry attractiveness and business unit strength (Collis et al., 1999). This paper proposes a performance evaluation matrix for the sponsorship halo effect based on sponsorship awareness and its goodwill impact on brand attributes (measured by comparing brand attribute ratings from consumers who are aware of the sponsorship with those who are not).
There are concerns regarding the use of sponsorship awareness as an evaluation measure based on misrepresentation and interpretation of the influence of prompted in comparison to unprompted awareness in survey techniques (Walshe, 2000). Nonetheless, sponsorship awareness is a crucial antecedent for attitudes and beliefs about a sponsor to occur. Therefore, awareness needs to be used as the primary dimension for sponsorship evaluation. Our study is an archival analysis of existing data where prompted awareness was used consistently across all six years of the brand tracking surveys.

**Gap analysis**

Measurement of sponsorship performance has been acknowledged as a deficiency in the sponsorship industry (Meenaghan and O'Sullivan, 2013). The diversity of sponsorship, the simultaneous use of other communication instruments, the influence of external factors and the lack of agreement with regard to credible metrics are given as reasons for the deficiency in measurement (Meenaghan and O'Sullivan, 2013; Walliser, 2003).

In conducting a comprehensive review of sponsorship studies, Walliser (2003) identified that the largest proportion of studies concerned with the measurement of sponsorship impact focused on awareness with only a limited number related to brand image effects. An emphasis in recent research has been the psychological processing of sponsorship by consumers - although awareness remains the predominant variable (Johnston and Spais, 2014). This reflects how the use of media exposure analysis as a performance measure is the norm in sponsorship management practice (Meenaghan and O'Sullivan, 2013).

In contrast, limited research has been applied to measurement methods for sponsorship impact on consumer perceptions related to the generation of goodwill. Bibby (2009) was able to demonstrate positive image enhancement for the Adidas brand resulting from sponsorship of the All Blacks rugby team during the 2003 rugby world cup. Similarly, the effect cause-related sponsorships (Becker-Olsen et al., 2006) and arts sponsorships (Quester and Thompson, 2001) have on a sponsor’s brand image have been examined.

Typically, these previous studies are of individual sponsorships and the examination of sponsorship in a portfolio context has received little attention (Cornwell, 2008). The development of a measurement matrix that accounts for both sponsorship awareness and goodwill and compares the effects of diverse sponsorships in a portfolio will address this gap in the literature. The objective of our study is to use historical brand track data collected by a sponsoring organisation to develop and test such a matrix.
Methodology

By utilising the two variables of sponsor awareness and goodwill, our matrix captures the two core outcomes of sponsorships and provides a visual tool for the analysis and comparison of sponsorships within a company portfolio. This study builds on the BCG framework to combine the two dimensions of awareness and goodwill to quantify the sponsorship halo effect (represented in the matrix by size of circle) and provide a holistic measurement for sponsorship evaluation.

To test the matrix concept our study, undertaken in 2013, used historical analysis of secondary data provided by a large Australian company that employed sponsorship as a lead marketing tactic. Use of secondary data is a cost effective method for the initial evaluation of a model that can later be tested through primary research (Aaker et al., 2004). The data provided for our study were drawn from a longitudinal brand tracking survey conducted over a six-year period to monitor the company’s marketing programs.

Data Collection

The subject company of our study is a government owned non-competitive supplier of electricity to approximately 700,000 consumers spread over a large area of regional Australia. For the purposes of this study the company supplied brand-tracking data it had collected from 2005–2010. During this period the company employed sponsorship for both commercially oriented and community relations objectives. Six major sponsorships undertaken by the company during the period 2005-2010 are included in our study and provide a cross-section of sponsorship types. The sponsorships cannot be identified due to commercial confidentiality but the study group comprised two commercially oriented sponsorships of professional sports and four community relations oriented sponsorships (Table 1).

<table>
<thead>
<tr>
<th>Sponsorship Orientation</th>
<th>Sponsorship Type</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercially oriented</td>
<td>Professional sport</td>
<td>PS1</td>
</tr>
<tr>
<td>Commercially oriented</td>
<td>Professional sport</td>
<td>PS2</td>
</tr>
<tr>
<td>Community relations</td>
<td>Community based sport</td>
<td>CBS1</td>
</tr>
<tr>
<td>Community relations</td>
<td>Community based sport</td>
<td>CBS2</td>
</tr>
<tr>
<td>Community relations</td>
<td>Cause-related activity (Environment)</td>
<td>CRA1</td>
</tr>
</tbody>
</table>
The company commissioned a research organisation to undertake the brand-tracking program. The principal aim of the program was to monitor the performance of the company’s marketing and communications campaigns and to gain insights into community beliefs and attitudes towards the company brand. The program was a quantitative study consisting of 60 weekly telephone interviews conducted across the company’s market region. Over 15,500 telephone surveys were conducted from 2005–2010, each of approximately 15 minutes in duration. Respondents were sourced from the company’s customer base and had to be >18 years of age and be solely or jointly responsible for payment of their household’s utility bills (i.e. electricity, telephone, gas, water).

During the interviews aided awareness levels of the company’s advertising, sponsorship and other marketing and communications activity were ascertained along with respondents’ perceptions of brand attributes. Those perceptions were measured using scales based from 0 (strongly disagree) to 10 (strongly agree). Using this research, comparisons could be made between the responses of those who were aware and those who were not aware of the company’s sponsorships. The difference in the ratings was assumed to indicate the level of goodwill generated by a sponsorship.

Being a historical analysis the researchers were only able to access data gathered using the existing variables employed in the company’s brand track. Five of these variables (Table 2) were selected from the data for use in our study because they were reported on consistently throughout the data collection period, thereby providing an acceptably functional data set. The variables were originally developed by the company’s marketing management team and research organisation to specifically reflect the company’s five-component corporate strategy: Customer, Safety, Network, People and Community. Each variable was designed to measure consumer focused brand attributes that the company considered to be strategic priorities based on qualitative research they had conducted into their customers’ expectations.

Table 2: Brand attribute variables utilised from the study data

<table>
<thead>
<tr>
<th>Brand attribute</th>
<th>Variable wording</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand attribute 1</td>
<td>‘The company is a trustworthy organisation’</td>
</tr>
</tbody>
</table>
Brand attribute 2 ‘The company is an active participant in the local community’
Brand attribute 3 ‘The company is an innovative organisation’
Brand attribute 4 ‘The company places safety first’
Brand attribute 5 ‘The company is committed to customer service’

Analysis methodology

The data was analysed in three stages. The six sponsorships were compared based on:
(i) levels of consumer awareness of each sponsorship (expressed as a percentage of the total sample); (ii) impact of awareness on the five selected brand attribute variables (expressed as the goodwill difference in ratings from those aware versus those not aware of the sponsorship); and (iii) a sponsorship halo effect (calculated as awareness × goodwill i.e. impact of awareness on attributes). The results of stages (i) and (ii) are presented graphically followed by the development of a four-quadrant matrix for stage (iii). We provide details as to how the longitudinal data was condensed for practical analysis.

The company data were provided as annual means of both sponsorship awareness and the impact for each of the sponsorships against each of the five brand attribute variables. To calculate mean sponsorship awareness (SA) figures for each of the six sponsorships, the annual awareness levels (provided as a percentage of the total annual sample) were added together and divided by the number of years (six).

In order to calculate an overall sponsorship goodwill (SG) measure for each of the sponsorships, the impact results for the five brand attribute variables were added together and divided by five, thus providing a composite score. Finally, multiplying the individual sponsorships’ awareness measures and goodwill measures gave a measure of the sponsorship halo effect achieved by each of the sponsorships. Thus:

\[
\text{Sponsorship Awareness} \times \text{Sponsorship Goodwill} = \text{Sponsorship Halo Effect} \\
(SA) \times (SG) = (SHE)
\]

Results

Table 3 presents the results of this analysis for each of the sponsorships in order of sponsorship halo effect (highest score at top) as well as sponsorship awareness and sponsorship goodwill. The attribute scores are the mean difference in ratings for each attribute provided by those aware and those unaware of the sponsorship.
Table 3: Calculation of sponsorship halo effect (SHE) from the study data

<table>
<thead>
<tr>
<th>SPONSORSHIP</th>
<th>IMPACT ON</th>
<th>Brand attribute 1</th>
<th>Brand attribute 2</th>
<th>Brand attribute 3</th>
<th>Brand attribute 4</th>
<th>Brand attribute 5</th>
<th>Mean</th>
<th>SA(^1) × SG(^2) = SHE(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRA2</td>
<td></td>
<td>0.33</td>
<td>0.65</td>
<td>0.65</td>
<td>0.40</td>
<td>0.53</td>
<td>0.51</td>
<td>29% × 0.51 = 0.15</td>
</tr>
<tr>
<td>CRA1</td>
<td></td>
<td>0.53</td>
<td>0.93</td>
<td>0.38</td>
<td>0.63</td>
<td>0.60</td>
<td>0.61</td>
<td>23% × 0.61 = 0.14</td>
</tr>
<tr>
<td>CBS2</td>
<td></td>
<td>0.20</td>
<td>0.60</td>
<td>0.20</td>
<td>0.30</td>
<td>0.37</td>
<td>0.33</td>
<td>23% × 0.33 = 0.08</td>
</tr>
<tr>
<td>PS1</td>
<td></td>
<td>0.13</td>
<td>0.50</td>
<td>0.10</td>
<td>0.10</td>
<td>0.20</td>
<td>0.21</td>
<td>32% × 0.21 = 0.07</td>
</tr>
<tr>
<td>PS2</td>
<td></td>
<td>0.07</td>
<td>0.53</td>
<td>0.08</td>
<td>0.10</td>
<td>0.13</td>
<td>0.18</td>
<td>32% × 0.18 = 0.06</td>
</tr>
<tr>
<td>CBS1</td>
<td></td>
<td>0.28</td>
<td>0.88</td>
<td>0.28</td>
<td>0.35</td>
<td>0.35</td>
<td>0.43</td>
<td>5% × 0.43 = 0.02</td>
</tr>
</tbody>
</table>

1 = Sponsorship awareness (combined annual % mean); 2 = Sponsorship goodwill (combined annual means of awareness impact on brand attributes); 3 = Sponsorship halo effect
The differences in performance based on sponsorship awareness (Figure 1) and sponsorship goodwill (Figure 2) are compared and reveals that commercially oriented sponsorships produced different outcomes to community relations oriented sponsorships.

**Figure 1:** Sponsorship awareness levels

**Figure 2:** Sponsorship goodwill levels
Due to the extent of media coverage of professional sport, those commercially oriented sponsorships achieved significantly higher levels of awareness than the other sponsorship types with the exception of CRA2 (Figure 1). This exception is attributed to the company’s promotion of their association with CRA2 by providing consumers the opportunity to donate to it when paying their electricity bill.

In terms of sponsorship goodwill, the data shows that all of the sponsorships had a positive effect across all five of the brand attributes thereby providing support for the thesis that sponsorship can generate goodwill towards a sponsor (Meenaghan, 2001). Figure 2 shows that the level of SG is highest for the community relations oriented cause-related sponsorships, followed by the community relations oriented community based sports sponsorships. SG was lowest for the commercially oriented professional sports sponsorships. These variations in SG occurred across all of the five brand attributes confirming that community relations oriented sponsorships contribute higher levels of enhanced goodwill than commercially oriented sponsorships (Cornwell et al., 2005; Quester and Thompson, 2001). The results support the proposition that sponsorships are more effective at generating goodwill when provided to recipients who are viewed as ‘more needy’ and when the intentions of the sponsorship are presented as sincere (Olson, 2010). Based on a combination of the dimensions of SA and SG, a sponsorship that delivers higher levels of both would intuitively be best suited to building long-term consumer based brand equity through its larger halo effect, particularly where the sponsor is operating in a mass-market environment.

Multiplying the individual SA and SG results provides a SHE score for each of the six sponsorships (Fig 3). These halo effect scores show that, despite the significantly higher levels of awareness achieved by the commercially oriented professional sports sponsorships, community relation oriented cause-related sponsorships achieve the highest halo effect due primarily to their greater positive impact on the brand attributes.
The study data are now presented in a matrix format (see Figure 4). SG is shown on the Y axis and SA is depicted on the X axis. Additionally, the SHE for each of the sponsorships is depicted by the relative sizes of the circles. There are no published studies that determine what constitutes an adequate level of sponsorship awareness and if this is applicable in all sponsorship contexts. A subjective median of 20% was set for this study of the matrix based on the awareness levels consistently achieved by the sponsorships over the six-year period. Similarly, a median of 0.4 was chosen for the goodwill measures based on the available data. The sponsorship portfolio performance evaluation matrix is designed therefore to be adaptable to a certain company’s context and provides an opportunity to assess the relative performance of sponsorships within, and plan strategies for ongoing management of, the sponsorship portfolio. A discussion of the implications of a sponsorship’s positioning in each quadrant follows.
Figure 4: Sponsorship portfolio performance matrix from study data

- **CBS1**
  - SHE = 0.02
- **CBS2**
  - SHE = 0.08
- **CRA1**
  - SHE = 0.14
- **CRA2**
  - SHE = 0.15
- **PS1**
  - SHE = 0.07
- **PS2**
  - SHE = 0.06

The matrix shows sponsorship goodwill (SG) on the y-axis and sponsorship awareness (SA) on the x-axis, with different sponsorship types represented as circles: **Eagle**, **Albatross**, **Fledgling**, and **Peacock** sponsorships.
Discussion

Quadrant 1 (Fig 4, top right-hand corner) depicts the highest levels of both awareness and goodwill and is where a company should aim for its sponsorships to be positioned. Sponsorships positioned in this quadrant have the largest bubbles based on their sponsorship effect volume. We term sponsorships in this quadrant as ‘eagle sponsorships’. They deliver a strong mix of high awareness and goodwill that help the brand soar to new heights. Consumers who are aware of these sponsorships may become brand advocates for the sponsor and having higher awareness levels creates a larger base of potential brand advocates. In this study it was found that both of the cause-related sponsorships (CRA1 and CRA2) were the most effective from the company’s sponsorship portfolio by achieving the highest levels of halo effect.

Quadrant two (Fig 4 bottom right) could be viewed as the domain of ‘peacock sponsorships’. The combination in this quadrant of high awareness/low goodwill means greater numbers of consumers are aware of a sponsorship that is generating lower levels of goodwill. This can lead to questions in consumers’ minds about the sincerity or validity of the association and, therefore, create challenges for the sponsor’s brand. The results from this example position both of the professional sports sponsorships in this quadrant and lead to a number of observations. High awareness of a sponsorship alone is not the key driver of the halo effect and, in this example, professional sport may be less capable than most other sponsorships in building halo effects.

Professional sport, due to its tribal and sub-cultural nature (Garry et al., 2008) and competitive context, can often polarise opinions. Consequently, although a team may enjoy prestige in a community, an individual consumer may not have affective commitment to the community of that team (Lings and Owen, 2007). An additional risk for professional sport sponsorships positioned in the ‘peacock sponsorships’ quadrant occurs when the sponsored athlete, team or code becomes embroiled in controversy that results in negative community perceptions. Based on the higher levels of awareness associated with these sponsorships there is greater potential for goodwill to be eroded rapidly across a larger group of consumers, ultimately providing a negative halo effect.

Strategically, a sponsor faced with ‘peacock sponsorships’ should be reviewing the events and activities of the sponsorship. One response is to work with the sponsorship rights holder to develop auxiliary programs that better resonate with the consumers and the broader community. For example, successful professional sport sponsorships should be seen to support junior development across the code and to integrate other programs that achieve

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broader community development outcomes. Such programs would add depth and substance to the sponsorship and mitigate the perceptions that the sponsorship is all about support for elite athletes or team performance with little benefit to the broader community. The increased levels of goodwill combined with the already high levels of awareness would enable these sponsorships to develop into the ‘eagle sponsorships’ category.

Quadrant three (Fig 4 bottom left) is the ‘albatross sponsorships’ category. A sponsorship that is achieving low goodwill and low public awareness scores would be a poor venture that would require not only significant effort to generate higher goodwill (such as with ‘peacock sponsorships’) but also an investment in promotion or leveraging to achieve higher awareness. Hence, vital marketing budget funds could be seen to be disappearing or a burden with ‘albatross sponsorships’, with little chance of an adequate halo effect return on investment.

Quadrant four (Fig 4 top left) can be viewed optimistically as the sponsor’s ‘fledgling sponsorships’. These sponsorships generate higher levels of goodwill but not enough awareness. Awareness is easier (than goodwill) to generate through sponsorship leveraging as it relates directly to promotion of the sponsor’s association with the activity. The activity itself doesn’t necessarily need to be changed but can be developed into an ‘eagle sponsorship’ by raising the sponsor’s profile at the activity or by using general advertising or other forms of communications to promote both the activity and the sponsor’s involvement.

Conclusions

Managerial implications

The sponsorship portfolio performance matrix is flexible in that it can be adapted for use by individual companies. Other relevant brand attributes could be substituted and the medians of the matrix axis adjusted to suit the portfolio being analysed. In such a situation the sponsorship portfolio performance matrix would be useful in monitoring an individual company’s sponsorship-linked marketing tactics. This particular example was used to reflect the community relations objectives of this company’s sponsorship program, we believe the matrix could be adapted to suit sales and market share objectives of companies with more commercially focused sponsorship programs.

Research has found that members of a successful sports team’s fan base (a sponsor’s direct target audience) are likely to engage in sponsorship related purchasing however, this is not necessarily the case for supporters of unsuccessful teams (Lings and Owen, 2007). The results of our study support the broader proposition that for sponsors to achieve positive
brand associations they must be perceived as a sincere enabler of activities that benefit both the activity audience and community at large rather than just purely commercially oriented events (Hoeffler and Keller, 2002; Becker-Olsen et al., 2006; Torres et al., 2012).

It is important for sponsors to base their sponsorship decisions on ‘transparent, evidence-based selection procedures’ (Johnston and Paulsen, 2014, p. 653). Our study shows a need for both broader community value and its visibility in sponsorships in order for a substantial halo effect to be realised. Community relations oriented sponsorships, in general, cost far less than commercially oriented sponsorships - such as those of professional sports. Therefore, the findings of this study indicate community relations oriented sponsorships, combined with a strategic leveraging program, would provide a larger halo effect return on investment than a high cost commercially oriented sponsorship.

As more companies look to sponsorship as a means of generating goodwill towards their brand, the managerial implications are equally important for rights holders of sponsored activities. Professional sports could add value to their sponsorship offerings, and may experience increased pressures from sponsors and fans alike to leverage their profiles and lend support for community relations activities. Meanwhile, cause-related or community service organisations could increase their levels of support from sponsors by placing greater emphasis on the broader community perceptions that result from their activities as well as helping to position sponsors as sincere enablers of those outcomes. As suggested by Ryan and Fahy (2012), by focusing on the expectations and motivations of all involved in a sponsorship network, and incorporating relationship portfolio management practices, a broad range of objectives and opportunities can result.

Our study demonstrates that a sponsorship’s halo effect can be measured and the sponsorship portfolio performance matrix presented is a framework through which numerous sponsorships that comprise an organisation’s sponsorship portfolio can be compared, evaluated and managed to meet longer-term brand equity objectives.

Limitations and future research recommendations

The volume of data collected across a six-year time scale provided a robust secondary data set because it negated any short-term market related impacts. To the best of the authors’ knowledge there are no published studies that determine what constitutes an adequate level of sponsorship awareness across sponsorship types, or the impact of awareness on brand attributes. Hence the medians chosen in this example are subjective and application of the matrix in other studies would require the calculation of germane medians. While this
indicates the flexibility of the sponsorship portfolio performance matrix, testing of the matrix across a broader spectrum of industry situations would be beneficial in developing more indicative and broadly applicable medians.

It is also noted that the brand attribute variables used were specific to the company used in this study and a more generic set developed from the literature would be desirable for future application. The secondary data set supplied also lacked behavioural-based metrics that would be useful to include for determining broader consumer based brand equity outcomes. Similarly, other factors, such as a consumer’s relationship with the sponsored entity and the sponsor and the perceived fit between these two entities, can determine sponsorship effectiveness (Close and Lacey, 2013; Cornwell et al., 2005; Olson, 2010) yet due to the nature of this archival analysis these factors could not be considered in this study. Development of the sponsorship portfolio performance matrix will benefit from inclusion of such metrics in future testing, as would the study of a broader set of sponsorships inclusive of other sponsorship types, such as the arts and other sporting codes.

The sponsorship portfolio performance matrix developed for this study contributes a framework to allow the sponsorship industry to assess and compare the performance of sponsorships. It fills gaps in the literature regarding the sponsorship halo effect and performance measurement.
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Author biographies

Leonard Vance is a Doctoral Candidate in the School of Business, University of the Sunshine Coast. Leonard’s research focuses on sponsorship evaluation. Leonard has worked in sponsorship and events marketing practice for 20 years. Leonard’s research has been presented at the 2013 Australian and New Zealand Marketing Academy Conference and the 2014 Australian and New Zealand Marketing Academy Doctoral Colloquium.

Maria M. Raciti, PhD. is a Senior Lecturer in the School of Business, University of the Sunshine Coast. Maria’s main research interests are services marketing and social marketing. Her articles have been published in journals including the European Journal of Marketing, Australasian Journal of Marketing, Journal of Services Marketing and Journal of Consumer Marketing.

Meredith Lawley, PhD, is an Associate Professor (Marketing) at the University of the Sunshine Coast. Meredith’s main research interests are international education and consumer behaviour in seafood consumption. Her articles have been published in journals including the European Journal of Marketing, Journal of Consumer Marketing, Discourse and Journal of Marketing Education.