

## CHAPTER 6

### PROBLEM STATEMENT, RESEARCH OBJECTIVES, AND HYPOTHESES / PROPOSITIONS

*"The known is finite, the unknown infinite; intellectually we stand upon an islet in the midst of an illimitable ocean of inexplicability. Our business .... is to reclaim a little more land", TH Huxley as quoted by Dane (1990:61).*

#### 6.1 Introduction

The literature review from Chapters 2 to 5 determined, in general, which elements should be included in a sport marketing mix and that sponsorship, in particular, is an important element in an integrated sport marketing communication mix. A major conclusion emanated from this review is that a theoretical base should be developed to link sponsorship objective-setting to sponsorship evaluation.

Such links were illustrated in two frameworks (which were postulated in Chapter 5). The first framework (Figure 5.1) illustrates a proposed sport sponsorship management process – as discussed in Section 5.2 in the previous chapter. The second framework (Figure 5.4) illustrates the proposed linkages (or relationships) between sport sponsorship objectives, audiences, the integration of marketing communication variables and sport sponsorship evaluation – as discussed in Section 5.3 in Chapter 5. The research methodology and design discussed in Chapter 7 will test the application and relevance of these frameworks to selected South African sponsors. In this chapter the formulation of hypotheses and propositions will be discussed as an introduction to the research methodology that will be outlined in Chapter 7.

#### 6.2 Problem statement

In Chapters 1 to 5 existing marketing literature was scrutinized to determine where sport sponsorship fits into the marketing mix. No literature references or research reports were found that provide any evidence on how South African sponsors make sponsorship decisions and whether sponsorship involvement holds any measurable marketing and communication outcomes in terms of *inter alia* profit, market share, sales volume, return on investment and image enhancement.

No reference to any locally used instrument designed to describe the South African sponsorship decision-making process was found in published literature. This thesis therefor serves as a seminal first step in creating a framework for developing a sponsorship decision-making model.

### **6.3 Objective of the study**

As stated in Chapter 1 the main objective of this study is to evaluate the importance of factors that effect decisions made by South African sport sponsors. Initially these factors were summarised as follows:

- The range of sport sponsorship objectives;
- Integrating marketing communication elements into sport sponsorships; and
- The range of evaluation tools that sponsors use to measure the effectiveness of their sport sponsorships.

Based on the theoretical discussion of the previous chapters, a framework to study those factors can be based on the following foundation:

- Sport sponsorship fits into the marketing communication mix but should not be studied in isolation from the broad field of sport marketing;
- Appropriate and measurable sport sponsorship objectives should be set that were derived from broad corporate and more specific marketing and communication objectives;

- The different elements (as identified in Chapter 5) of the marketing communication mix create a leverage effect on the effectiveness of the sponsorship;
- Target audiences should be specified when the marketing communication mix elements are integrated into the sponsorship; and
- The effectiveness of sport sponsorships should be measured in tangible terms.

In Chapter 1 a secondary objective was formulated: to develop a framework that can be used as a benchmark for further post-thesis research and development. The following is therefore envisaged:

- After evaluating the importance of and the relationship between sport sponsorship objectives, the integration of marketing communication mix variables, and the measurement of sport sponsorship effectiveness the intent is to develop a sport sponsorship decision-making model.

## **6.4 Research hypotheses and propositions**

In this section a number of research hypotheses and propositions that aim to address the research problem and research objectives will be discussed.

### **6.4.1 Research hypotheses or propositions?**

The combined use of research propositions and research hypotheses in this thesis needs some clarification. Dillon, Madden & Firtle (1994:417) and MacDaniel & Gates (1999:514) argue that a hypothesis is an assumption or guess that the researcher makes about some characteristic of the sample population.

Willemse (1990:117) defines a hypothesis as an assumption to be tested with the objective of making statistical decisions based on a scientific procedure. It is

an attempt to determine when it would be reasonable to conclude, from an analysis of a sample, that the entire population possesses a certain property.

Cooper & Schindler (1998:131) argue that the immediate purpose of exploration (research) is usually to develop hypotheses or questions for further research. They (1998:43) also state that research literature disagrees about the meaning of the terms proposition and hypothesis. Their definition of a proposition is that it is a statement about concepts that may be judged true or false if it refers to observable phenomena. When a proposition is formulated for empirical testing, they refer to it as a hypothesis.

#### 6.4.2 Testing the two proposed frameworks

The following research propositions and hypotheses cover the main areas included in the research instruments (to be discussed in Chapter 7) and provide a framework for testing two proposed frameworks and for organising the resultant research results and conclusions that will be discussed in the following chapters.

The propositions and hypotheses only apply to the research subjects, namely members of the Association of Marketers (ASOM) who sponsored sport and entrants to the 1999 and 2000 Raptor Award Competition - organised by ASOM. The term "ASOM-members who sponsor sport" relates to those ASOM-members who are involved in sport sponsorships and excludes those ASOM-members who will return empty questionnaires and have indicated that they are not involved in sport sponsorships.

The reasons for using these groups of sponsors as research subjects will be discussed in Chapter 7 but to introduce the discussion on testing the proposed frameworks it can be mentioned that ASOM is the only recognised not-for-profit organisation representing the corporate marketing fraternity. The Raptor Award competition is the only of its kind that recognises excellence in South African sponsorships.

#### 6.4.2.1 Testing the first framework (Figure 5.1 in Chapter 5 on sponsorship management) on ASOM-members who sponsor sport

Testing of this framework entails a descriptive statistical analysis of information supplied by ASOM-members who sponsor sport as research subjects.

Ten research propositions were formulated that may allow limited statistical analysis and will be judged according to the definition of Cooper & Schindler (1998:131) that a proposition is a statement about concepts that may be judged true or false if it refers to observable phenomena. The propositions will be accepted if they can be judged to be true or rejected if they can be judged to be false. The qualitative and quantitative analysis of questionnaire information and subsequent statistical testing will be described in Chapter 7.

##### a) Research propositions

Ten research propositions were formulated. A theoretical foundation was described in Chapter 5 and a framework (Figure 5.1) was developed that illustrates steps in sport sponsorship management. Each of the components of the steps was related to one or more research propositions. Following are the research propositions formulated. After each proposition the relevant statements (V) that relate to the components in each step, have been indicated.

P<sub>1</sub>: ASOM-members who sponsor sport indicate management principles as being important in their sponsorship programmes.

The response to statements (V1 to V18) (see Table 5.4 in Chapter 5) in section 1 of the questionnaire will be analysed on an importance scale.

P<sub>2</sub>: ASOM-members who sponsor sport indicate marketing and communication principles as being important in the management of their sponsorship programmes.

The response to statements (V19 to V27) (see Table 5.7 in Chapter 5) in section 1 of the questionnaire will be analysed on an importance scale.

P<sub>3</sub>: ASOM-members who sponsor sport indicate that it is important to integrate different marketing communication variables into their sponsorship programmes.

The response to statements (V28 to V44) in section 1 of the questionnaire will be analysed on an importance scale.

P<sub>4</sub>: ASOM-members who sponsor sport indicate that a wide range of sponsorship objectives is important in their sponsorship programmes.

The response to statements on sponsorship objectives (V45 to V81 in section 2 of the questionnaire) will be analysed on an importance scale.

P<sub>5</sub>: The sponsorship objectives considered as being important by ASOM-members who sponsor sport fit into the main categories of sponsorship objectives as identified in the literature review.

The sponsorship objectives (V45 to V81) regarded to be important by ASOM-members will be compared to those identified in the literature review. This proposition seems to overlap with P<sub>4</sub> that measures the range of sponsorships regarded to be important by ASOM-members. The difference is that P<sub>5</sub> measures whether those objectives (covered by P<sub>4</sub>) fit into the main sport sponsorship categories identified in Chapter 5.

P<sub>6</sub>: ASOM-members who sponsor sport consider a wide range of measurement tools/techniques as being important in measuring the effectiveness of their sponsorship programmes.

The importance assigned by ASOM-members who sponsor sport to sponsorship measurement tools/techniques (V82 to V162 in section 3 of the questionnaire) will be analysed.

P<sub>7</sub>: ASOM-members who sponsor sport indicate that it is important to scrutinise sponsees when evaluating sponsee sponsorship proposals.

The importance assigned by ASOM-members who sponsor sport to statements on evaluating sponsee sponsorship proposals will be analysed.

P<sub>8</sub>: ASOM-members who sponsor sport indicate a range of criteria to be important when determining the value of sponsorship proposals.

The importance of criteria (V175 to V188) to determine the value of sponsee proposals will be analysed.

Proposition (P<sub>7</sub>) and (P<sub>8</sub>) seem to overlap. Proposition (P<sub>7</sub>) measures those aspects concerning sponsees that ASOM-members who sponsor sport regard as being important to scrutinise. Proposition (P<sub>8</sub>) measures the criteria that ASOM-members who sponsor sport regard as being important when determining the value of the sponsees' sponsorship proposals.

P<sub>9</sub>: ASOM-members who sponsor sport indicate a propensity to prioritise the audiences they target in their sponsorship programmes.

The extent to which ASOM-members who sponsor sport prioritise sponsorship audiences (V189 to V204) will be analysed on an importance scale.

P<sub>10</sub>: ASOM-members who sponsor sport regard the components of Framework 1 (Figure 5.1) as important.

The analysis of the previous propositions (P<sub>1</sub> to P<sub>9</sub>) will lead to a conclusion on whether the framework or parts of the framework reflect aspects that ASOM-members who sponsor sport, regard as important factors affecting their sport sponsorship decision-making.

6.4.2.2 Testing the second framework (Figure 5.4 in Chapter 5 on Relationships between sport sponsorship management decision-areas) on Raptor Award Entrants

Testing of this framework entails in the first instance a qualitative analysis of information supplied by a selection of local sponsors (**Entrants to the 1999 and 2000 Raptor Awards Competition were combined - the competition started in 1999**).

No research hypotheses could be formulated because it is argued that statistical decisions based on a scientific procedure as prescribed by Willemse (1990:117) are not possible. The format of the entry form is open-ended and does not require the respondents to indicate perceptions or practices on a scale that makes extensive statistical treatment impractical.

Six research propositions (numbered from P<sub>11</sub> to P<sub>16</sub> to eliminate confusion) were formulated that may allow limited statistical analysis (basic frequency tables). The propositions will be judged according to the definition of Cooper & Schindler (1998:131) that a proposition is a statement about concepts that may be judged true or false if it refers to observable phenomena. The propositions will be accepted if they can be judged to be true or rejected if they can be judged to be false. The qualitative analysis of the entry form information will be described in Chapter 7.



a) Research propositions

P<sub>11</sub>: Entrants to the 1999 and 2000 Raptor Awards set objectives that fit into the main categories of sport sponsorship objectives.

The range of sponsorship objectives set by Raptor Award entrants will be compared to those main categories of sponsorship objectives identified in the literature review in Chapter 5.

P<sub>12</sub>: Entrants to the 1999 and 2000 Raptor Awards specify particular sponsorship audiences in their objectives and measure the desired effects among those audiences.

The entry form requires of the respondent to indicate which sponsorship objectives they set and which sponsorship audiences are targeted. A qualitative analysis will be made on whether the objectives include reference to the range of audiences specified.

P<sub>13</sub>: Entrants to the 1999 and 2000 Raptor Awards strive to leverage their sponsorship with other variables of the marketing communication mix.

The entry form requires of the respondent to indicate which marketing communication variables are employed to leverage the effectiveness of the sponsorship. The range of variables used will be qualitatively examined.

P<sub>14</sub>: Entrants to the 1999 and 2000 Raptor Awards use measurement tools and techniques that fit into the main categories (Behavioural measures; Recognition, recall & awareness; Media audits; Image and attitude; and Brand/service/ product effects) identified in the second framework.

The range of sponsorship measurement tools/techniques set by Raptor Award entrants will be compared to those identified in the literature review.

P<sub>15</sub>: There is a direct relationship between the objectives set by the entrants to the 1999 and 2000 Raptor Awards and the tools used to measure the effectiveness of their sponsorships.

The entry form requires of the respondent to indicate which sponsorship objectives are set and how the effectiveness of the sponsorship was measured. A qualitative analysis will be made on whether the objectives set reflect the way that the effectiveness of the sponsorship was measured.

P<sub>16</sub>: The second framework on the relationships between sport sponsorship objectives, audiences, integration of marketing communication variables and sponsorship evaluation postulated in chapter 5 (Figure 5.4) is applicable to entrants to the 1999 and 2000 Raptor Awards.

The analysis of the previous propositions (P<sub>11</sub> to P<sub>15</sub>) will lead to a conclusion on whether the second framework reflects how Raptor Award entrants link: *sport sponsorship objectives - to specified target audiences - to the use of different marketing communication variables to leverage the effectiveness of the sponsorship - to the eventual measurement of the effectiveness of the sponsorship.*

The second framework will also be tested to analyse its application to ASOM-members who returned their questionnaires - a statistical testing of questionnaire responses will be done.

6.4.2.3 Testing the second framework (Figure 5.4 in Chapter 5 on the relationships between sport sponsorship management decision-areas) on ASOM-members who sponsor sport

It is also questioned whether ASOM-members who sponsor sport indicate similar relationships between sponsorship objectives, integration of marketing communication variables and sponsorship evaluation as those linkages indicated by Framework 2 (Figure 5.4).

The opinions of ASOM-members who sponsor sport on the following aspects will be examined: the importance of relationships between sponsorship objectives; integrating marketing communication to leverage the effect of the sponsorship; and the importance and use of sponsorship evaluation tools.

Four research hypotheses were formulated that may allow for more extensive statistical testing as stated by Willemse (1990:117). A qualitative judgement by the researcher, based on comparing the statistical results of the H<sub>1</sub>-H<sub>4</sub> hypotheses will be used to determine whether ASOM-members who sponsor sport indicate similar linkages as those illustrated in Framework 2 (Figure 5.4.)

a) Research hypotheses

**H<sub>1</sub>** There is a correlation between the importance of different categories of sponsorship objectives and the importance of different categories of sponsorship measurement tools (as indicated by ASOM-members who sponsor sport). (A possible sub-hypothesis will also be discussed in Chapter 8).

The questionnaire requires respondents to indicate the importance of a range of sponsorship objectives and the importance of a range of sponsorship measurement tools. The direct relationship will be tested by correlation analysis and statistical treatment.

This hypothesis might seem to overlap with the (P<sub>4</sub>)- proposition (discussed earlier). This proposition covers the range of sponsorship objectives that ASOM-members regard as being important, while H<sub>1</sub> measures an assumed

direct relationship between the range of sponsorship objectives regarded as being important and the range of sponsorship evaluation tools regarded to be important.

**H<sub>2</sub>** There is a correlation between the importance of different sponsorship measurement tools and the utilisation of those tools (as indicated by ASOM-members who sponsor sport).

The questionnaire requires respondents to indicate the importance of a range of sponsorship measurement tools and the extent to which sponsors use these tools. The relationship between use and importance will be tested by correlation analysis and statistical treatment.

This hypothesis seems to overlap with the P<sub>6</sub>-proposition (discussed earlier), but it measures two aspects - the relative importance of sponsorship evaluation tools and how often those tools are employed. The proposition only measures which measurement tools/techniques are regarded as being important.

**H<sub>3</sub>** There is a correlation between the importance of the different variables of the marketing communication mix that can be integrated into the sport sponsorship programmes (as indicated by ASOM-members who sponsor sport).

The importance of a number of marketing communication variables, as indicated by the respondents will be measured to determine their relationship to each other and to sport sponsorship.

**H<sub>4</sub>** There is a correlation between the importance of the cross-impact of the different marketing communication mix variables that can be integrated into the sport sponsorship programmes (as indicated by ASOM-members who sponsor sport).

In Table 5.14 a cross-matrix was suggested. This hypothesis covers the importance of the cross-impact of different marketing communication variables that ASOM-members use in their sponsorships (the important variables identified in Chapter 5 were: corporate public relations, marketing public relations, sales promotion, personal selling, promotional licensing and direct marketing). The cross-impact of each variable will be tested by correlation analysis and statistical treatment.

This hypothesis might seem to overlap with the  $P_3$ -proposition (discussed earlier). This proposition covers the range of marketing communication variables that ASOM-members include in their sponsorship, while  $H_4$  measures the perceptions that ASOM-members have on the cross-impact effect between sponsorship and the marketing communication variables used in the sponsorship.

## 6.5 Conclusion

**This chapter** stated that the main objective of this study is to evaluate the importance of factors that effect decisions made by South African sport sponsors.

A number of research propositions and hypotheses were formulated to cover the main areas included in the research instruments. These research propositions and hypotheses also provide the basis for testing two proposed frameworks (Figure 5.1 and Figure 5.4).

**In the next chapter** the research methodology will be outlined and discussed.