



The Management of Sport Sponsorship: A Case Study

Author: Silas Matlala

Student Number: 96285070

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Email: silas.matlala@tigerbrands.com

Cellular: 0824487186

Tel: 011 840 4107

ABSTRACT

Sponsorship, and particularly sport sponsorship, continues to grow ahead of all other forms of marketing communication in stature and spend. As a result, there is a growing need for proper sponsorship management and accountability within organisations.

The objective of the study was to evaluate how an organisation manages sponsorship to effectively enhance brand image, a long-term differentiator for brands.

Focusing on the Energade brand, a qualitative case study method of research, using data from secondary sources and face-to-face interviews, was used to test the propositions developed through literature review.

The study indicated that effective management of sponsorship entails setting of consistently aligned and prioritised objectives. In order for a sponsorship to enhance brand image, the sponsorship has to be leveraged at an optimal ratio; the sponsored property has to be congruent with the sponsoring brand at an intrinsic, positioning, and communication objective levels; and lastly, in order for sponsorship to effectively enhance shift brand image, its association with a sponsored property has to be long term.

The Energade sponsorship fell short of enhancing the brand's Image. Whilst having some of the prescribed affective sponsorship management practices, a number of limitations were identified. Recommendations for managing sponsorship to enhance brand image, from planning, execution and evaluation were presented. Setting of objectives should be more rigorous, leverage activity and non-sponsorship messages should be complementary, sponsorship congruency should be beyond functional fit, and long-term sponsorship of a single property is more effective than sponsoring different properties over time.

Key Words: Sport Sponsorship, Sponsorship Objectives, Leverage, Congruency, Brand Image.

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DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Silas Letaya Matlala

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1. INTRODUCTION TO THE RESEARCH PROBLEM

1.1. RESEARCH TITLE

The Management of Sport Sponsorship: A Case Study

1.2. INTRODUCTION

Meenaghan (1999 p.1), noted that, “It’s now widely accepted in the marketing and media circles that sponsorship represents one of the most rapidly growing sectors of marketing communication activity”. According to Jankelowitz (2011, p.20), joint managing director at mscsports “Sponsorship has the potential to overtake traditional media like television as the de facto medium and platform of brand communication; if not in spend, at least in frequency”.

The sponsorship medium continues to be touted as the next best form of brand support relative to other traditional mediums like TV and print. In this regard Jankelowitz (2011, p.20) opined that, “sponsorships are far more powerful in this regard than any other form of advertising. This is because sponsorship is a unique opportunity to connect with consumers at the heart of their passion, to truly engage fans and get the best return on investment”.

According to the International Event Group (2011) (IEG) , sponsorship spend, at \$46 for 2010, continues to grow unabated at 3.9%, ahead of other forms of brand communication, with advertising growing by 2% and sales promotion declining by 3.3%. The IEG’s (2011, p2.) stated that “as it has been in most of the past two-plus decades, sponsorship’s growth rate will be ahead of the pace experienced by advertising and sales promotion”.

Types of sponsorship vary. These include philanthropy, arts, causes, events, festivals, tours and sport. In 2010, Sport sponsorship accounted for 68% of the sponsorship spend, whilst this form of sponsorship grew by 3.4% in, vs. the 3.9% total sponsorship growth, the 2011 forecast is that sport sponsorship will grow ahead of all forms sponsorship, at 6.1%, vs. an average 5% category growth. (IEG, 2011)

This unabated growth, however, poses challenges for all parties involved. Koenderman (2011, p.44) put this into perspective noting that:

“Because of the rising cost of acquiring sponsorship right, the amount spent on leveraging a sponsorship has fallen to its lowest comparative level on record. That in turn has reduced the effectiveness of the sponsorship, thus inducing the sponsors to cut back on sponsorships while, while putting pressure on rights owners to raise rates even further”

The South African market sport sponsorship market is deemed by McCallum (2010) to be excessively overpriced. In support of this stance McCallum (2010) sites the case of Investec, a South African born bank, that has opted to sponsor an English soccer team, the New Zealand Super 14, and the Derby racehorse; which serves to highlight the expensive nature of the South African market, inflated in part by the 2010 FIFA World Cup. McCallum (2010, p24) commented on this in saying that “back at home, Standard Bank, who are retrenching 2000 staff, have announced their sponsorship of South African cricket will finish at the end of the current season, that’s a loss of R100 million. Standard Bank has also stopped the backing of Pirates and Chiefs, while Vodacom has withdrawn from the Stormers, Western Province, Newlands and the Vodacom Championship golf tournament”.

However, despite the escalating costs, the medium of sponsorship continues to grow in popularity. The recent IRB’s 2011 Rugby World Cup saw an announcement of various

sponsorship deals for the South African Rugby team (the Springboks). These included Unilever's Shield underarm deodorant and Vaseline's lotion sponsorship, as well as BMW's sponsorship of the same property. This is an indication that there is as much interest from organisations to use sponsorship, as there are those who consider the medium too inefficient to return competitive value and have subsequently indicated a willingness to exit sponsorship.

According to Dolphin (2003) sponsorship has evolved from being just a brand building concern, to being a corporate function, and has thus become a management concern. Dolphin (2003, p.171) suggested that, "whilst brand awareness is usually an immediate benefit of sponsorship, in the long term, sponsorship may be used by the company for stakeholder engagement, enhancing corporate reputation and image, and to improve employee morale; elevating sponsorship to a much broader strategic function. The implication of this is that a much more rigorous management of sponsorship is required".

Furthermore, the strategic role that sponsorship plays for both corporate and the product or brand means that decision making around sponsorship goes beyond the marketing or public relation departments, as demonstrated by recent sponsorship announcements in the media.

Announcing SASOL's (petro chemical company) decision to withdraw from sponsoring the South African National Rugby, Lean Strauss, SASOL's Senior Executive stated that "We're very proud of our association with the Springboks and had certainly hoped our significantly increased offer would have found traction with the union", (Moneyweb, 2010).

Similarly, after Standard Bank announced sponsorship withdrawal from both soccer (Orlando Pirates and Kaizer Chiefs) and Cricket (South Africa's national team and a domestic competition); the bank's Director of Group Marketing and Communication, Sarah-Anne Orphanides had this to say:

“in the current tough economic climate marketing does have to work a lot harder, there has to be the assurance that real value is generated for each rand spent.....sports rights costs in South Africa and internationally have escalated significantly and the costs have increased faster than the costs of other marketing opportunities. The returns have diminished in recent years as escalating rights fees restrict the ability to leverage properties effectively to derive appropriate brand and awareness benefits" (Moneyweb, 2010).

From the above, it becomes clear that as sponsorship continues to grow in popularity, new organisations seeking sponsorship opportunities drive the cost of the medium up. As a result there is growing pressure on marketers to be more accountable and discerning when employing sponsorship as a form of brand support. A point noted by both Dolphin (2003, p.172), who argued that “as the amount of money devoted to sponsorship increases, it becomes an imperative for managers to account for the effectiveness of sponsorship”; and Meenaghan (1998) observation that a more “hard-nosed” corporate attitude now underpins sponsorship decision making and management.

The above argument serves to highlight the importance of sponsorship as a marketing medium, the importance of managerial decision making involved in sponsorship, as well as the organisational costs associated with the sponsorship medium.

One of the pertinent management practices around sponsorship is the setting of sponsorship objectives; be it at a corporate or product level (Thwaites, 2004). Sponsorship objectives vary, and can be corporate specific such as corporate image enhancement, stakeholder engagement, philanthropy; or brand specific such as short-term brand awareness growth; induce trial, to long term building, changing or entrenching a desired brand image or association (Bennet, 1999; Meenaghan, 1999; Gwinner & Eaton, 1999; Ghors, & Resinger 2005; Chavanat, Martinet & Ferrand, 2009) as well as purchase intent specific (Pope & Voges, 2000).

Setting and reviewing objectives assist managers in sponsorship decision making. Jankelowitz (2011, p.20), argued that “before attempting to enter this highly competitive field, it is however of the utmost importance to establish clear objectives around what it is that your brand would like to achieve through the association with the relevant sponsorship property.....practical objectives should be a definitive start and an end goal”.

When Enzo Scarcella, Vodacom’s Managing Executive for Marketing (2010) was interviewed regarding the role and change in focus of the company’s sponsorship activity; the following was noted:

“Yes – there is a definite evolution of how those objectives would flow and what activity flows out of those objectives.....what we do is there are a number that we track and the four probably high level ones are firstly exposure and awareness. So first, how much *exposure* we got, what *kind of awareness* that drove - those are the first two and those are basic. Then what we look for is *affinity* - how does that translate into enhanced positivity for the brand, and then finally where it really matters, *is propensity to purchase*. So, exposure to awareness, to affinity, to propensity to purchase Obviously we've achieved that now against our big markets in rugby and in soccer and in golf. So where we move to now on what objectives we are trying to achieve, is more around commercialising those sponsorships and entrenching our relationship with consumers who follow those sponsorship properties,”

The comments above illustrate that setting objectives is important for proper review and evaluation, which enables management’s decision making concerning sponsorship.

Whilst researchers differ regarding which objective is crucial; the consensus is that ultimately, sponsorship builds brands. This study focuses on the objective of brand image, as this measure,

according to Kotler and Keller (2006) is long-term and sustainable and ultimately differentiates the brand from competitor.

For sponsorship to be effective at achieving its objectives, enabling conditions in the organisation need to be in place. Meenaghan (2000) and Tripodi (2001) emphasised the role of leveraging spend, that is, additional money (over and above the sponsorship rights) spent by the brand to communicate and support its sponsorship. Walliser (2003) and Grohs, Wagner and Vsetecka (2004) argued that for sponsorship to be successful; supporting and enabling management practices around sponsorship – including objective setting, effective execution, stakeholder management and (continuous) post-sponsorship assessment are required. Verity (2000) furthermore argued that the lack of management support is one cause for perceived sponsorship inefficiency in an organisation.

a) Business Rationale

The above serves to illustrate the point that the management of sponsorship is a complex and interlinked process. Management practices, including deciding to use sponsorship for the brand or organisation, formulating and agreeing objectives, execution of sponsorship programs, evaluation methods used and subsequent decisions to either continue or terminate the sponsorship, by either party, are recognised as a complex process. Hence this study sought to evaluate how organisations manage sponsorship to build brands.

b) Academic rationale

Similarly the literature above highlights the importance of the topic of sponsorship to academia. Yet Bouwens (2009, p.9) noted that “as sponsorship grows in popularity and prominence, most of research around sponsorship concerns the effectiveness of sponsorship as a medium. Research around the enabling area of sponsorship i.e. management practices of sponsorship, is not as developed as the former stream of research.” Hence this study aims to contribute and build on the literature around management of sponsorship

1.3. THE RESEARCH MOTIVATION AND PURPOSE

The evolution of sponsorship is illustrated by the changing definition over time. Whilst O'Reilly (1985) defined it as a “form of corporate donation”, Meenaghan (1991, p. 36) defined sponsorship as “an investment in cash or kind, in an activity in return for the access to the exploitable commercial potential associated with that activity”.

The above serves to illustrate how sponsorship has evolved to be a business (commercial) relationship between two parties, as opposed to the one way relationship it used to be (Bouwens, 2009). As a consequence, sponsorship demands accountability as there is emphasis for sponsorship to deliver returns; and as a result effective management of sponsorship has become imperative (Dolphin, 2003).

Management practices around sponsorship are an important area that can contribute to the effectiveness of sponsorship (Verity, 2000; Walliser 2003). Despite an appreciation that sponsorship is a complex initiative, Hoek (1998) expressed concerns that the management practices relating to sponsorship remain undeveloped. Cornwell and Maignan (1998) as well as Chadwick and Thwaites (2005) highlighted a continuing failure amongst academics and practitioners to understand how sponsorship should be managed. Furthermore, Speed and Thompson (cited in Chadwick & Thwaites, 2005), argued that there is much still to learn about management of sponsorship.

Empirical research studies devoted to understanding the management practices required for effective sponsorship remain scarce. Whilst both the professionalisation and commercialisation of sponsorship heightened the interest of the academic research world around the topic, the majority of research has mainly focused on investigating the area of effectiveness of sport sponsorship as a medium; whilst the area of sponsorship specific management practices remains undeveloped (Karg, 2007; Bouwens, 2009).

There is therefore a need for research into the management practices concerning sponsorship, and how these affect the effectiveness of sponsorship. This study sought to contribute towards the body of knowledge for academia and practitioners as well as assist in management decision making and practice with regards to sponsorship utilisation in the brand building efforts.

The purpose of this research, was therefore, to investigate, using empirical data, how an organization *manages* sport sponsorship effectively to achieve brand objectives, in this case brand image.

2. LITERATURE REVIEW

The theory reviewed in this section includes:

1. An overview of sponsorship
2. The Marketing context for Sponsorship – an Integrated Marketing Communication (IMC) approach
3. Management practices around sponsorship, with particular emphasis on
 - a. Sponsorship objective Setting
 - b. Congruency between sponsor brand and the sponsored property
 - c. Leveraging the sponsorship
4. A discussion of sponsorship objectives in the context of Brand marketing continuum
 - a. Brand Image

The literature was also used to formulate propositions for the study.

2.1. SPONSORSHIP – AN OVERVIEW

Various definitions for the term ‘sponsorship’ exist. Meenaghan (1991) defined sponsorship as an investment, in cash or in kind, in an activity in return for access to exploitable commercial potential associated with that activity. Conversely Wallisser (2003) defined sponsorship as a form of marketing effort, a brand building activity based on an exchange between sponsor and sponsored, that pursues marketing (communication) objectives by exploiting the association between the two.

Since this study focused on sport sponsorship, Tripodi’s (2001) definition was used. Tripodi (2001 p. 96) defined sponsorship as “the provision of assistance by a commercial organisation (sponsor), in cash or kind, to a sports property (sponsee), in exchange for the rights to be associated with that sports property for the purpose of gaining commercial and economic advantage”. This definition purports that sponsorship (a) is utilised as a marketing tool or more specifically, a promotional instrument, and (b) it is undertaken by organisation and brands to extract commercial benefits.

The medium of sponsorship has continued to grow ahead of traditional advertising mediums like television, print, radio, and sales promotion. Trended figures from the International Events Group (IEG) (2011) report indicated that in 2010, global sponsorship spends grew by 5.2% to \$46.3 billion. Drivers of sponsorship growth included:

- the popularity of the medium, as it is perceived to be more effective than traditional advertising due to its experiential nature, and hence its ability to cut through clutter (Jankelowitz, 2011)
- increased leisure activities and sporting events, e.g. action sports, and interest in them (Meenaghan, 1999)
- greater media coverage of sponsored events, (Meenaghan, 1999; Bouwens 2010)

- Reduced efficiencies of traditional media advertising (e.g. clutter and zapping between television programmes,) but also the increasing sophistication of consumers and cynicism associated with traditional advertising, (Meenaghan, 1999; Dolphin, 2003; Grobler 2007)
- hyperinflation, compounded by global events such as the FIFA Soccer World Cup (Koenderman, 2011)
- escalating costs of other forms of advertising (e.g. Television)

According to Bennet (1999), the advantage that sponsorship has over other traditional mediums like advertising mediums is that sponsorship can be used to achieve multiple objectives (for example awareness and trial through sampling at events), and since sponsorship is largely experiential in nature, it is able to cut through clutter more effectively.

Advertising messages are generally more direct, explicit and can be easily controlled, whilst sponsorship is more indirect and subtle; and thus can overcome certain communication barriers that exist and has virtually unlimited target selection possibilities (Crimmins & Horn, 1996; Meenaghan 2001). Through a sponsorship property or event, “sponsorship does not try to change perception of the brand in frontal assault. Rather, sponsorship improves the perception of a brand by flanking our beliefs about the brand, and linking the brand to an event that the target audience already value highly” (Crimmins & Horn, 1996).

Types of sponsorship vary, including arts, events and sports. This study concerns itself with sports sponsorship, which was defined by Tripodi (2001, p. 96) as “the provision of assistance by a commercial organization (sponsor), in cash or kind, to a sports property (sponsee), in exchange for the rights to be associated with that sports property for the purpose of gaining commercial advantage”.

Relative to other forms of brand communication, such as TV, Radio or Print advertising; the medium of sponsorship is relatively new. As a form of marketing communication, sponsorship

only come into prominence around the late 1970's, and continues to grow in prominence (Meenaghan, 2000; Walliser, 2003). The continued growth of sponsorship spend is testimony that this form of brand support has merits. Of importance to note though is that whilst research into other forms of communication is developed; research into sponsorship, especially outside of the Western world, is still in a developmental state (Walliser, 2003).

2.1.1 Researching Sport Sponsorship

Sport has evolved into a professional commodity over the years. The growing interest in professional sport has turned it into a lucrative business, generating large revenues annually (Boshoff & Gerber, 2008). Relative to other sponsorship opportunities such as arts sponsorship; sports sponsorship accounted for 68% of the share of spend in 2010 (IEG, 2011). As sport sponsorships are generally accepted as more successful than other forms of sponsorship (Walliser, 2003), sport sponsorship is recognised as a communication instrument that should be given serious consideration..

2.2. MANAGEMENT PRACTICES FOR EFFECTIVE SPONSORSHIP MANAGEMENT

In brand marketing and communication, as in business, there are inherent risks. “Sponsorship is not without its inherent risks” argued Copeland, Frisby and McCarville (1996, p.33). Corporations are inundated with requests for sponsorship funding, however cannot always ensure that events will be executed in the quality manner or that an adequate return on investment will be achieved (Copeland et al., 1996).

Organisations, via the brand management team, own and are custodians of brand(s). It is therefore the responsibility of the brand management to decide to incorporate or withdraw a medium of sponsorship into the marketing communication mix and it is management that decides to change the sponsorship property. Hence, management practices, including decisions

and actual execution of sponsorship, can be expected to have an impact on the effectiveness of sponsorship.

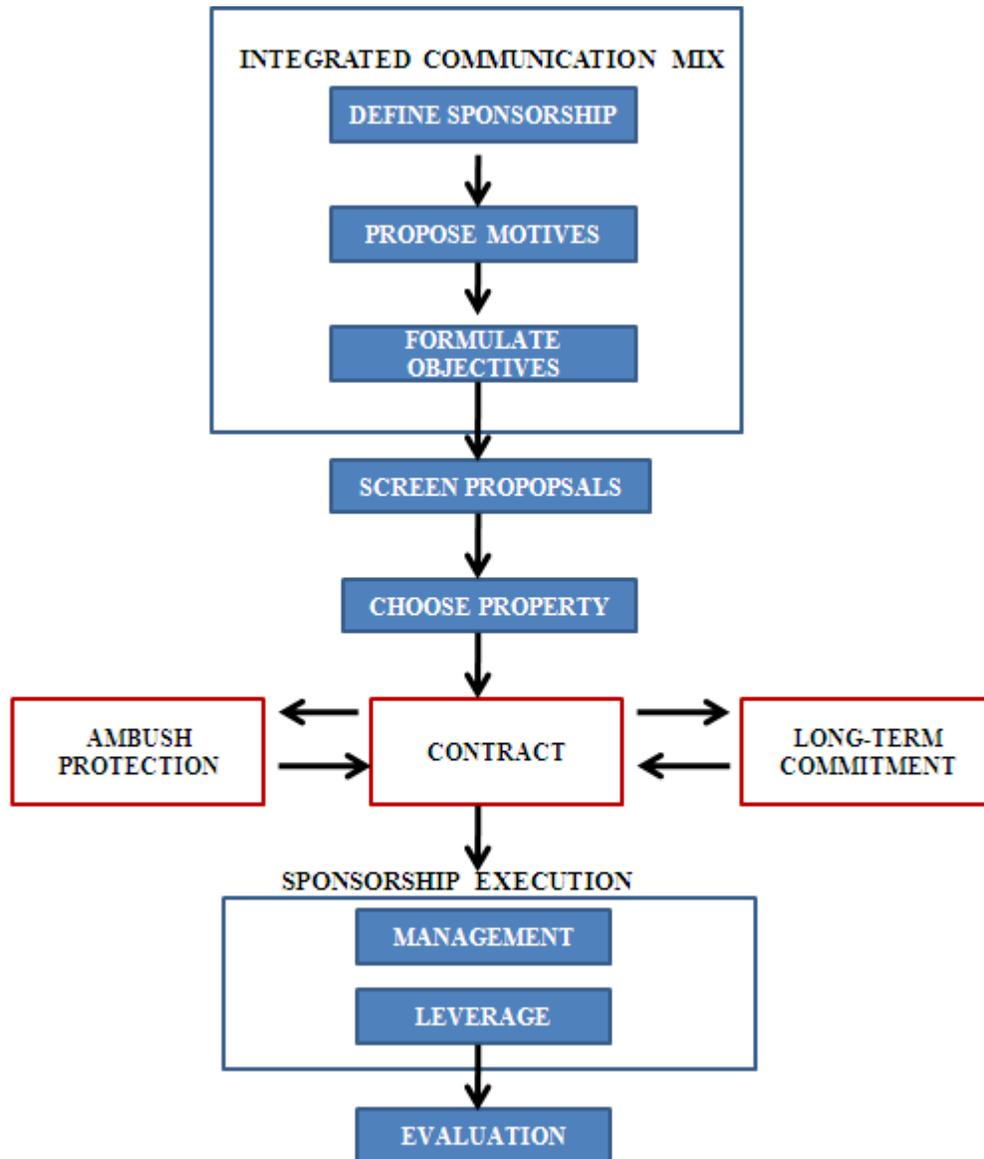
With sponsorship evolving from being largely philanthropic in nature to being a commercial relationship; management practices relating to sponsorship have similarly evolved; from a manager's or CEO's "pet" to focus on accountability and objectives criteria development, especially with regards to event or property right selection to post-event evaluation (Copeland et al., 1996, p. 46)

Copeland et al. (1996 p.46) suggested that "additional research is needed to address the questions relating to a) the dynamics of the sponsorship process and b) client reaction to sponsorship initiatives. In addition, in-depth case study analyses of all parties involved in sponsorship relations over time would shed light on the dynamics of the process".

If sponsorship is to make efficient contribution to an organisation's marketing and communication objectives, it is essential to develop a comprehensive framework for its management (Thwaites, 1995). "The application of a structured and systematic approach will mitigate many deficiencies identified in the process" (Thwaites, 1995, p. 151). The need for sophisticated sponsorship models has led to the development of various frameworks for sponsorship management, with all frameworks seeking to collate the key components of managing sponsorship (Karg, 2007).

Irwin and Asimakopoulos (1992) proposed a conceptual framework (see figure 1 below), which Thwaites (1995), and Chadwick and Thwaites (2004, 2005) employed into the semi-longitudinal study of shirt sponsorship contracts in the English professional football leagues. Similarly, Bouwens (2009) used the framework to evaluate the management of sponsorship in the companies based in the Netherlands.

Figure 1: The Process Model of Sport Sponsorship Implementation



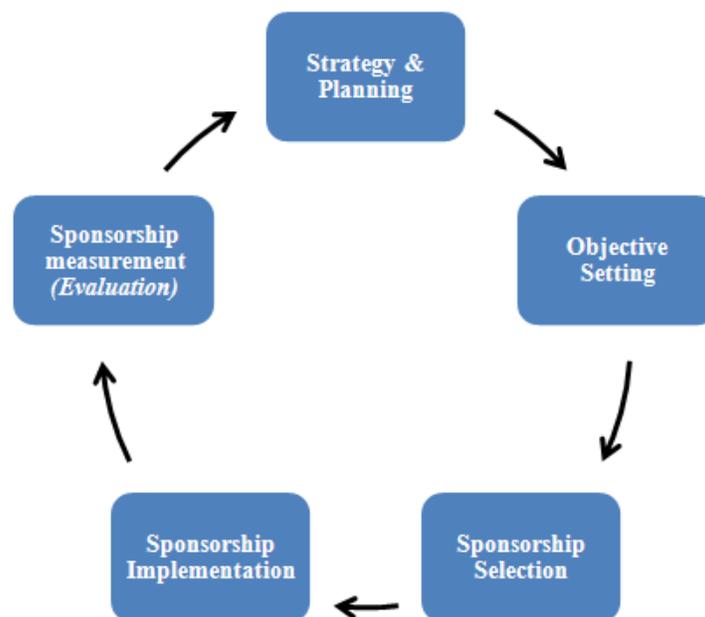
According to the model above, sponsorship is firstly part of an integrated communication mix, and like most communication efforts, the type of sponsorship that a brand pursues has to be defined, and objectives have to be formulated to facilitate evaluation.

The second component of the model alludes to the fact that once an organisation has decided to engage with sponsorship and screened proposals a formalised contract can then entered into. In broad terms the contract protects the sponsor against ambush marketing, as well as formalising the commitment of each party to the relationship.

Similarly the actual execution of sponsorship is important as compared to traditional advertising like television and print, when it comes to sponsorship, managers have little control over the ultimate execution of the sponsorship, especially activation at the event (Meeneghan, 2000).

Criticism for the initial Process Model of Sport Sponsorship Implementation centres around its portrayal of sponsorship management as a linear, top to bottom, or end-to-end structure; assuming a “once-off event” management approach (Karg, 2007, p. 3). Karg (2007, p.3) argued that “a large amount of sponsorships are ongoing in terms of the relationships or the properties”. To this end, Karg (2007) proposed a Cyclical Sponsorship Management Framework (see figure 2 below).

Figure 2: Cyclical Sponsorship Management Framework (Karg, 2007)



The cyclical representation shows an ongoing, evolving, strategic nature of the discipline and serves to better demonstrate the interrelationships between various key phases (Karg, 2007). This framework is noted as being “inclusive of the components of previous frameworks” as well as relevant to relationships of an ongoing nature, allowing for periodic measurement and re-evaluation or re-setting of objectives” (Karg, 2007, p. 3).

This study adopted the cyclical framework because each sponsorship relationship (in terms of the brands involved, objectives sought, the event or property involved) is different in nature; hence a general level of flexibility is sought.

2.2.1 Researching the management practices of sponsorship management

Whilst crediting Thwites and Chadwick’s work for giving momentum around research devoted to understanding effective management of sport sponsorship, Boewens (2009, p.9) noted that “as sponsorship grows in popularity and prominence, most of research around sponsorship concerns the effectiveness of sponsorship as a medium. Research around the enabling area of sponsorship i.e. management practices of sponsorship, is not as developed as the former stream of research.”

Bemoaning the underdevelopment of research around sponsorship management alongside growth in sponsorship as a communication medium, Karg (2007, p.2) commented that “throughout this period of growth, sophistication of management techniques has not increased in relative terms”. Thus the industry requires more rigid and accountable management frameworks and techniques.

Walliser (2003), conducting a 30 year international review of sponsorship research, could only identify 36 (14 of which are reported in non-English languages) studies analysing the managerial aspects of sponsorship, of which only 14 were published after 1995.

Encouragingly though some headway on the research stream around sponsorship management is being made. Some of the studies, with each touching on one or more components of the proposed sponsorship management frameworks, are summarised in the table below:

Table 1: Summary of a selection of studies that looked at various aspects of Management practices around sponsorship:

Year	Author(s)	Area of Origin	Specific areas of research	Main Findings and/or conclusions
1995	Thwaites	Europe: United Kingdom	<ul style="list-style-type: none"> • Evaluated sponsorship management in the professional football, to establish adherence to the frameworks advocated in the literature – in this case the Process Model of Sport Sponsorship Implementation. 	<ul style="list-style-type: none"> • Objectives: A valuable aspect of sponsorship is the ability to contribute to the fulfilment of objectives at both corporate and brand level. Was poorly articulated • Evaluation of sponsorship effectiveness: largely unsophisticated, given the non-rigorous objective setting. Media coverage, which is a flawed measure, was used by most respondents to evaluate sponsorship effectiveness. • Leverage: There was inadequate leverage spend. • Critical success factors: i) Clear rationale (i.e. objective) for sponsorship involvement ii) Development of specific objectives and iii) professional management by all involved.
1996	Copeland, Frisby, and McCarville	Canada – North America	<ul style="list-style-type: none"> • Sponsorship (property) Selection • Sponsorship Evaluation • Sponsorship Discontinuation 	<ul style="list-style-type: none"> • Most companies prefer sponsorship properties that enable them to conduct “spin-off” promotions i.e. leveraging, as well as enhancing brand image. • Most companies default to using sales increase to evaluate sponsorship, yet they acknowledge the limitation with this measure. • Top reasons for management to terminate (not renew) sponsorship include a) Little value/return on investment, b) budget constraints, c) change in brand strategy, and d) failure to deliver on objectives are the most

1997 & 1998	Farrelly, Quester, and Burton	Australia and North America	<ul style="list-style-type: none"> • Sponsorship Management • Integrating sport sponsorship into corporate marketing function 	<ul style="list-style-type: none"> • Sponsorship management skills, which is related to time spent in role, influences how companies manage sponsorship effectively, from proposal assessment to evaluation. • Decisions and management of sponsorship is an involved process, and thus require dedicated personnel and department.
1998	Thwaites, Aguilar-Manjarrez and Kidd	North America – Canada	Management Practices a for effective sponsorship	<p>The authors summarise a framework of conditions (in the company) that are necessary for sport sponsorship to be effective. These include:</p> <ul style="list-style-type: none"> • Establishment of <i>functional or individual responsibilities</i> for sponsorship. They argue that sponsorship is best placed within the marketing department, as opposed to public relations. • <i>Integration</i> of sponsorship into the overall communication mix • Development and application of <i>rigorous</i> (sponsorship property) <i>selection process</i>. • Effective <i>implementation</i> – including <i>leverage</i>, which is proposed at the ratio of 1:3. • Development and application of <i>realistic and quantifiable objectives</i> (either at brand or corporate level).
1998	Arthur. D, Scott. D, Woods, T. & Booker, R.	Australia	Building on Thwaites et al (1998) study, evaluated the prevalence of the Process Model for the Effective Implementation and Management of Sport Sponsorship	<p>Similarly, found that sponsorship companies in Australia were not rigorous enough regarding effective management of sponsorship. Recommended that, in order to be effective, sport sponsorship should:</p> <ul style="list-style-type: none"> • Be <i>Defined</i> i.e. is it simply for patronage, philanthropy, or as a competitive strategic objective. • Be an <i>Appropriately</i> selected promotional medium

				<ul style="list-style-type: none"> • Be <i>Objective</i> led e.g. corporate or brand image, awareness, or volume and sales increase • Be <i>Integrated</i> – it should be implemented in concert with, and complement the other four “P”s of marketing. • Be <i>A Long Term Commitment</i> – as opposed to a once-off. The association and pay-off, takes time. • Be <i>Protected from Ambush</i> – by employing trademark rights • Be <i>Leveraged</i> – for every dollar spend on acquiring sponsorship rights, extra \$3 is required to spend supporting the sponsorship. • Be <i>Evaluated</i> – there various measures to evaluate Sponsorship, including media coverage, and surveys on exposure/awareness, recall & recognition, attitudinal and image transfer, sales uplift, or guests feedback.
2004	Van Heerden and du Plessis	South Africa	Quantitative exploration of sponsorship decision-making among a selection of South African sponsors. And can these be applicable elsewhere.	<ul style="list-style-type: none"> • Objective setting and measure remain the tow most important aspects of sponsorship management. • However, there remains a bias towards media coverage objective; as opposed to brand marketing objectives i.e. brand awareness, affinity and sales impact. • More than half of the sponsorship manager’s time is devoted to sponsorship planning • Sponsorship managers spend far little time scanning the environment by visiting sponsored events for learning. • Sponsorship evaluation takes a far less time of the managers • Budgeting – despite acknowledgement that leverage spend is key, most sponsorship budget is geared towards sponsorship rights acquisition. • There is a high consideration on the professionalism and

				<p>business sense of the sponsored property</p> <ul style="list-style-type: none"> • Where evaluation is performed, it is hampered by utilisation of non-sponsorship mediums, e.g. using traditional advertising testing methods to evaluate sponsorship.
2004 and 2005	Chadwick & Thwaites	Europe: United Kingdom	<p>Evaluate the usage of the recommended framework in management of sponsorship within the English soccer clubs.</p> <p>Use lessons from English Football to examine and comment upon the practice of sponsorship management – building on the 1995 study by Thwaites.</p>	<p>While there is some evidence of improving good practice i.e. adherence to the framework and the recommended steps; a continuing failure to effectively manage sport sponsorship persists.</p> <ul style="list-style-type: none"> • Objective setting: Lack of rigorous and strategic approach towards objective setting. Despite that brand association and image transfers are accepted as pay-offs form a sponsorship deal. • Screening and selection: influenced by locality of the sponsored event, and to an extent, personal preferences. • Contract Content: most effective sponsorship programs have a minimum of 3 year contract instead of the recommended longer duration. • Execution of the deal: execution should include Leverage, at minimum, on a dollar-for-dollar basis; although the recommended ratio is 1:3 sponsorship rights: leverage spend. • Evaluation: The predominant evaluation criterion remains media recognition and mention. This flawed measure results difficulties when deciding to renew and continue (or not) with the sponsorship.
2007	Karg, A.	Australia	Through multiple case-studies of analysing major sponsorship for seven international sporting	<ul style="list-style-type: none"> • Whilst Objective setting varies from being corporate to marketing specific, behavioural affects objectives (in the form of sales increase) are often concluded as the ultimate motivation for sponsorship.

			events, evaluates sponsorship management practices around elements of Objective Setting and Evaluation – through	<ul style="list-style-type: none"> • Only a few companies have shown signs of setting measurable, specific objectives to assist measurement • There is increased agreement that whilst media exposure as a measurement of sponsorship success is valid, it remains limited. • Cognitive tracking used by sponsoring brands do not link the effect of sponsorship • There is no concerted effort to separate various marketing efforts on the sales performance • All respondents agreed that the cyclical model of sponsorship is more relevant than the one-way linear model.
2009	Bouwens, T.	Europe	Sport Sponsorship Management	<p>There is an appreciation that management of sponsorship to achieve a competitive advantage is complex. A professional and Effective Management of Sport sponsorship entails the following:</p> <ul style="list-style-type: none"> • Clear and articulate setting of Objective – understood and agreed upon by all the parties involved (i.e. sponsor, agency, and sponsee) • Pro-active screening and selection of properties matching the sponsor’s corporate/brand image, culture, and product • Long-term sponsorship contract • Sufficient Activation (i.e. Leverage) spend. On which the subjects of the study performed poorly. • Dedicated Sponsorship department – even if it is housed within a larger Marketing department.

The common theme across the studies was consistent with the framework(s) discussed previously. In all cases, studies had found that elements of planning, strategy and objectives are common starting points; incorporating the link between corporate or organisational strategy, sponsorship, target markets, and motivation in sponsoring various properties (Karg, 2007). In various formats, and to varying degrees, studies have consistently established the following to be consistent in effective management of sponsorship:

Step 1: Review of corporate/brand Strategy, Marketing plans and Objectives – it is essential, at an early stage, to establish the strategic relevance (for example, answering the question why a corporate opts to use sponsorship) of sponsorship as a tool; deciding where the functional responsibility for sponsorship lies; and how sponsorship will be integrated with other communication and promotion activities (Meenaghan, 1999, 2000; Thwaites, 1995; Tripodi 2001; Karg, 2007).

Step 2: Identification and prioritisation of specific sponsorship objectives (brand and corporate) – clear, concise, realistic, quantifiable and most importantly prioritised objectives should be developed. Furthermore, these objectives must take into account and be based on knowledge of the market and the workings of the sponsorship medium, (Thwaites, 1995).

Step 3: Identification of evaluation criteria – weighted according to the prioritisation (step 2).

Step 4: Screening and selection of sponsorship proposals – To ensure that sponsorship proposals are appropriate and will contribute to the organisation’s objectives, it is suggested that a comprehensive and rigorous screening is implemented. The criteria can include “sole sponsorship” “length of sponsorship contract”, “fit with corporate or brand positioning” (Arthur, Scott, Woods, and Booker, 1998)

Step 5: Implementation of selected sponsorship proposals: The key being an emphasis on *leverage* spend. Most sponsorship programs fail because managers treat sponsorship and expect it to work like classical advertising (Tripodi, 2001). Most studies emphasise that the sponsorship fee represents the cost of association and further expenditure is necessary to capitalise on it (Meenaghan, 2000).

Step 6: Evaluation of the sponsorship's effectiveness in achieving prescribed objectives: whilst there is an acknowledgement of difficulties attached to measuring sponsorship effectiveness because of simultaneous use of various ingredients of the mix, the carry over effect of earlier promotions and exogenous environmental factors (Meenaghan, 1999), there is a general agreement that measures of exposure, awareness, image, sales effectiveness and guest feedback are possible (Meenaghan, 1999; Verity, 2001; Boshoff & Grobler, 2007).

The summary of studies presented above is consistent with Karg's (2007) proposed cyclical model.

Whilst issues around effective management vary; the focus of this study was on:

- .1. Management Practice: Setting Sponsorship Objectives
- .2. Sponsorship Implementation – independent variables
 - .2.1. Congruency
 - .2.2. Leverage
 - .2.3. Duration
- .3. Sponsorship Effectiveness Evaluation
 - .3.1. Brand Image – a dependent variable

2.3. SETTING SPONSORSHIP OBJECTIVES

The one major area of management practices that has received lot of attention from researchers is the practice of sponsorship objectives, (Verity, 2000; Tripodi, 2001; Walliser, 2003). All promotional tools employed by marketers should be utilised with the aim of achieving set objectives. The medium of sponsorship is no exception (Tripodi, 2001).

Tripodi (2001) proposed that by having measurable objectives allows for comparable return of investment calculations that serve to inform future sponsorship decision making. The setting of objectives enables the sponsoring company to under-take a post evaluation of the sponsorship in accordance with these objectives, thus creating effective management of sponsorship via tangible evidence of their investment (Tripodi, 2001).

Bennet, Henson and Zhang (2002) emphasises the need for marketers to clearly define the objectives of any sponsorship investment. Bennet et al. (2002), argued that without clearly articulated business objectives, it becomes difficult for marketers to decide when to continue sponsoring, what event or rights holder to support, and how to execute sponsorship. Pope and Voges (2004) reported a direct link between the setting of sponsorship objectives and the evaluation process as well as the length of sponsorship agreements.

Pope and Voges (2000) furthermore argued that generally, sponsorship objectives can be placed into three categories: (a) media objectives (such as. achieving cost effectiveness or reaching target market, (b) brand marketing objectives (such as brand promotion, generating a sales increase) and (c) broader corporate objectives, which are principally image based.

Hartland, Skinner and Griffiths (2005) used the case of the Welsh Rugby Union to demonstrate how an organisation's sponsorship objectives evolved over time. At launch of

a brand or organisation, the sponsorship objective is largely focused on media coverage, thus creating awareness (Hartland et al., 2005). Over time the objective focus however shifts to more tangible results such as attracting revenue, growing sales, and enhancing the corporate or brand image (Hartland et al., 2005).

During the early evolution of sponsorship, media objectives were the key measure, (Meenaghan, 1999; Tripodi, 2001; Walliser, 2003). Marshall and Cook (1992) as well as Bennet (1999) argued that even in cases where organisations recognised objectives beyond traditional media objectives; few attempted to evaluate their sponsorship activities beyond the basic measurement of media coverage.

Critics have however continually questioned the media coverage objective. Walliser (2003) argued that the fact that a sponsoring brand has been mentioned does not necessarily mean that people have noticed the brand, or that there has been an association formed with the sponsored brand (Walliser, 2003). Hence, over time, the focus has shifted to the marketing objectives, including brand awareness brand recall, brand recognition, and brand association, as well as purchase intention (Tripodi, 2001).

The shift in focus has however not been accompanied by action. Verity (2000) and Walliser (2003) bemoaned the lack of rigorous objective setting and evaluation of sponsorship. Reasons noted for not evaluating effectiveness included the cost and uncertainties involved; absence of meaningful criteria involved; and lack of clear initial objectives (Allen, 1990; Thwaites, 1995; Bennet, 1999).

Furthermore, the integrated nature of sponsorship marketing communication has also advanced as a hindrance to appropriate objective setting and evaluation. Thus while it is widely accepted that employing an Integrated Marketing Communications (IMC) approach results in the Gestalt, in which the whole being greater than the sum of its parts, the downside of the IMC is that makes it even harder to isolate and measure the impact of each activation effort, including sponsorship, on various brand metrics.

Despite the protests above, sponsorship success is dependent upon whether sponsorship objectives were achieved Tripodi (2001). Thus, the formulation of objectives is important as the post-sponsorship assessment is otherwise diluted. Meenaghan (2001) recommended a threefold evaluation procedure: firstly, determination of company's present position in terms of pre-sponsorship awareness and image with the target audience; secondly, tracking to detect movements in customer attitudes towards the brand; and thirdly, the post-sponsorship comparison in consumer attitudes towards the brand.

This literature and its associated theories underscore this research's first proposition:

Proposition 1: Setting clear and measurable objectives enhances effective sponsorship management.

2.4. THE MODERATING VARIABLE OF SPONSORSHIP EFFECTIVENESS

Dolphin (2003, p. 181) commented that “sponsorship has transformed itself into a powerful component of an integrated communication strategy. But is it powerful on its own or does it requires leverage to be at its most effective?” In support of this Endrogan and Kitchen (1998, cited in Dolphin 2003), suggested that companies fail in their sponsorship efforts because they do not support the event (sponsored) with adequate advertising.

Similarly, Barros, de Barros, Santos, and Chadwick (2007) argued for congruence between the sponsoring brand and the sponsored property or event. This is because, it is easier for people to form an association between two properties i.e. the sponsoring brand and the property, if the two do not create a cognitive dissonance within those observing the event (Barros et al., 2007).

Lastly, Scott et al (1998) argued that despite continuous debate as to the optimum period required for a sponsorship program to be effective, the consensus is that sponsorship should be a long term commitment.

These sponsorship management practices, essential for effective execution of sponsorship, are discussed further below.

a) Leveraging

For sponsorship to be effective leverage spend is required, that is, the additional money spend around the sponsorship to support the property rights spend (Tripodi, 2001). According to Thwaites et al. (1998, p.35) “sponsorship without (leverage) support is like buying advertising space then having nothing to show. You end up with a blank screen or empty page”. If sponsorship is to be effective, it must be supported by complimentary marketing components such as advertising, promotion, point-of-sale, on-pack signage and production of merchandise (Thwaites et al., 1998).

Because (sport) sponsorship is a flexible medium, leveraging opportunities such as licensing, merchandising, cross promotions, and dealer incentives can be exploited (Copeland et al, 1996). Together these features make sponsorship a unique vehicle for reaching beyond traditional advertising clutter and differentiating one’s company brands from those of its competitors.

This approach, commonly referred to as Integrated Marketing Communications (IMC), is defined by Tripodi, (2001, p.103) as “a concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – for example, general advertising, direct response, sales promotion, and public relations – and combines these disciplines to provide clarity, consistency and maximum communication impact”

With this in mind, Tripodi (2001) argues that a sponsorship needs to be advertised, publicised, personally sold by the sponsor to customers or clients through corporate hospitality packages, needs to utilise tie-ins such as sales promotions and involve other communication techniques such as direct marketing initiatives and an on-line presence in order for the sponsorship to be fully exploited and to achieve maximum effectiveness.

Leveraging improves sponsorship effectiveness and impact. Crimmins and Horn (1996) observed that whilst Hilton was the official hotel sponsor of 1992 summer Olympics, few people (14%) knew about it, because Hilton did not leverage its sponsorship. Visa on the hand, created a strong link with the Olympics through a committed, focused long-term, integrated communications program, and as a result 50-60 percent of the surveyed population correctly identified VISA as the sponsor (Crimmins & Horn, 1996).

Copeland and Frisby (1996, p.1) reported that “companies valued sport sponsorship as an important form of marketing communication but supplemented sponsorship initiatives with a variety of other communication efforts”. Copeland and Frisby (1996), surveying the Canadian sponsoring companies community, found that sponsorship activities are supplemented with advertising (86.9%), public relations activities (78.9%), consumer (67.6%) and trade promotions (53.5%) and sales force promotions (52.1%), suggesting that sponsorship was viewed as part of a wider program of communication.

Sneath, Finney and Grace (2005) additionally found that leveraging sponsorship at an event, through personal interaction with the sponsor’s product brand, lead to positive enhancement of the brand’s image; which is recognised as a desirable trait in equity building.

In order to maximise sponsorship effectiveness, it is advised that sponsors leverage their sponsorship investment with other elements of the communication mix (Tripodi, 2001). Sponsorship is only one element of a company’s communication strategy and therefore needs to be integrated with the other elements of the communication mix (Tripodi, 2001). This literature and its associated theories underscore this research’s second proposition:

Proposition 2: Sponsorship that is leveraged through an integrated communication mix enhances brand image.

b) Congruency

The causal definition of sponsorship talks to the issue of congruency. O'Reilly (2009, p.1) argued that “sponsorship aims to create a link with an outside issue or event, hoping to influence the audience by the connection. This link or association with a specific property (known as the sponsee) is the key in differentiating sponsorship from other promotional strategies, as it enables the investor (i.e. the sponsor) to not only receive related promotional benefits (TV/Print exposure, branding opportunities etc.) but to be associated, in the minds of consumers, with the sponsee, and the ascribed image thereof”.

As a result it becomes imperative for management to discriminate when selecting a property or even to sponsor.

Sponsorship congruence refers to the extent to which the sponsor and the event or properties are *perceived* to be similar (Coppetti, Wentzel, Tomczak & Henkel, 2009). Congruence between the sponsor and sponsee has been shown to lead to more favourable consumer responses and greater sponsorship success (Coppetti et al, 2009). Gwinner and Eaton (1999) findings revealed that a sporting event's image was transferred to a sponsorship brand's image when they were linked through sponsorship activities. Grohs and Reissenger (2005) furthermore found that the event-sponsor fit has a positive impact and is the main driver of the strength of image transfer.

Schema theory has been used to account for the positive effects of congruence in sponsorship, (Coppetti et al., 2009). A schema is a cognitive structure, stored in memory that represents information about an object, concept or stimulus domain, including its attributes and the interrelations among the attributes (Fiske & Linville 1980; Brewer & Nakamura 1984, in Coppetti et al., 2009). This cognitive structure (schema), is similar to brand image.

When people are exposed to sponsorship information, Coppetti et al. (2009), they are believed to access their event and brand schemas from memory and to compare those schemas to make judgments about the appropriateness or inappropriateness of the sponsorship. A match between the event and the sponsored brand leads to more positive evaluations of the sponsorship because affect is transferred from the event schema to the brand schema.

In addition, when consumers elaborate on the sponsorship and discover that the sponsor and the event are congruent, they may experience a sense of cognitive satisfaction that carries over to the evaluation of the sponsoring brand (Meyers-Levy & Tybout 1989; Meyers-Levy, Louie & Curren 1994, cited in Coppetti et al, 2009).

Using the argument above, it can be inferred that for sponsorship to be effective, management has to ensure that there is the congruence between the brand and the sponsored property. Management should ensure that there is no cognitive dissonance between the brand image consumers have of the sponsoring brand and the sponsored property or event. This literature and its associated theories underscore this research's third proposition:

Proposition 3: A sponsorship relationship with perceived congruent association between sponsor and sponsee will be effective in enhancing the brand image.

c) Duration

For sponsorship to be effective, it has to be more than a once off, short-term event. This is because sponsorship is a means of persuasion that is fundamentally different traditional advertising (Crimmins and Horn, 1996). Sponsorship is more subtle compared to other forms of communication and therefore takes time to build the awareness curve (Bennet, 1999). Sponsorship has to cut through the clutter of other activities at the event, including, in most cases, other sponsoring brands – such as the FIFA World Cup, which has 8 headline sponsors; and lastly the sponsor’s brand team has little control over its sponsorship at the event (Meenaghan, 2000).

It is against this background that empirical research suggests that a sponsorship relationship that is long-term has been found to be more effective than a short one in creating, changing, or entrenching a perception about a brand or organisation (Crimmins & Horn, 1996; Scott et al, 1998; and Chadwick & Thwaites, 2005). Crimmins and Horn (1996, p.16) argued that “no matter how strong the link in the consumer’s mind between a brand and an event, the link is perishable.....the second element of sponsorship impact is the duration of the link. Obviously, the longer the link, the better”. Scott et al (1998, p.54) posited that “The basic rule of thumb is that a one-off sponsorship will generate short-term awareness but little by way of image benefit. Sponsorship programs should be ongoing rather than one time”

Bennet (1999) used the concept of false consensus, which occurs when individuals assume that their own judgements and choices are common and appropriate, and that alternative judgement are rare and incorrect, to illustrate the argument that in order for sponsorship to work, a longer time frame, and repetitive exposure, is required. Whilst acknowledging the beneficial, forced exposure nature of sponsorship, Bennet (1999, p.292) argued “against this however is the possibility that message impact and recall will fall dramatically soon after a sponsored event”. Bennet (1999) pointed to survey examples in the United States and Continental Europe on advertising recall after sponsorship exposure at an event. Wherein 20 to 30 minutes after the event, at least a quarter of respondents had no

recollection of the sponsoring brand(s), around 10 percent mentioned a wrong brand, and a further 10 percent or more had a vague recollection of the overall product category. To overcome this, Bennet (1999) suggested that in addition to leveraging to amplify the sponsorship, sponsorship should be repetitive and long term.

Evaluating sponsorship agreements in the Canadian organisations, one of the conclusions reached by Copeland et al (1996) is that in order for an association between the sponsor and the sponsored event and property to materialise and be beneficial, the sponsorship contract has to be a minimum of 3 years, validating an earlier finding by Sleight (1992, cited in Scott et al, 1998). A longer term sponsorship agreement does not only indicate a level of commitment by either party, but allows for the association between the sponsor and the event to form, affords ample time to correct elements which are not working along the way, serves as a barrier to entry for a new sponsoring brand, as it will have to spend more to erase the current sponsor's linkage; and most importantly provides the parties enough evidence to evaluate the effectiveness of the sponsorship relationship. This leads to the next proposition.

Proposition 4: A long-term, consistent sponsorship program succeeds to effectively enhance brand image.

2.5. THE BRAND COMMUNICATION CONTINUUM

Marketing communication represents the voice of a brand and is a means by which a brand can establish dialogue with the target markets and build relationships with consumers (Kotler & Keller, 2006). The way consumers perceive brands is a key determinant of long-term business–consumer relationship. Boshoff and Gerber (2008) noted that a brand often provides customers with a way of recognising and specifying a particular product.

Building brands takes time; the continuum of brand communication, from short to long term, comprises of essentially the following:

- a. Brand Awareness – this refers to the presence and strength of the brand in the consumer’s mind (Henseler, Wilson, Gotz & Hautvat, 2007). Measured in different ways (brand recognition, brand recall, top of mind), is usually the first and basic objective for many brand communication initiatives (Walliser (2003).
- b. Brand Image – sometimes referred to as brand association or knowledge. Brand image refers to all brand-related thoughts, feelings, perceptions, images, experiences, beliefs and attitudes that become linked to the brand node (Kotler & Keller, 2009). These associations might include product attributes, a celebrity spokesperson, or a particular symbol (Henseler et al., 2007)
- c. Brand Loyalty – a customer’s commitment to choose a preferred brand over others (Kotler & Keller, 2009). Although loyalty does not necessary translate into purchases, the affinity between the consumers is desirable, and usually leads to positives advocacy on the part of the consumer.
- d. Brand Purchase Intention – which is the consumer’s stated likelihood to purchase a particular brand. Importantly, this is a stated intention, which might or might not materials at the actual moment of purchase.

Empirical research on the impact of sponsorship on the various constructs of brand building has largely been concentrated around the short-term variable of brand awareness. Furthermore empirical evidence has suggested that sponsorship increases the sponsoring brand’s awareness levels (Hoek, Gendall, Jeffcoat & Orsman, 1997; Bennet, 1999; Tripodi, 2001; Barros et al., 2007; Boshoff & Gerber, 2007).

Research studies that have looked at the variable of brand image, on the other hand, remain few (Crimmins & Horns, 1996; Gwinner & Eaton, 1999; Grohs & Reissenger, 2005). Findings in the literature tend to show partial support for image transfers in sport

sponsorship and remain inconsistent. Grohs and Reissenger (2005) argue that this is a result of researchers using short-term pre-event and post event experimental designs, which is a flawed approach as attitudes and associations are considered stable and change slowly over time.

This study thus focused on the *brand image* variable of the brand communication continuum. The study combined management practices and image association results from long-term (4 years) results of brand image shift.

a) Brand Image

Schultz, Tannenbaum and Lauterborn (1993, p.45) argued that “the only place that real products or brand value exists is within the mind of the consumers....what exists in the mental network is truly where marketing value resides, this is what people believe, not what is true”.

This suggests that in a parity marketplace, the only differentiating feature that a marketer can bring to consumers is what those consumers believe about the company, product or service and their relationship with that brand, which is essentially the brand image that consumers have of a particular brand.

The image of products, services, or brands can be enhanced when a company aligns itself with the positive characteristics of a sport event or athletes (Copeland & Frisby, 1996). Brand image, also called brand identity, is defined as a unique set of brand associations that brand strategists aspire to create or maintain. Therefore brand identity strategy is a set of processes that include the coordinated efforts of the brand strategies in (1) developing, evaluating, and maintaining the brand identity, and (2) communicating the brand identity to all individuals and groups (internal or external) responsible for the firm’s marketing communications. (Madhavaram, Badrinarayanan & McDonald, 2005).

Long term sponsorship may do much to enhance corporate image (Crimmins & Horn, 1996, Gwinner & Eaton, 1999, and Grohs et al., 2004, 2005). Gwinner and Eaton (1999, p.47) argued that brand image held in the memory by consumers, “are developed from a variety of sources including brand and product experiences, product attributes, price information, positioning and promotional communications and user imagers”. In the context of sponsorship, this suggests that brand image can be influenced when a brand becomes associated with a celebrity or linked with an event through sponsorship activities.

In the context of the brand building continuum, whilst researchers differ regarding which objective is most crucial, the consensus is that sponsorship builds brands. Dolphin (2003, p.117) argued that, “whilst generating brand awareness accrues naturally from sponsorship; image association is *long-term* and takes time.” Tripodi (2001) argued that sponsorship is a brand equity building strategy which is used to position the brand so the value of the brand’s image is enhanced, thus its perceived priority over competitors is established.

This study focuses on the using sponsorship to enhance the brand image objective of, as this construct, according to Kotter and Keller (2006) is long-term, sustainable, and ultimately differentiates the brand from competitor; with differentiation being the ultimate goal for brand building. Therefore, in this study, brand image is the dependent variable.

2.6. SUMMARY OF THE LITERATURE REVIEW

The literature reviewed indicated that sponsorship, a key brand communication medium that can be used to effectively enhance brand metrics such as awareness, purchase, and image enhancement, continues to gain prominence. Of all the forms of sponsorship, sport sponsorship remains the most popular form used to enhance brand image, which is the focus of this study.

Most of research around sponsorship remains largely focused on effectiveness of the media, with the area of management practices around sponsorship remaining underdeveloped. This is despite the fact that management of sponsorship is the biggest determinant of how effective a sponsorship program will be.

Deciding to employ sponsorship as a communication tool, setting and reviewing objectives, prioritising, screening and selecting sponsorship partners and properties, organising and implementing the sponsorship, controlling its outcome, and finally evaluating the efforts are some of the key sponsorship management practices that are required in order for sponsorship to be effective in enhancing brand image. For this study, the practice of setting sponsorship objectives is the focus.

Furthermore, the literature revealed that alongside setting objectives, a number of independent variables necessary for sponsorship to be effective at enhancing brand image. These include leveraging the sponsorship property via additional activity, ensuring congruency between the sponsoring brand and the sponsored property, as well as ensuring that the sponsorship relationship is neither a once-off or short-term event, but rather a long-term relationship with a minimum of three years.

The literature review was used to develop the research propositions to be tested. In the next section, the relationship between the research propositions is indicated, as this will form the basis of the analyses and reporting of the findings later on.

3. RESEARCH PROPOSITIONS

In order to investigate how an organisation manages sponsorship to enhance brand image, the research objective and purpose were combined with the literature review and the following propositions were formulated.

Proposition One: Setting clear and measurable objectives enhances effective sponsorship management.

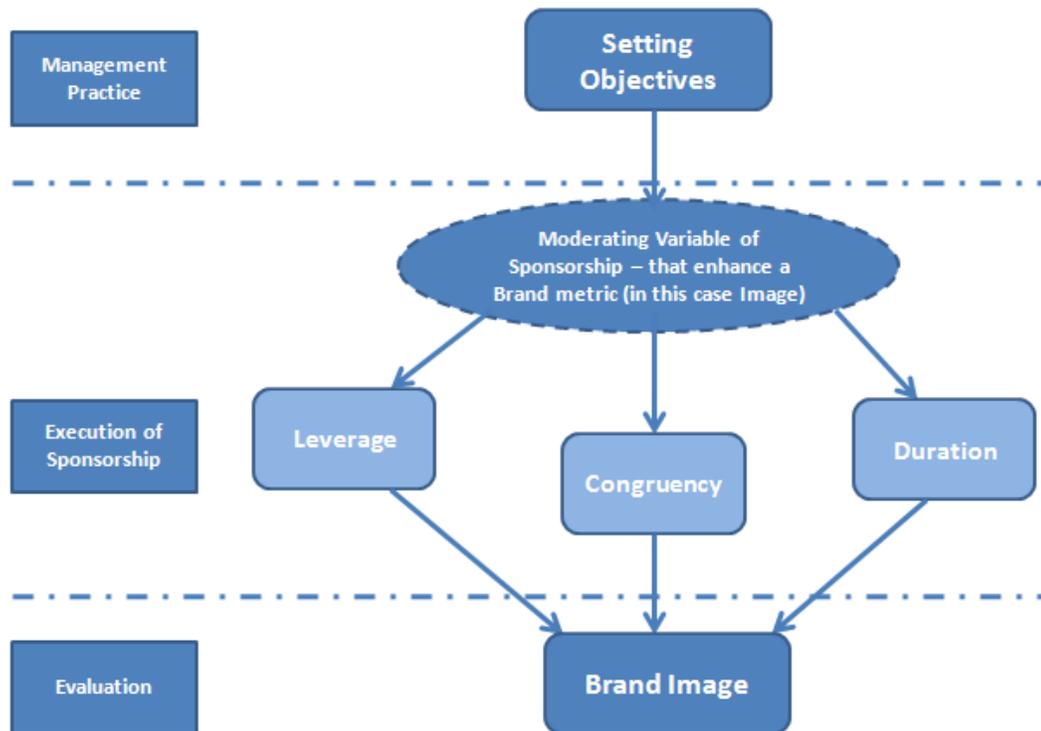
Proposition Two: Sponsorship that is leveraged through an integrated communication mix enhances brand image.

Proposition Three: A sponsorship relationship with perceived congruent association between sponsor and sponsee will be effective in enhancing the brand image.

Proposition Four: A long-term, consistent Sponsorship program succeeds to effectively enhance Brand image.

The relationship between the propositions is outlined in Figure 3 below. The proposition of Objectives Setting talks to management practice that is key as it also assist in the evaluation of sponsorship. The sponsorship elements of Leveraging, Congruency, and Duration are essentially independent variables, which when executed effectively, will enhance the brand's Image.

Figure 3: The Relationship of the Study Variables



4. RESEARCH METHODOLOGY AND DESIGN

4.1. RESEARCH METHOD AND DESIGN

The study focused on a current single case of the Energade brand, a sports hydration beverage product. The study furthermore aimed to investigate and describe, using various data sources, *how* an organisation manages sponsorship of a single brand, to enhance brand image.

To this end, a descriptive, case study method was used. This approach was adopted as the research was “concerned with founding out who, what, where, when or how much, then the study is descriptive” (Blumberg, Cooper & Schindler, 2008, p. 197). Similarly, Yin (2009, p.2) noted that the “case study method is preferred when (a) “how” or “why” questions are being posed, (b) the investigator has little control over events, and (c) the focus is on contemporary phenomenon within a real-life context”.

Following methods suggested by Yin (2009) to enhance case study construct validity, this study employed multiple sources of data and evidence, maintained the chain of evidence, and had the key informants review the draft case study report.

4.2. UNIT OF ANALYSIS

The unit of analyses for the study is the Energade’s brand sport sponsorship management practices

4.3. THE CASE OF INTEREST – ENERGADE

The Energade brand, a hydrating sports drink, whose brand slogan was “*It’s what you put in*”, was the case of interest for the study. The reasons for selecting Energade included:

- The brand belonged to the Tiger Brands company, a Johannesburg Stock Exchange listed company, which as of March 2011 had a market capitalisation of ZAR39 billion.
- The beverage division of Tiger Brands, in which Energade was located, contributed 6% of the group’s turnover and 8% of the group’s profit before tax, making it one of the profitable segments in the group (Tiger Brands annual results, 2010).
- The Energade brand in turn contributed 25% volume and 30% operating profit towards the company’s beverage division.
- The brand was a market leader. According to the Nielsen’s Retail Index report, as of March 2011, Energade’s annualised market share of the defined sports drinks category was 55% in value, and 48% volume terms.
- The brand has been involved in sponsorship of various properties, including the annual Comrades marathon, the Energade Tri-series, the Cape Epic cycling race, Cricket South Africa’s national team, and the Dusi Canoe race, for close to 18 years.
- Energade is currently a refreshment sponsor for the South African national rugby team. A sponsorship agreement that dates back a total of 15 years.

4.4. DATA COLLECTION AND ANALYSES

Yin (2003, p. 8) argued that a “case study’s unique strength is its ability to deal with a full variety of evidence”. This approach, which Yin (2009) termed triangulation, is key as it improves the problem of construct validity, which is the study’s ability to research exactly what it sets out to measure.

Yin (2009) recommended that six major sources of evidence be used to gather data. In this study, the following five sources of evidence were used:

- i. Documentation: Brand Strategy and Plans
- ii. Sponsorship reports, press articles, podcasts
- iii. Interviews: a combination of open-ended conversations and focused questioning interviews, conducted with multiple respondents in the sponsoring organisation, the sponsored properties’ organisation, and other 3rd party respondents (e.g. activation companies).
- iv. Direct observations: Visitation to the sponsored properties events, i.e. the Springboks games press conference and world cup squad announcement.
- v. Quantitative, historical monthly Energade brand tracker results and BMI sports tracker,

In essence, the study contained two types of data sources, these were:

- a) Qualitative, one on one interviews with the management, brand team, and other stakeholders (such as rights negotiators and brand activators) to gather information around planning, objectives setting, sponsorship execution, and evaluation.

A data collection tool, in the form of a semi-structured interview guide is attached in appendix 1. The interview schedule is attached in appendix 2.

The one on one interviews were transcribed verbatim, and stored in both electronic and paper format. Verbatim quotes from the transcripts are used below to support the data analyses.

- b) Quantitative data, in the form of historical (already existing) brand health-tracker data and BMI sport track data was used to establish the impact of sponsorship on the Energade brand image.

This data collection method, which combines quantitative and qualitative data sets, is called mixed method approach and is founded on pragmatism philosophy which holds that quantitative and qualitative methods of data are compatible with each other (Tashakori & Teddie, 1998).

Tashakori and Teddie (1998, p.13) argued that the mixed method approach is based on the contention that there are “enough similarities in fundamental values between quantitative and qualitative data methods. These similarities include belief in the value-ladenness of inquiry, belief in theory-ladenness of facts, belief that reality is multiple and constructed, belief in the fallibility of knowledge, and belief in the underdetermination of theory by fact”.

Based on the above, it can be inferred that when used together, quantitative and qualitative data methods serve to expand the scope or breadth of research to offset the weaknesses of either method alone.

4.5. DATA ANALYSES

The framework used for data analyses was methodological triangulation (Yin, 2009). The purpose of the method was to converge multiple lines of inquiry or data collection sources, thereby increasing the data collecting process reliability.

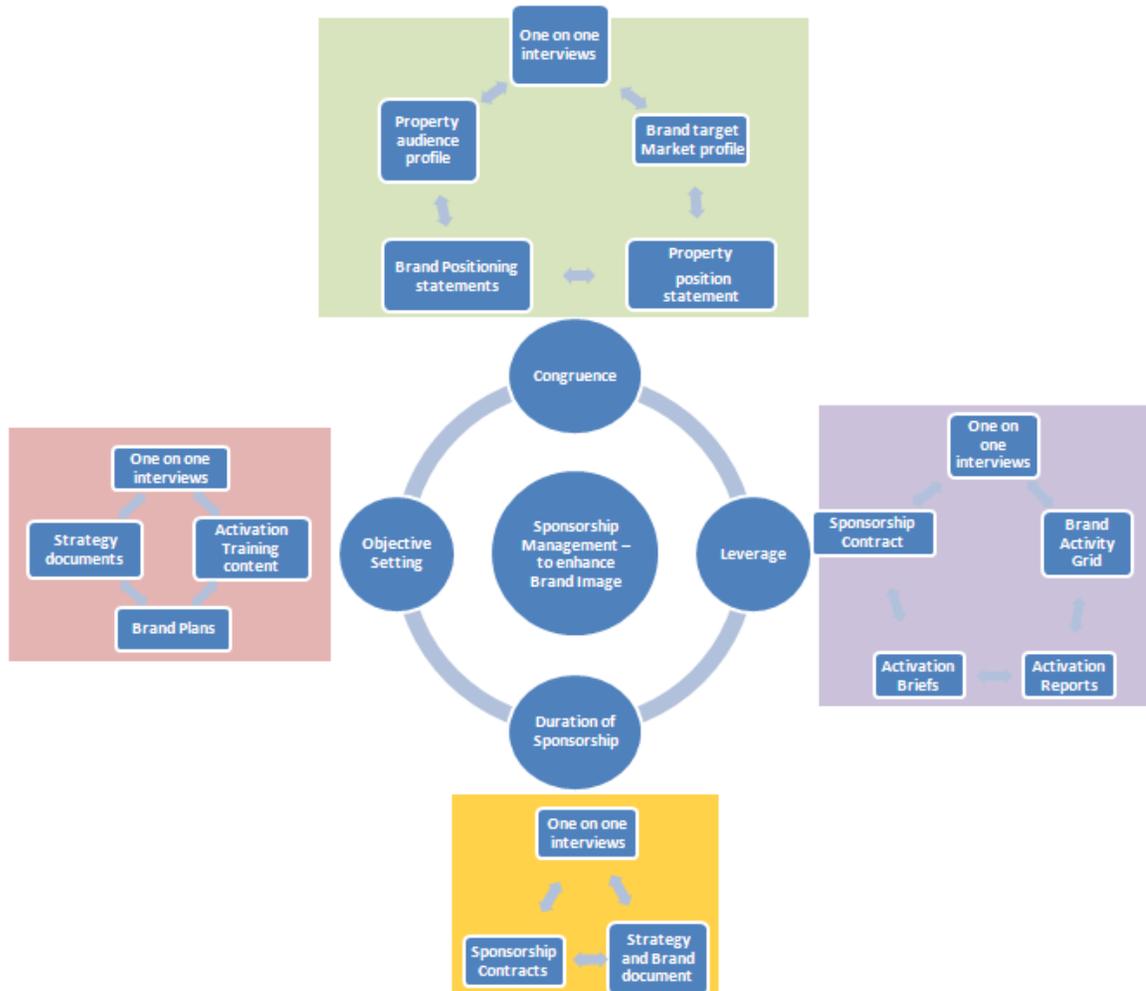
Specifically, data around management practices was analysed through a process of thematic content analyses, which is a technique based on the manual or automated coding of transcripts, documents, (newspaper) articles or even audio and video material (Blumberg et al., 2008). The propositions put forward in the research served as the basis for the themes, thereby using the data collected to test the existence (or lack thereof) of evidence talking to the proposition.

In Figure 4 (below), the middle circle refers to the propositions put forward in chapter 2 and 3, which also serve as the themes for analyses. The four (4) figures on the outside indicate the sources of data pertaining to each proposition. As already indicated, whilst a single data source (e.g. one on one interview) could be used to address a single proposition and theme, of importance is that for each proposition/theme, multiple sources of data were used to address it.

The transcripts were initially read for broad understanding, followed by a structured reading that included highlighting, in different colour codes, themes as they arise. These were then grouped together, matched against alternative data sources, in order to triangulate the evidence.

In order to link the management process to the quantitative tracker study data on brand image association, the pattern matching analyses technique was used. Pattern matching analyses compares an empirically based pattern (in this case management practices) with a predicted one (brand image) (Yin, 2009).

Figure 4: Overview of data collection sources



5. RESULTS

5.1. INTRODUCTION

The previous chapter explained the methodology used to test the propositions outlined in Chapter Three. In this chapter, the findings gathered from various sources of evidence are presented and discussed.

As indicated in chapter 3, the dependent variable (Brand Image Enhancement), is integral to all of the propositions. Because of this, the discussion of results commences with findings about Brand Image, subsequently each of the propositions, and their relationship to the dependent variable, are discussed.

5.2. RESULTS: BRAND IMAGE

5.2.1. Introduction

Despite mentioning a number of sponsorship objectives, including the necessary support (i.e. leveraging and congruency) to ensure that the objectives are reached, almost all of the respondents failed to spontaneously mention how they measure and evaluate sponsorship performance against these objectives. The various sources of data accessed would at face value lead to an assumption that the Energade sponsorship program does not concern itself with the outcome of brand image enhancement.

Most of the secondary data did not make reference to brand image enhancement. The brand plans did not touch on the concept of brand image, and the activation brief only covered what was termed “opportunity to see” as an objective. Initially, an impression was formed that the concept of brand image was not associated with sponsorship.

However, upon further analyses, triangulating and probing, it appears that whilst none of those interviewed mentioned the term ‘brand image’, most of the respondents, particularly those in the brand office, made mention of the fact that other than gaining brand awareness,

another primary reason for opting to use sponsorship for Energade has always being to build the brand's credibility.

“Sponsorship as a marketing platform gives credibility to your brand. We started in 1993 building this brand by its association to the science centre, so what happened is that this product was scientifically formulated for the SA market and by associating ourselves with authorities within the sports spectrum it actually assisted us in getting a credible brand name and then on we build the brand image”
(Energade Executive)

“Basically, because we call ourselves a sport drink we have to affiliate ourselves with different sports in order to get that sort of affinity or credibility for us to be believable, because anyone can say they are a sport drink. However you need to be believable” (Energade Executive)

The Oxford Learner's dictionary (1995, p.273) defines credibility as “the quality of being generally accepted and trusted”. Similarly, the term image is defined as “a general impression that a person, an organisation, a product etc gives to the public; or a reputation” (p.592).

Combining these definitions, it can be inferred that Energade, positioned as sports product, uses sponsorship of sports to create an association between the two, in order for the impression that people have about the sport to be transferred to the Energade brand. This is to create an image of a credible sport drink that is used in the sport environment. A point made below:

“..... in terms of where we come from we have our roots in sport. It was developed by the Sport Institute with Professor Tim Noakes, in terms of credibility that is where we come from as a sport brand” (Energade Executive)

Further analyses revealed that over and above associating with sports, the Energade brand team was particular regarding the type of image it wanted transferred by various sport properties. For this reason the Energade sponsorship is geared towards what the brand team labels 'pinnacle' sporting properties.

“So if we associate with the Comrades marathon, we are telling the 1.6m viewers that by using Energade, one day you will be performing at your best, like in the Comrades.So the emotions are that Energade as an institute endorses the Comrades, so the pinnacle in our country is endorsed by this product...”
(Energade Executive)

“We can no longer be as involved with many sporting codes as we have chosen only pinnacle sponsorship that we feel we can get the best credibility out of, and get the best of leverage at the same time” (Energade Executive)

“So the whole.....is to get involved with pinnacle sports. You will never see us sponsoring a school team but you will see us sponsoring the Springboks because we want the ultimate team” (Energade Executive)

The reason for this was that the pinnacle nature of the sporting code would be transferred to the Energade brand, thus enhancing its image, relative to competitor brands.

5.2.2. Measuring Brand Image

Quantitative market research, in the form of the continuous collection of data, and quarterly reported brand tracker, is used by the brand team to track the performance of the Energade brand on a number of measures, including, a) Energade's saliency measures such as brand awareness, trial, adoption, and loyalty; b) the brand image shift through a number of attribute statements; c) as well as the aggregated score of brand equity; amongst both users and potential users of sports and energy drinks in the main metropolitan areas of South Africa.

When reporting, a percentage of the total sample is used to report each saliency measure, whilst the percentage of those in the two-top box of the Likert scale (“Strongly agree” and “Somewhat agree”) is used to report the image association section.

For the Brand Equity score, various measures are aggregated to compute an average Brand Equity score, which is indexed at a 100, such that any brand that score below the index has a poor equity, whilst brands scoring above the index have stronger equity. Furthermore, the distance of the score from the 100 serves to indicate a brand’s relative equity strength to competitor brands.

Results from the brand tracker are provided in table 2, and indicate the trended performance of Energade along the saliency measures, image attributes, as well as the all-encompassing Brand Equity measure.

Table 2: Key Brand Tracker measures for Energade

		Oct-De09	Jan-Mar10	Apr-Jun10	Jul-Sep10	Oct-Dec10	Jan-Mar11	Apr-Jun11	
		Wave 26	Wave 27	Wave 28	Wave 29	Wave 30	Wave 31	Wave 32	
KEY MEASURES [%]		Energade							
Spontaneous Brand Awareness		66	60	59	60	58	62	61	
Ever Bought		90	84	84	84	85	87	85	
Used Most Often		28	29	27	24	32	27	25	
Share of Preference		27	27	26	25	28	27	26	
AFFINITY ATTRIBUTES									
Image Attributes [Top 2 boxes %]	Prestige	34.9		33.4			32.8		
	Acceptability	38.9		41.8			43.0		
	Endorsement	43.4		42.6			44.2		
	Trust	50.6		50.7			48.9		
	Heritage	51.8		49.5			43.1		
	PERFORMANCE ATTRIBUTES								
	Is Ideal for Active People	52.0		49.5			52.7		
Can be Used When I need Energy	59.3		64.9			48.8			
Can be used Everyday	60.4		65.0			58.4			
Provides Sustained Energy	40.3		35.9			40.7			
Brand Equity [Adjusted]		135		131			124		

Highlights from the brand tracker results included:

- The saliency measures were impressive. On a trended average, almost two thirds of the respondents were spontaneously aware of Energade; Trial (ever bought) remained high, and loyalty (used most often and share of preference) was stable with at a third of the sample being loyal to Energade.
- The image attributes association scores were lacklustre. The scores for Top 2 boxes (strongly agree” and “somewhat agree”) indicate that:
 - On all the affinity attributes, less than half of the sample associated Energade with “Prestige”, “Acceptability”, “Endorsement” and “Trust”. This is despite the fact that most of the brand team insisted that ever since launch (1993), the sponsorship program was geared towards making Energade ‘Credible” and, “Acceptable”.
 - Energade scored better on the Performance attributes. An indication that the brand was better associated with, and largely known for its functional performance (hydrating and replenishment) for sports people.

On the all encompassing measure of Brand Equity, which is a composite of perceptions that consumers have about the brand, Energade performs better. The Energade Brand Equity score is significantly above the 100 index level, despite showing a gradual decrease.

The data from the Brand Tracker as indicated in table four (4) above indicate that despite a consistent sponsorship program, between 2009 and 2011, Energade has not succeeded in enhancing the overall brand image.

As the brand tracker results were inconsistent with the literature review-based expected outcome; a further triangulation step was necessary. To do this, a number of Energade executives were asked to comment on the Brand Tracker results. Their comments varied from being defensive, to evoking angst, and post rationalisation.

“the trend in scores is to be expected, we have tough competition, and people just don’t see Energade. However, whilst the attributes picture is not worryingly per se, the long term Brand equity is on the decline, despite the fact that its remains solid, it is declining, and that is something we need to watch carefully and correct”(*Energade Executive*)

“A brand is a funny thing, people have a love-hate relationship with the brand. Do you like the Toyota brand? Overall yes, and therefore its equity will be high. But if you were asked to rate it on its looks, and its ability to make you attractive to others in it, you will probably score it lower. Funny though, for Alfa Romeo, the picture will be the opposite. With Energade, it’s the same, functionally it works, but if you look at the bottle, the product, it is largely a dated coloured and sweet water”(*Energade Executive*)

The team argued that the lower than expected results could be as a result of the research scores calculated and reported inclusive of the lower segment market, whilst the brand has always been communicated to the affluent segment of the market:

“It is unfair to look at look at the Total sample. You need to look at segments of the sample. Energade is advertised to largely a white, LSM 8-10 audience, who makes up the bulk of its volume profile. If you were to filter the results by White and LSM 8-10, the picture will improve immensely.” (*Media Planner and Buyer*)

“In the long-term it has given us credibility and the right to say we are a sports brand....it actually polished it, it has made it believable to say what we are telling we are actually are”

Lastly the brand team argued that in order to contextualise the Energade performance, it was important to compare it to the closest competitor sport drink (i.e. Powerade) which also has sponsorship in its communication mix.

5.2.3. Energade Relative Performance

Table 3 compares Energade to Powerade. The results indicate that a) both Powerade’s Saliency and Image attributes scores are significantly lower than Energade’s; and b) that not only is Powerade’s Brand Equity score lower than Energade’s, this score has fallen below the 100 benchmark point. On that basis the team argued, despite losing the relative gap, Energade has continued to do better.

Table 3: Comparative Brand Tracker scores for Energade and Powerade.

	Oct-De09	Jan-Mar10	Apr-Jun10	Jul-Sep10	Oct-Dec10	Jan-Mar11	Apr-Jun11	Oct-De09	Jan-Mar10	Apr-Jun10	Jul-Sep10	Oct-Dec10	Jan-Mar11	Apr-Jun11
	Wave 26	Wave 27	Wave 28	Wave 29	Wave 30	Wave 31	Wave 32	Wave 26	Wave 27	Wave 28	Wave 29	Wave 30	Wave 31	Wave 32
KEY MEASURES [%]	Energade							Powerade						
Spontaneous Brand Awareness	66	60	59	60	58	62	61	51	50	47	45	46	43	39
Ever Bought	90	84	84	84	85	87	85	85	82	80	76	83	75	79
Used Most Often	28	29	27	24	32	27	25	20	21	16	16	15	12	14
Share of Preference	27	27	26	25	28	27	26	23	23	21	21	21	18	21
AFFINITY ATTRIBUTES														
Prestige	34.9		33.4			32.8		32.4		25.6			22.2	
Acceptability	38.9		41.8			43.0		36.7		37.0			29.3	
Endorsement	43.4		42.6			44.2		37.9		31.0			28.0	
Trust	50.6		50.7			48.9		41.9		42.8			29.6	
Heritage	51.8		49.5			43.1		40.4		42.4			28.0	
PERFORMANCE ATTRIBUTES														
Is Ideal for Active People	52.0		49.5			52.7		36.7		41.8			33.0	
Can be Used When I need Energy	59.3		64.9			48.8		49.0		44.1			40.0	
Can be used Everyday	60.4		65.0			58.4		51.6		53.3			38.2	
Provides Sustained Energy	40.3		35.9			40.7		27.6		29.1			29.8	
Brand Equity [Adjusted]	135		131			124		114		111			92	

In summary, the results around the dependent variable of Image enhancement suggest that the Energade sponsorship program is yet to enhance the brand’s Image. Furthermore, the fact that Energade performs better than its closest competitor is not enough of an excuse. And whilst those involved with Energade’s sponsorship offered plausible reasons for this, the discussions of the proposition put forward will be used to explain these results.

5.3. RESULTS: PROPOSITION ONE – SETTING SPONSORSHIP OBJECTIVES

The proposition of setting Sponsorship Objectives relates to the management practice that is closely linked to how the sponsorship is evaluated. Effective management of sponsorship entails setting objectives, because, these objectives would later on be used to determine if the sponsorship was effective.

From the data, it can be concluded that setting of sponsorship Objectives was integral to the Energade Sponsorship program. All parties involved in the Energade sponsorship efforts, spontaneously or prompted, argued that setting objectives was key for when embarking on a sponsorship program.

Introduced in the South African Market 15 years ago, Energade was launched largely on a marketing platform of sponsorship. And although above and below the line advertising and media have since being incorporated into the brand's communication mix, sponsorship has continued to form the backbone of Energade's marketing efforts, and continues to account for a significant chunk of the brand's marketing budget. From the very beginning, the team set out two objectives, being a) to gain brand awareness through sponsorship, and b) build brand credibility through sponsoring 'eminent' sporting properties.

The brand's annual plans, the periodic sponsorship review, the business unit (beverage) business plans, and sponsorship activation brief, all contained in one form or another, evidence of Energade's sponsorship objective.

5.3.1. Types of Energade Sponsorship Objectives

The types of objectives were wide and varied depending on the area of operation. The beverage executives used credibility and staff morale as objectives; the brand team was largely concerned with the brand saliency measures such as brand or sponsorship

awareness, brand recall and recognition, brand affinity, long-term image transfer and association between Energade and the sponsored property.

“...as a sports drink, we had to be associated with sports, so as to be seen as credible. The best way for associating with sports is to be a sponsor. Placing your brand ad during every sport game does not cut it, you need the association, and sponsorship does that” ” (Energade Executive)

Third party suppliers such as activation partners used a combination of awareness, media coverage (wherein the worth of the media generated is proxy for return), and the number of sponsorship mentions as some of the objectives.

“...we continue to ask, how can we make it better? How can we streamline it?.....do we need grass branding? And look for new ways to really make Energade stand out in the event, to almost market the brand within the event to the public” (Energade Activation Partner)

“me and this girl, she used to be a journalist. We would sit down, think around the event and how to make news that will be published. In this way, we could get sponsorship mention. You need to have news. No one is interested in your sponsorship, unless there is something newsworthy” (Energade Activation Partner)

In order to make the setting of sponsorship objectives integral, not only did the Energade brand team communicate the objectives to all the parties involved, the objectives were part of the Key Performance Indicators (KPI's), used to evaluate the sponsorship program. Although it is worth mentioning that only the third party suppliers had the Objectives tied to their KPI's. .

Table 4 below lists the type of Objectives found in the data, as well as the functional area most likely to mention that type of objective.

Table 4: Types of sponsorship objective - Functional area

Type of Objective	Functional area
Credibility	Brand and Executive
Brand Awareness	Brand, Activation agents and media planners
Stakeholder engagement	Executive and sponsorship sales agent
Staff morale	Executive
Purchase (i.e. sales) or trial	Brand team
Hospitality and networking	Executive and sponsorship sales agents
Media Coverage	Sponsorship coordinators and activators

5.3.2. The Limitations of Energade’s Objective Setting

Three concerns regarding the sponsorship objectives were identified, and these are discussed below.

Firstly there is no consistency amongst those involved regarding which sponsorship objectives were being pursued. The different functional areas involved in the sponsorship program mention different objectives, from corporate strategic objectives such as stakeholder engagement (executive), operational objectives such as awareness and trial (brand team), to tactical objectives such as media coverage (coordinators and activation agents).

Secondly the inconsistency regarding sponsorship objectives results in lack of ranking the objectives. The implication of such is that resources are not allocated appropriately, and the sponsorship ends up trying to pursue a lot of objectives with limited resource.

Lastly, the consequence of misaligned, inconsistent, and non-prioritised objectives is that there exists no common tool that the team used to evaluate the sponsorship program against the objectives. For example, the brand team employed a brand and ad-hoc market research such as focus groups; the activation companies relied on media clippings and mentions to measure success; whilst senior management was yet to find a tool to measure whether sponsorship was meeting the corporate objective of staff morale, networking with large customers and company reputation.

These limitation around objective setting help explain the lackluster results of the brand image enhancement. These inconsistencies within the parties and functional areas explain the reason why none of the respondents mentioned brand image as an objective. Without prioritizing the objectives, resources are not focused on pursuing a single minded objective, the limited resources end up trying to do everything, and achieving less. Lastly the lack of a common evaluation tool explains the defensive comments regarding the poor image attributes performance.

5.4. RESULTS: PROPOSITION TWO - LEVERAGE

There was an overwhelming acknowledgement and agreement that for sponsorship to be effective, it has to be leveraged.

“For instance if you look at our Springbok sponsorship, we pay X amount for the sponsorship and if you don’t tell people about the association then what is the point of sponsorship? the same thing will go true for something like the Comrades, in that only 20 thousand people run the Comrades, and will know that you are associated with the race, but what about the rest of South Africa, or the rest of the running population? It is important to leverage it beyond the actual event” (Energade Executive)

“the key thing to sponsorship is having a big (financial) ability to leverage that sponsorship or else there is no point in having that sponsorship” (Energade Executive)

Purchasing sponsorship rights was recognised as a first step into sponsorship management. Almost every respondent emphasised that in order for sponsorship to be effective, it has to be leveraged to be effective. Failure to leverage a sponsorship was seen as tantamount to wasting money.

“I can give you my view.....if you have a sponsorship and you do not leverage it, you are actually wasting your money. You have to leverage it through activity” (Energade senior executive)

“Leveraging is quite an integral part. Having the property is all well and good. But without leverage, it will be like having an expensive car that you cannot put petrol in it” (Energade Executive)

The integral nature and importance of leverage was demonstrated by the fact that all possible leverage opportunities were stipulated throughout the documentation, including the sponsorship proposal, sponsorship contract, as well as the activation briefs.

“When you get into a sponsorship contract, make sure you know your leverage opportunities.....you know some brands go and use sponsorship just to fill a hole and block competitors, without necessarily exploiting that sponsorship opportunity. If you don’t leverage, sponsorship could be a very costly exercise.....sponsorship rights are not that cheap, and you are stuck with a 3 year contract, costing you.....” (Sponsorship Rights Agent)

There was evidence of a concerted effort by the brand team to leverage the sponsorship as much as they could.

“ in order to have more money available to spend on leverage, you either have to negotiate down the sponsorship rights fee, or you need to strategically rationalise the number of properties you purchase, so as to free up money (Energade Senior Executive)

5.4.1. Leveraging the Energade sponsorship properties

Energade’s sponsorship was leveraged in various forms, which normally addressed the marketing 4 P’s, which are packaging, promotion, price and placement.

An example of this is the campaign aimed at leveraging Energade’s sponsorship of the SA rugby team that participated in the 2011 IRB Rugby Cup. Elements of which included:

Packaging: specially made, limited addition packs wrapped in sleeves featuring a number of the South African Springbok players, to communicate Energade’s association with the SA Rugby property.

Promotion: wherein consumers are encouraged to collect the entire set of the limited edition packs, enter a competition and then stand a chance to go watch a Rugby World Cup match. This is order to increase the rate of sales and volume

Price: A price promotion to drive purchase of the limited range

Place: Themed in store display stands kitted with product (ideally using the limited edition packed variants), which were created to increase in-store presence, and to induce trial, pantry loading, and collection of the limited edition set.

Appendix 3 provides a graphic illustration that depicts how Energade leveraged its sponsorship of the SA rugby team's participation in the 2011 Rugby World Cup.

Supplementary to the 4 P's, the regional sales team that built the in-store display that was considered the most impactful and recorded the biggest sales increase, were incentivised internally, in an effort to build morale.

Other leveraging initiatives for Energade sponsorship included stadium branding at the games involving the SA rugby team, television branding in the form of devices such as “squeeze backs” and “stings” during televised games; product placement during media conferences; as well as stadium activations, an activity that is normally handled by third party activation companies.

Social media, in the form of the websites and applications such as Facebook and Whatsapp offered Energade further opportunities to leverage its sponsorship, in a relatively affordable manner compared to other forms of media.

“And the social media has also helped us to leverage that sponsorship and talking about it to the general public” (Energade Executive)

5.4.2. The Limitations of Leveraging

Two limitations pertaining to leveraging the Energade sponsorship properties were identified. Firstly, there was an inconsistent views regarding the optimal ratio of

sponsorship rights fee to leverage spend varied across amongst the respondents as well as the secondary data. For example, despite the legal contracts and service level agreements between rights holders and the sponsoring brand explicitly spelling out types of leverage opportunities available for the Energade, most of those interviewed had differing views which ranged widely from 1:1 to almost 1:7.

“ over the years we had to cut down on a number of properties we had, in order to use those funds for leveraging --- we have improved the ratio, but I am sure there is still room to move” (Energade Executive)

Secondly, leveraging resources are depleted by a commercial need for the brand to grow organically. Despite being a relatively premium sport drink product, the Energade brand wants to grow through reaching and appealing to a mass market.. To achieve this growth, the brand employs, over and above sponsorship, thematic advertising through traditional media such as television, print, radio, and outdoor billboards.

Whilst these above the line initiatives help the brand to reach a wider audience, they deplete resources available to further leverage the sponsorship. That is because thematic, mass market reaching advertising does not necessarily talk about sponsorship, but is rather geared towards general brand building. As a consequence, a) the brands resources are spread too thin over a lot of activities without necessary scale and b) the non complementary messages between the sponsorship medium and other above the line media tend to dilute the overall communication positioning..

“ the TV campaign does not leverage the sponsorship at all, what we need to do is to find ways that will leverage the sponsorship above the line. I think for me there is still a big gap” (Energade Senior Executive)

“we had put forward a whole campaign.....ideally we should have had radio, outdoor, sponsorship around programmes but we kind of got stuck on the finer

details of the creative and did not look at the bigger picture that we should get the sponsorship running” (Energade Advertising Executive)

The findings for proposition two would suggest that despite a concerted effort to leverage the sponsorship properties, both the inconsistent ratio of sponsorship spend and ratio, as well as the need grow beyond the traditional market by appealing to a wider audience with non complementary communication and media hampers the sponsorship’s ability to enhance the brand image. Reasons for this are discussed in the next chapter.

5.5. RESULTS: PROPOSITION THREE - CONGRUENCY

5.5.1. Introduction

During the interviews with the respondents, there was no spontaneous mention of the need to ensure congruency between Energade and the properties it chooses to sponsor. There was an assumption that because Energade is a sports drink, there is an obvious fit with all sporting codes the brand associates with. Yet upon probing, evidence suggests that not only was sponsorship congruency deemed paramount, but that since its launch, there has been a constant pursuit to ensure congruency between what Energade stands for and the properties it sponsors.

“Energade is a sports drink, it was launched on a sport platform. I think the sponsorship fit is very important, for instance, would Energade go and sponsor a dance competition? Probably less likely; not never, just less likely (Energade Executive)

“Well I think we look at the property and try and line up brands that will fit..... we would not go to Levi’s for a Neil Diamond concert sponsorship; because we know that it would not be a match. However, we would go to Levi’s for a U2 concert because it’s far younger brand.....” (Sponsorship Rights Agent)

“For example Redbull sponsors a lot of motor sports and extreme sports.....and energade will not be associated with those kind of sports.....it has to match with the personality and emotions of the brand if i can say that” (Energade Executive)

Congruency in the Energade sponsorship manifested itself in three (3) ways, which were Intrinsic Congruency, Positioning Congruency, and Communication Objective Congruency.

a. Intrinsic Congruency.

The intrinsic characteristic of the Energade product as a nutrient replenishment sport drink, has meant that since launch, Energade’s sponsorship focus on has been and remained sports focused; including sporting events, sport personalities and sporting venues. As one respondent mentioned:

“So Energade by and large it’s a sports drink which means by and large we need to be in a sport environment.....now the easiest way to get involved with people who are participating is to sponsor an aspect of that sport” (Energade Senior Executive)

Over the years the brand has sponsored sporting events such as rugby, cricket, football, running, tri-series, cycling tours, and canoeing. Energade sponsorship has extended to sporting venues such the Orlando Soccer stadium and the Wanderers Cricket ground and Newlands Rugby stadium.

“We stand for sport, which is our roots, hence we have been sponsoring mainly sporting codes throughout. Even though we have cut down on the number of properties we sponsored, we still accept and look at sport sponsorship proposals” (Energade Senior Executive)

As a sport drink, Energade appears to have a relatively easier job fitting into the multitude of sport properties, events, and locations it associates with. The brand’s intrinsic nature appears to give it free reign regarding association with various propositions.

b. Positioning Congruency

Relative to its competitor, Energade is premium positioned. The brand plans indicated that Energade commands a price premium relative to its competitors; its market volume-share-to-value share ratio is premium compared to its competitors. Furthermore its positioning of

“It’s what you put in” fundamentally differentiates the brand from pretenders – and as a reassuring call to action” (Energade Executive, 2011).

“The positioning is aimed at communicating that, since Energade is used by your sporting heroes, its only when you put in Energade that you can perform like your hero” (Energade Advertising Executive)

Because of its positioning, Energade has consistently sought to include, in its sponsorship basket, what the brand team terms “imminent sporting properties”. As such, Energade is associated with the South African national rugby team; the Comrades marathon (South Africa’s premier marathon race); and in the past has been associated with the South African national cricket team, as well as the largest South African football teams (by support) Kaizer Chiefs and Orlando Pirates.

“..... Energade is about fit with the brand so if it’s a pinnacle event it’s easier to make the justification because we are a pinnacle brand” (Energade Senior Executive)

Just as the brand team sought to sponsor events or property that was congruent with Energade, there is evidence to suggest that third party selling agents similarly claim to do the same when they decide which brands to approach for particular rights.

“Rights owners, just like sponsoring brands, are also in the business of building brands, hence they want to be associated with a likeminded brand – for a long time” (Sponsorship Rights Agent)

c. Communication Objective Congruency

Lastly, there was evidence to suggest that the brand commercial objectives, particularly the communication objectives, such as reach and frequency, and influence the choice of which property to sponsor. There was furthermore evidence to suggest that there needs to be a fit

between the media potential of a (sponsored) property and the (sponsoring) brand's communication objective.

If Energade wants to increase brand awareness, the brand team would have to sponsor a property with high media mileage. For example a televised South African rugby games with repeats offers higher sponsorship opportunity than a three day non-televised triathlon. Thus in attempting to reach the mass market; the nationwide appeal of the Comrades marathon, and the resultant terrestrial based television audience interests, makes the race more attractive to Energade than the Two Oceans marathon; due to its mass market appeal.

“One of the things that helps to select a sports discipline that we would like to sponsor is the above the line coverage that we get. What happens is you get the Tiger business model which is about mass market, so we produce products for the masses, therefore (all) our brands need to speak to the masses” (Energade Executive)

One of the thing that helps to select a sports discipline that we would like to sponsor is the above the line coverage that we get. What happens is you get the Tiger business model which is about mass market, so we produce products for the masses, therefore all our brand need to speak to the masses. So sports like a mountain bike will speak to 250 on a Saturday morning. Whereas our sponsorship to rugby has coverage every single weekend in a year and millions and millions of people watch and million watch cricket” (Energade Executive)

Similar to the previous proposition, whilst the Energade sponsorship has ensured congruency with its sponsored properties at various levels, this does not seem to have resulted in enhanced brand image for Energade. The association between Energade and the properties remain at the basic level, for example, whilst people are aware of the association between Energade and the Springbok Rugby teams, the image attributes associated with this sponsored property (which the team assume to be “prestige, pinnacle” is yet to

translate into being associated with the brand. This finding will be further discussed in the next chapter.

5.6. RESULTS: PROPOSITION FOUR - DURATION

Sponsorship has been part of Energade’s marketing activity since launch in 1993. By the team’s admission, the brand was launched on a sponsorship platform, and only later did the marketing program begin to include other forms of communications, such television, billboards, and print.

“Energade was launched in 1993 and it was obviously launched without mega bucks to support it. So the key sporting codes were approached to ask for support around it.....so the whole thing was to push for awareness without going on TV” (Energade Executive)

“the marketing plan for Energade has changed quite significantly in the last (few) years, I would say. In the past we were quite heavily reliant on sponsorship whereas now we are doing a lot more above the line consumer work.....we are not niche-ng our selves” (Energade Executive)

It is however worth noting that over the years, the Energade sponsorship has evolved in so far as the number and types of properties it sponsored is concerned. Over the years, Energade has sponsored a number of properties, including canoeing, multiple numbers of road running events, cycling, mountain biking, football, cricket, rugby, rock climbing, and a triathlon.

Whilst this afforded the brand an opportunity to be exposed at a wider number of areas, it didn’t mean that it reached a wider audience, because some of the properties were too niche.

“what happened in the past is that Energade will go and tie up a lot of properties, for example (.....and.....and.....).but because you spend so much of your marketing spend in tying up properties, at the end of the day you are left with very little to spend” (Energade Executive)

It is perhaps this ubiquitous nature of sponsorship, and the ever changing nature of properties, that has over time, limited the sponsorship’s ability to enhance a single minded brand image. Such that whilst the brand is known for sponsoring, the different images of the several properties have not transferred to Energade. It is as if the more properties it sponsors, the more diluted its image gets.

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5.7. CONCLUSION

Broadly speaking, the findings around Energade sponsorship are inconsistent with the literature. Despite the fact that the sponsorship employs effective sponsorship management practices such as Objective setting, despite the fact that the sponsorship execution include extensive leveraging, the brand sponsors properties which are congruent on a number of levels, and that the duration of the sponsorship is well over the recommended three years, the image of the Energade brand is yet to be enhanced.

Limitations pertaining to the aspects of Energade’s sponsorship management were identified. The sponsorship Objectives remain largely inconsistent amongst those involved, and there is no prioritisation of which Objectives to pursue. There is no agreement regarding the optimal leveraging ratio, efforts to appeal to a wider audience via non-complementary above the line communication depletes the resources and dilutes the sponsorship message.

The efforts by the brand team to sponsors congruent properties go only so far associating the brand with the property, but not necessarily the property’s image. Lastly, the fact that Energade has employed sponsorship far longer than the recommended time frame, this is

hampered by the ever changing basket of properties it has sponsored over this period, and as a result, a single minded image is yet to form.

more than And even so far as effectively executing the Sponsorship continued to be an integral part of Energade's marketing communication mix. The sponsorship objectives were found to largely be awareness building and credibility through association with primarily sporting codes and events. Overtime, the brand was found to have cut down the number of sporting codes it sponsored, so as to free up property rights money, and opted to invest this into leveraging the remaining properties.

The general brand support for Energade, including sponsorship and other activities, have all improved the brand's profile, and as a result, it has a strong brand equity, which is not only better than the indexed average, but significantly better than the competitor's.

The next chapter discusses the results against the literature to enable interpretation.

6. DISCUSSION AND ANALYSIS OF RESULTS

6.1. INTRODUCTION

The previous chapter presented the results from the research process, in which the four propositions and the dependent variable derived from the literature on management of sponsorship were analysed through a case study triangulation method, using data from both the secondary sources and the face to face interviews with those involved in the Energade sponsorship management. This chapter will discuss the findings in relation to previous research and literature on effective management of sponsorship.

Firstly, the results of the dependent variable, Brand Image, will be discussed. This is done to contextualise the subsequent discussion of the results for the four propositions.

6.2. DISCUSSION OF THE DEPENDENT VARIABLE

With regards to the dependent variable, that was brand Image enhancement, the Energade sponsorship is partly consistent with the literature.

Tripodi (2001, p. 101) argued that “sponsorship is a brand equity-building strategy which is used to position the brand so the value of the brand’s image is enhanced. This is achieved by the creation of a strategic partnership between the sponsoring brand and the sport property”. Sponsorship is a medium which a company can utilise to familiarise consumers with a particular brand, and develop favourable, strong and unique brand associations in consumers’ memories (enhanced brand image).

The Energade sponsorship’s failure to significantly increase the association of desired attributes with the brand can be understood through Groghs & Reisinger (2005, p.47) findings that “....event-sponsor fit has a highly significant positive effect on image transfer,

....event involvement also influences image transfer. We do not find a significant impact of sponsorship exposure on the strength of image transfer”.

According Groggs and Reisinger (2005), by being merely exposed to sponsorship does not necessarily mean that the audience will form an image connection. Involvement in the event seems to be the biggest transferor of the image.

Yet, relative to its competitors, Energade performs better; which is consistent with the argument by Tripodi (2001, p.102) that “this generates a differential consumer response for the brand vis-a-vis an identical (unbranded) version of the same item, thereby allowing the sponsoring brand to accumulate customer-based brand equity”. The Energade’s sponsorship had indeed succeeded in generating differential response in comparison to the Powerade brand, a competitor that also employed sponsorship in its communication armoury.

Having looked at the multiple sources of evidence around Energade sponsorship, and having discussed the initial findings around the proposition, the following appeared to be the factors that contributed to the inconsistent findings of proposition four:

a) Inconsistent Sponsorship Properties

Even though sponsorship had been an integral part of Energade marketing efforts since launch, the brand has sponsored and associated itself with a diverse number of properties, including triathlons, cycling, canoeing, walking, and mountain and off-road biking, rugby, soccer, and various forms of cricket.

This ubiquitous nature of brand sponsorship might explain why there is yet a single minded attribute association with Energade.

b) Misalignment of Sponsorship Objectives

The Energade brand team, the executive team, and the sponsorship activation teams all had different objectives regarding sponsorship. This lack of consistency meant that there was no alignment of resources to achieving a single sponsorship goal, which may have enhanced attributes associated with Energade.

Setting of objectives is inevitably linked to evaluation (Meenaghan, 2000). If the parties involved with the Energade sponsorship have different views around objective, it could explain their varied and inconsistent interpretation of the how effective sponsorship is.

c) The non-complimentary nature of the Integrated Marketing Communication (IMC) messages

Tripodi (2001, p.103) urged that “in order to achieve optimal communication effectiveness, firms should employ an integrated approach to the communications mix. Sponsorship is only one part of a company’s communication strategy”.

Indeed Energade was sound to employ different communication elements, including television, radio, print, outdoor, public relations, and sales promotion. However, the Energade IMC falls short of Tripod’s (2001, p.103) assertion that “sponsorship needs to be integrated with other elements of the communication mix.....with this in mind, a sponsorship needs to be advertised, publicised, personally sold to customers through corporate packages, to utilise tie-ins such as sales promotions and involve other communication techniques such as direct marketing and on-line presence”.

6.3. DISCUSSION OF RESEARCH PROPOSITION ONE

Research proposition one was concerned with the setting of sponsorship Objectives.

Evidence from the study concurred broadly with the literature that effective management of sponsorship entails setting of sponsorship Objectives. Tripodi (2001, p. 98) argued that “all promotional tools employed by marketers should be utilised with the aim of achieving set objectives. The medium of sponsorship is no exception”. Setting of Objectives is essentially the starting point with regards to answering the question why an organisation or a brand decides to employ sponsorship as a communication medium, as was the case in the Energade sponsorship program.

Secondly, just as Dolphin (2003, p174) argued that “a valuable aspect is sponsorships’ ability to contribute to a broad range of objectives”, Energade’s sponsorship objectives were varied, from being broad and corporate focused (corporate image, hospitality for key customers via sponsored corporate functions); to being marketing focused (continue driving brand awareness, building brand credibility, driving sales through leverage, and media coverage). This finding was consistent with Hartland et al. (2005), and Dolphin’s (2003) argument that different aspects of the sponsorship program are used to achieve different objectives, which are summarised by Irwin and Asimakopoulos (1992) and Tripodi (2001) as either corporate or brand related. These authors’ arguments were echoed in the findings of this research.

Thirdly, consistent with the findings of Hartland et al. (2005), Energade’s sponsorship objectives were found to have evolved over time. As the brand matured, the sponsorship objectives evolved from being about brand Awareness and Media coverage, to becoming all-encompassing and including improving Brand image, and increasing Trial through sponsorship themed promotions.

Despite the Energde sponsorship objectives being articulated, a concerning factor was that there was lack of consistency amongst those interviewed regarding the objectives. Senior brand executives articulated different objectives from the day to day brand managers. For example, whilst the senior executives emphasised corporate objectives of stakeholder relationship via hospitality packages, the brand office emphasised awareness and sales. Similarly whilst the brand team put emphasis on brand awareness at the event and long-term image transfer, the activation agencies were largely concerned with media coverage generated by Energade sponsorship.

This lack of consistency and misalignment of objectives is contrary to the literature's assertion that even though sponsorship may enable organisations and brands communicate messages to diverse stakeholders, it is imperative that all the parties involved in sponsorship program, from the public relation office, senior management, the brand team, and the sponsorship specialist, to have a similar understanding of the sponsorship objective(s), and of what the sponsorship program aims to achieve (Dolphin, 2003; Chadwick & Thwaites, 2004; Karg 2007; Bouwens 2009).

Not only should sponsorship objectives be set, but where possible, they should also be quantified. Tripodi (2001, p. 99) argued that "setting an objective of increasing brand awareness is still too loosely defined.....Best practice sponsorship management would not only have this brand awareness objective quantified, but also targeted at a specific audience within a particular time period". Once again the Energade sponsorship objectives setting fell short of this requirement, as there was no evidence that revealed this.

Setting sponsorship objectives is inevitably linked to the measurement of those objectives (Meenaghan, 2000). A rigorous setting of objectives enables the sponsoring company to undertake a post-evaluation of the sponsorship in accordance with these objectives. According to Tripodi (2001), all sponsorship objectives should be measurable; otherwise there is no point in having those objectives. Failure to have consistent sponsorship objectives has negative implication, especially with regards to evaluation of the sponsorship (Chadwick & Thwaites, 2004).

This explains the Energade brand team's varied views around a) the tools used to evaluate the sponsorship, which consisted of the continuous brand tracker, ad hoc focus groups, personal perception, as well as media coverage value analyses; and b) the interpretation of the declining but comparatively better trend of Energade's image attributes and brand equity scores. The negative consequence of this were apparent during the follow up interviews, wherein there was no evidence of a consistent explanation and action steps regarding the brand tracker results.

In summary, the Energade sponsorship had a set of objectives to be achieved; and despite the inconsistency in the objectives amongst the stakeholder, the Energade sponsorship was used to fulfil both corporate and brand specific objectives.

6.4. DISCUSSION OF RESEARCH PROPOSITION TWO

Research proposition two was concerned with Leveraging of sponsorship, and posited that for sponsorship to be effective in enhancing a brand's image, it has to be leveraged. Over and above acquiring sponsorship rights for a property or an event, Energade needed to spend more money to enhance sponsorships effectiveness.

The literature around the proposition indicated that although sponsorship is an effective method of communication, it is also ineffective as a standalone technique. Not only is it important to leverage the sponsorship association, but that failure to leverage is a lost opportunity that in fact undo all the sponsorship efforts (Tripodi, 2001)

This proposition was supported strongly by the data collected. This proposition suggested that Energade's sponsorship was effectively managed in so far as leveraging is concerned. Evidence of this is that not only has Energade dropped some sponsorship properties in order to free up resources, but has also increased it's spend on the retained properties. This was backed up by a multitude of leveraging examples to date, including:

- the Rugby World Cup promotion campaign to leverage the brand's sponsorship of the SA Rugby Springbok property – which covered the entire 4P's of marketing,
- tactical television campaign, whose message was to highlight the SA rugby sponsorship, and
- the extensive Kwa-Zulu Natal's regional sales drive during the Comrades marathon, culminating in the event branding during the race.

Consistent with the literature (Meenaghan 1991b; Thwaites, 1995; Chadwick & Thwaites, 2004), there were diverse views regarding the ideal ratio between sponsorship rights acquisition and leverage spend. There was consistency in the literature regarding leverage spend; with authors suggesting that larger spend is more desirable; hence most of the respondents agreed that focusing on a manageable number of sponsorship properties is better than trying to throw money at every property.

One of the major caveats to Energade's sponsorship leverage efforts appeared to be the brand's mass market appeal intention. This is because in order to reach a wider market, including the non sport market, the brand uses diverse forms of communication (non-sponsorship), media, and usually non-complimentary messages, to have a broad appeal. There are tradeoffs to be made as to which type of media is prioritised, and at the end this tends to limit the extent to which each medium can be fully exploited.

The combination of spreading its budget too thin, using multiple media platforms and channels to reach a wider audience, and using non-complimentary messages throughout, erodes the sponsorship's potential to enhance brand Image.

6.5. DISCUSSION OF RESEARCH PROPOSITION THREE

Research proposition three is concerned with Congruency between the sponsoring brand and the sponsored property. The proposition is premised on the application of Schema theory, which has been applied to examine whether congruent information results in more favourable affective consumer behaviour outcomes (Koo et al., 2006). A number of studies found support that schema congruence is more influential in consumer evaluation than schema incongruence Koo et al. (2006).

Speed and Thompson (2000, p.230), using the Classical Conditioning premise, hypothesised that “the level of fit between the sponsoring company and the sponsored event is positively associated with level of sports sponsorship response”. This hypothesis was supported by the research findings.

In this study, proposition three was broadly supported by the data. In addition to reducing the number of sponsored properties, so as to free up resources for leveraged spends; the Energade team also stated that one of the main criterions that guide the selection or retention of properties was Congruence with brand Energade (Brand Strategy Document, 2011).

The first and preferred option was for a sponsoring brand (Energade) to have a good enough fit with the sponsored property or event. Energade, being a sports drink, was considered to have had an easier job in that in broad terms, it can sponsor and associate with any (active) sport. The brand’s essence “it’s what you put in”; gives the brand a licence to promise the consumer that if you put in (drink) Energade, you can perform well in (any) sport. As one brand executive commented:

A congruent sponsorship association elevates the relationship from just being an association but a call to action. As in “great rugby players use Energade, therefore, to be a great rugby player, drink Energade”

Whilst the literature herein only alluded to the perceived intrinsic fit (functional fit) between the sponsoring brand and sponsored property, evidence on the Energade case expanded beyond this level of fit. In addition to associating with intrinsically congruent properties, the properties' positioning and communication objective and potential should also be congruent to Energade's:

a. Positioning (Image) Congruency

Prendergast, Poon and West (2010, p.214) argued that “sponsors are attracted to organisations and events that offer functional or image congruence with the product or service they seek to promote, also called similarity, match, relevance, or fit”. Similarly, Dolphin (2003), noted that “a well-chosen sponsorship has the capacity to drive particular brand values” This congruence criteria was used by the Energade team to ensure that the image transferred by the sponsored event enhanced the desired Energade image.

To this end, Energade aimed to sponsor properties that are perceived and positioned as “pinnacle”, hence the brand has retained the pinnacle rugby property (The SA National Rugby team) rather than a provincial team; and also that is why the brand has retained the Comrades Marathon race, which is perceived to be a pinnacle race in the South African race calendar.

b. Communication Objectives Congruency

In addition to associating with properties that have intrinsic and image fit, the Energade's communication objectives also served to guide the selection of a property to sponsor. As a mass market brand, Energade communication objective was to reach as wide an audience as possible, and to have its message repeated as often as possible. For media planning purposes, the brands sponsorship sought high reach and frequency. It is because of this that Energade sponsors:

- SA Rugby’s Springboks – because the team has a large public interest, large media coverage, including the TV re-runs of the games, the televised training session, as well as social and corporate engagement functions, wherein Energade’s presence exploited.
- The Comrades Marathon – since the race has a large public interests and large media coverage.
- Cricket and Soccer Stadium branding – once again to exploit the spectator value and TV beamed images, reaching as wide an audience as possible.

Despite the congruency between the brand and the sponsored properties, the properties’ image was not transferring to the brand. It appears that whilst consumers are aware of Energade’s association with for example the Springboks Rugby team, none of the perceptions associated with the Springboks has been transferred to the brand. The association between Energade and its properties remains what Gwinner & Eaton (1999) refer to as functional level. This means that audience’s association of Energade and for example the Springboks remain at the fact that “Energade sponsors the Springboks, the Springboks drink Energade”. The intrinsic congruence (i.e. sport activity and rehydration), as evident through a strong attribute association of “is for active people” ,is perhaps too strong, to an extent that the association between the two is yet to move to the image level.

6.6. DISCUSSION OF RESEARCH PROPOSITION FOUR

Research proposition four was concerned the duration of sponsorship. The proposition suggested that a long-term, consistent sponsorship program effectively enhances brand image. The proposition posts that it takes time to create, change or enhance an image; and as such, for sponsorship to do this properly, the relationship between the sponsoring brand and the sponsored property has to be a long term one.

As mentioned in the previous chapter, the results for proposition four are also inconsistent with the literature and inconclusive.

Up until the 2011 Rugby World Cup, Energade communication mix was dispersed. Above the line media has largely been used to communicate brand building thematic message, sponsorship has largely been a stand-alone activity (with just presence at the event), and other below the line activities were largely used as sales drives. This lack of integration has been a lost opportunity to have used a single minded concept of sponsorship across the different medium and gain the *“the whole is greater than the sum of its parts”* synergistic effect.

The non-complementary nature of messages between the Energade sponsorship and other above the line communication explains the lacklustre performance of the brand’s image attributes and the brand equity trend. As a mass market brand that is trying to appeal to and reach everyone via a multi-media, but not necessarily integrated communication approach, Energade ended up doing a bit of everything, and thus diluting its overall communication impact.

6.7. CONCLUSION

In this chapter, the results from chapter five (5) were analysed and discussed against the literature findings. Explanations regarding the Energade’s sponsorship limitations in so far as enhancing brand Image is concerned were discussed.

7. CONCLUSION

7.1. INTRODUCTION

The previous chapter discussed the research findings in the context of existing literature on sponsorship management. In this chapter, a conclusion to the research report is provided, outlining some recommendations to the sponsorship practitioners in the commercial and academic areas. The chapter concludes with a discussion of limitations of the study and the implications for future research.

7.2. MAIN FINDINGS AND SPECIFIC RECOMMENDATIONS

Managing sport sponsorship is a complex process. Sponsorship is more than just selecting a property or event to associate a brand with. The process entails decision making, planning, executing, and evaluating. The process requires consistency and alignment of all the parties involved throughout.

In order for sponsorship to enhance brand image, the following are the recommended management practices:

a) Objective setting

Setting objectives is a rigorous process. It begins with deciding to use sponsorship as a communication tool. There must be a clear distinction as to whether the sponsorship will enhance the corporate or brand image. Corporate objectives can be both internally focused, for example for employee incentive and morale boosting; and external to include stakeholder relationship building through hospitality packages, and corporate image enhancement. Brand focused objectives include building awareness, inducing trial or purchase, building loyalty, and creating, changing or enhancing brand image.

Sponsorship objectives must be consistent. All of those involved in a sponsorship program should be working towards similar objectives. This alignment means that everyone from the business executive, the brand team, the sales agents, activation agents and the sponsorship rights owners should be aligned as to what is the purpose of the particular sponsorship program. This is to ensure that all the resources are focused on achieving a common objective

Sponsorship objectives must be prioritised. At any life stage of a brand, some objectives will be more important than others. For example, at launch, the sponsorship will be geared at building awareness, over time this will change to inducing trial, then building loyalty. With mature brands, sponsorship may be used to change or enhance existing brand image.

Similarly, prioritising objectives ensures that resources are spent accordingly and the right sponsorship mediums are selected. For example, if the objective is to build brand awareness, it will mean that should be supplemented with other above the line media to improve its reach, whereas if sponsorship is geared at entrenching the image, the focus of execution will be one-on-one communication.

b) Leveraging

Leveraging to support sponsorship goes beyond spending money. The leverage spend has to be at a right level. The ratio between leverage spends and the cost of the property is not a static figure, this will be determined by the objective of the sponsorship.

For example, in a sponsorship program where radio is used to reach a much wider audience to maximise awareness, the ratio of leverage spend will be higher than for a sponsorship program that only uses hospitality packages at the event to build brand affinity. Similarly, the cost of leveraging sponsorship on a digital platform, for example through websites and mobisites, will be cheaper than leveraging the sponsorship in stores through display and price promotions. However, the former type of leverage will result in lower awareness, whilst the latter type will be to induce trial and purchase.

In order to enhance brand image, messages used to communicate the brand, such as thematic brand advertising, should strive to complement the message used to communicate and leverage sponsorship. Non-complementary messages between various communication platforms dilute the impact of the sponsorship messaging. An example of this will be a television ad which showcases how that brand attributes are in line with the sponsored property. In a deodorant television commercial, the brand Shield showcased how it keeps the Springbok rugby players dry, by showcasing the brand functional benefits to communicate its sponsorship of the Springbok rugby team. Not only did the advert communicate the brand's functional benefits, but it did this whilst leveraging the sponsorship of the Springbok rugby team property, and thereby complementing each medium and message.

b) Congruency

Congruency between the sponsor brand and the sponsored property is multifaceted. In order to enhance brand image, the sponsoring brand and the sponsored property have to be congruent on a number of levels.

Firstly, the brand and the property must have an intrinsic fit. For example a sponsorship program wherein a sport product that can be used by players, sponsors a sporting code, is more likely to enhance the brand's image than in a case where a retail store sponsors a tennis tournament.

Secondly, brands must make sure that they sponsor properties that have an image complementary to theirs, or an image that they aspire to. Lastly, brands must associate with brands that will afford them the communication objective they require. In order to get audience reach, sponsoring a televised event is better than sponsoring an event that is only reported in a community newspaper only.

c) Duration of sponsorship

Creating, enhancing, or changing an image take time. For this reason, a sponsorship association has to be long-term. Whilst a short-term contract may succeed in increasing awareness, it cannot enhance brand image, it is costly because of the start-up costs associated with sponsorship, and indicate lack of commitment by either party.

However, using sponsorship long-term, in itself, does not guarantee that the brand will succeed in enhancing brand image. In order to enhance brand image, the sponsorship property must be consistent. Whilst there is no prescribed number of properties, a brand would do better to sponsor a single property for longer, as opposed to sponsoring a lot number of properties. The benefits of sponsoring a single property are that a) it creates barriers to entry for new sponsors, as the new sponsors will have to spend more to establish their new sponsorship, and b) a long term sponsorship as prolongs the memory decay of the sponsorship association.

7.3. LIMITATIONS OF THE STUDY

The following are the limitations of the study:

- The qualitative nature of the study makes generalisation of the findings difficult.
- The single case study nature of the study means that the results cannot be generalised to other brands in the similar product category
- The interviewees did not include the sponsorship rights owners
- The study focused on sport sponsorship, and therefore cannot be generalised to non-sports sponsorship

7.4. FUTURE RESEARCH IDEAS

In many aspects, research into sponsorship management practices is still in its infancy. Bouwens (2009, p.9) noted that “as sponsorship grows in popularity and prominence, most of research around sponsorship concerns the effectiveness of sponsorship as a medium. Research around the enabling area of sponsorship i.e. management practices of sponsorship, is not as developed as the former stream of research.” This comment was corroborated by the summary of the literature put forward in chapter two. As such, a lot of research ground remains to be covered in this sphere of sponsorship.

Whilst frameworks for sponsorship management continue to be developed, specific areas of within the frameworks are potential areas of research. Future research ideas in the area of sponsorship management studies include:

- Which type of sponsorship congruency (intrinsic, image, communication objective) enhances brand image the most?
- To what extent is the effectiveness of sponsorship programs enhanced by the use of supporting marketing communication tools?
- How functionally incongruent sponsorships affect brand image?
- Managing sponsorship to enhance corporate image?
- The evolution of sponsorship association – determining the life cycle of sponsorship

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Appendix One: Interview Schedule

(Real names of individuals and companies kept by researcher)

Name of Respondent	Company Area	Role/Responsibility
Mr M	Sponsor	Energade Executive
Mrs C	Sponsor	Energade Executive
Mr M	Sponsor	Energade Senior Executive
Mr M	Sponsor	Energade Senior Executive
Ms T	Advertising Agency	Account Director
Mr R	Advertising Agency	Communication Strategist
Mr B	Activation Agency	Managing Director
Ms M	Sponsor	Energade Executive
Mrs B	Sponsorship Coordinator	Manager/Owner
Ms M	Media Buying House	Media Planner
Mr S	Sponsorship Rights Agency	Business Executive
Ms F	Sponsorship Rights Agency	Account Executive
Mr D	Promotion Activation Agency	Managing Partner

Appendix Two: The Interview Guide

Good Day, my name is Silas Matlala, and I am conducting a research study about management of sport sponsorship. This is in partial fulfillment of my dissertation, at the University Of Pretoria’s Gordon Institute of Business Science.

Please note that this interview will be recorded in order to facilitate the discussion. However, all the responses will be treated in the strictest confidence. The analyses of the results and the reporting will be aggregated to the entire sample, with none of the respondents identified by name.

Q1. Please tell me your job title

Sponsor Firm	Sponsee/Property rights holder	Third party (e.g. activators, above and below the line agency representative, sales agents, rights negotiators)	
Brand Manager	Marketing Manager	Sales Agent	
Marketing Manager	Sponsorship Coordinator	Account Manager	
Sponsorship Manager	Marketing Consultant	Sales Director	
Marketing Director		Managing Director/General Manager	
Managing Executive			
Group Marketing Executive			
Other (Specify)	Other (Specify)	Other (Specify)	

Q2. How long have you been in your role?

Less than a year	
1 – 2 years	
2 – 3 year	
3 – 4 years	
4 – 5 years	
More than 5 years	

SECTION A: SPONSOR/BRAND OFFICE

Q1. Regarding brand Energade, what does your role, specifically involve?

Q2. What does the marketing program for brand Energade look like? If sponsorship is not mentioned spontaneously, ask:

Q3. What role does Sponsorship play in brand Energade? How integral is Sponsorship in your marketing communication mix?

Q4. Why did you include sponsorship in the Energade marketing?

Q5. How long has sponsorship being part of the Energade marketing program?

Q6. Please describe to me the all activities pertaining to the Energade sponsorship.

- Who makes the decision whether to use sponsorship or not
- In your opinion, what informs the decision whether to employ sponsorship or not?
- If objectives mentioned, ask: what objectives are these, why these particular objectives, how do you ensure you get these objectives, and how do you evaluate these objectives
 - **Probe specifically for Return on Investment, Brand Imagery, and Brand Equity**

Q7. How do you go about managing the Energade sponsorship? ***Probe for selection of property (rights) to sponsor, briefing for proposals, evaluation of proposal, and decision making*** – ask: who makes the final decision regarding which property to sponsor?

Q8. Why have you selected to sponsor the Springboks....., the Comrades Marathon..... and the Energade cycling series? What informed this decision?

Q9. ***Probe on the criterion stated above:*** you have mentioned the following as the criterion used..... which one, in your opinion is the most important criterion to use when deciding on the sponsorship? Why do you say that?

Probe for:

- *Congruency (i.e. brand and/or property fit with the brand)*
- *Role of Management on either side*
- *Perceived value*
- *Money*
- *Evaluation mechanism*

Q10. Once the decision to sponsor, and what property to sponsor, have been made – how does the sponsorship process unravel? Please take me through the whole process, what does it entail?

Q11. Over and above purchasing the sponsorship rights for e.g. the Springboks, what else do you do, if anything, to support this sponsorship? Is sponsorship separate from other marketing activities you do or is it integrated into the whole marketing mix? If “yes”, how so?

Q12. ***If usage of “activation” partners mentioned in either Q9 or Q10, ask:*** how do you select activation agents? What criteria do you use to select them? What exactly do they do?

Q13. If *“other forms of advertising is mentioned”* (e.g. Print, TV, Radio, Billboard, -in-store, on-pack promotions) in Q9 and Q10, ask: how do you ensure that alignment between the sponsorship (messaging) and the other forms of communication/marketing such as (refer to forms mentioned.....)

Q14. Please take me through the actual activation at the sponsorship event?

Q15. I want us to revisit the discussion around objective and evaluation thereof. You mentioned that you set the following objectives, what instruments, and methodology do you use to evaluate these? How often/frequently do you evaluate this? Is it continuously, quarterly, or during brand plans?

Q15. How do you decide to continue with a:

- The specific sponsorship agent
- The specific property

Q16. Which one brand metric (if any) do you use to decide whether to continue a sponsorship relationship or not? Why.....if not mentioned, probe for “Brand Image”

SECTION B: SPONSEE/RIGHTS HOLDER

Q1. How long has your sport property (mention name....) you been associated with the Energade brand?

Q2. Why do you think that Energade decided to sponsor your sport property? why? what for? Are there any objectives that you guys want to achieve through this sponsorship?

Q3. How long is each sponsorship contract term? Why?

Q4. What made you decide to go with Energade? Why not another brand(s)?

Q5. ***Probe on the criterion stated above:*** you have mentioned the following as the criterion used..... which one, in your opinion is the most important criterion to use when deciding on the sponsorship? Why do you say that?

Probe for:

- *Congruency (i.e. brand and/or property fit with the brand)*
- *Role of Management on either side*
- *Perceived value*
- *Money*
- *Evaluation mechanism*
- *Management (and level thereof) involvement*

Q6. In your view, do you think the sponsorship relationship has been a successful one?

If “No” in Q6, ask: why do you say that? What went wrong? How would you correct that?

OR

If “Yes” in Q6 ask: What has made the sponsorship successful? How have you and Energade made sure that it is successful? Why do you say that?

Q7. How involved are you in the Energade planning session? What is your role? At what stage do you get involved?

Q8. Which evaluation mechanism, if any, does Energade use to evaluate the sponsorship?
.....and how do you evaluate the sponsorship relationship.

Q9. Do you think that after the duration of the current contract Energade will renew or continue sponsoring you (your property)? What makes you say that?

SECTION C: THE THIRD PARTY: SALES AGENT/ACTIVATOR/ABOVE THE LINE AD AGENCY

Q1. How long has your company been working on the Energade brand?

Q2. Regarding Energade sponsorship, what role exactly does your company play?

Q3. In your opinion, how successful is Energade in using sponsorship for their marketing communication efforts? Why do you say that?

Sales Agent:

- How would you evaluate the sponsorship agreement between Energade and (mention property e.g. SA Rugby). Why do you think that is the case
- How involved are you in the Energade planning session? What is your role? At what stage do you get involved?
- In your opinion, has the relationship benefited either party, why do you say that?
- What made your company decide to go with Energade? Why not another brand(s)?

Probe for:

- *Congruency (i.e. brand and/or property fit with the brand)*
- *Role of Management on either side*
- *Money/Budget*
- *Evaluation mechanism*
- *Management (and level thereof) involvement*
- *Opportunity to be associated with (such a) brand*

What objectives, if any, do you use to measure as to whether the sponsorship has been beneficial to either party? Why do you use specifically these objectives?

Ad Agency:

- Does your communication strategy for Energade incorporate the Sponsorship program in any form? How so, please explain?
- How involved are you with regards to the sponsorship program of Energade?
- In your opinion, is it correct for Energade to use Sponsorship as part of their marketing communication? Why do you say that?
- Is the Energade sponsorship separate from other marketing activities you do or is it integrated into the whole marketing mix? If “yes”, how so?
- What other forms of communication mediums do you employ to communicate Energade (sponsorship)?
- How do you ensure that all other above the line communication is aligned to the sponsorship? Please take me through the process?
- How do you evaluate the success of your communication program, including the sponsorship element?

Activation Agency:

- How long has your company been working with Energade?
- Who gives you the primary brief for activation? Is it the Energade team directly or is it via a third party?
 - If third party, ask: who exactly is this, what do they do for Energade?
 - If directly from brand team ask: who exactly do you deal with in the Energade team? What is their role and position?
- What is your working arrangement with Energade? Is it on a contract basis or on ad-hoc basis?
- How involved are you in the Energade planning session? What is your role? At what stage do you get involved?
- Please take me through the process, from receiving the brief from the Energade brand team, to the actual activation at the event?
- How many brands, other than Energade, are activated at the event?

- If more than one, “ask”, how do you ensure that the Energade activation is successful, how does it stand out?
- What made your company decide to go with Energade? Why not another brand(s)?

Probe for:

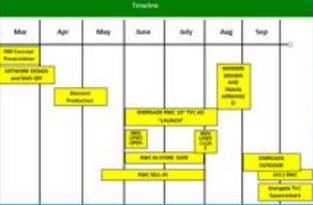
- *Congruency (i.e. brand and/or property fit with the brand)*
- *Role of Management on either side*
- *Money*
- *Evaluation mechanism*
- *Management (and level thereof) involvement*

Q8. Which evaluation mechanism, if any, does Energade use to evaluate the sponsorship?

Appendix Three: Energade 2011 Rugby World Cup Promotional Campaign

Energade Rugby World Cup Leverage Campaign – Unite Behind the boks 2011

Timeline



Mar	Apr	May	June	July	Aug	Sept
TV Commercial						
Consumer Promotion						
Springbok Supporters Club						
Trade Incentive						

TV

Energade flighted a 30" Ad, a 10" squeezeback and 10" sting showcasing our sponsorship of the boks and consumer promotion

Consumer Promo On-pack



Consumer Promo

Period: June 1 – 12 August 2011
 Mechanic: SMS any 500ml Barcode to 47494
 Prize: 10 Consumers stand a chance of winning a trip to New Zealand in September 2011
 Supported by: ATL, In-store displays incl. FSU's, standees, basewrap

IT'S WHAT YOU PUT IN



Springbok Supporters Club

To leverage off another platform we participated in the Official SARU Supporters club with their events, being at all the Springbok Open Training days (doing sampling), and also all their golf days (product and prize sponsors, hole activation)

Trade was incentivized with 5 opportunities to also win a trip to New Zealand. Based on TV vs PY % growth, we focused on driving sales within:

1. Pick n Pay
2. Spar and
3. Distributors

Trade Incentive





Appendix Four: The Comrades Marathon - Leveraging the Energade Sponsorship

Leveraging the Comrades Marathon Sponsorship

