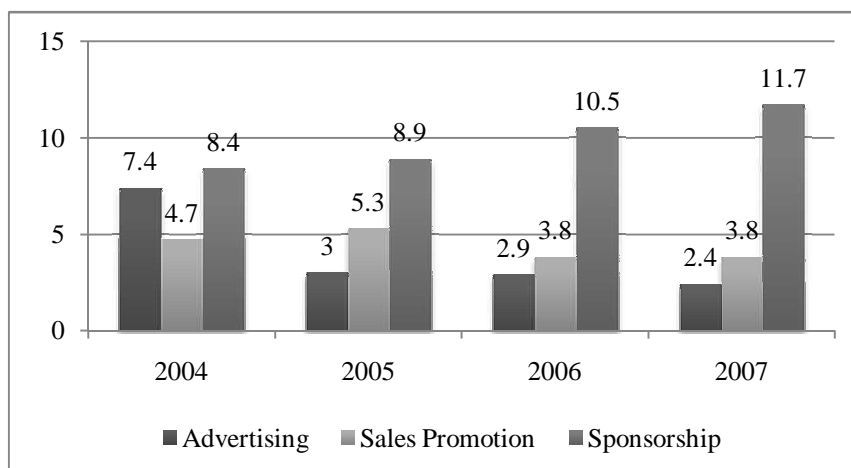


## The Determinants of Image Transfer in Sponsorship

### Introduction

Today, the scale of sponsorship as business activity becomes larger. The range of sponsored objects becomes wider. Not only sports sponsorship, but also social and environmental sponsorship have gained importance (Waliser, 2003). According to IEG Sponsorship Report (2007), global expenditures on sponsorship in 2007 hit 33.7 billion dollars, an 11.8 percent increase over 2006 (see Figure 1). On the research side, the growth of sponsorship has been accompanied by a large number of studies.

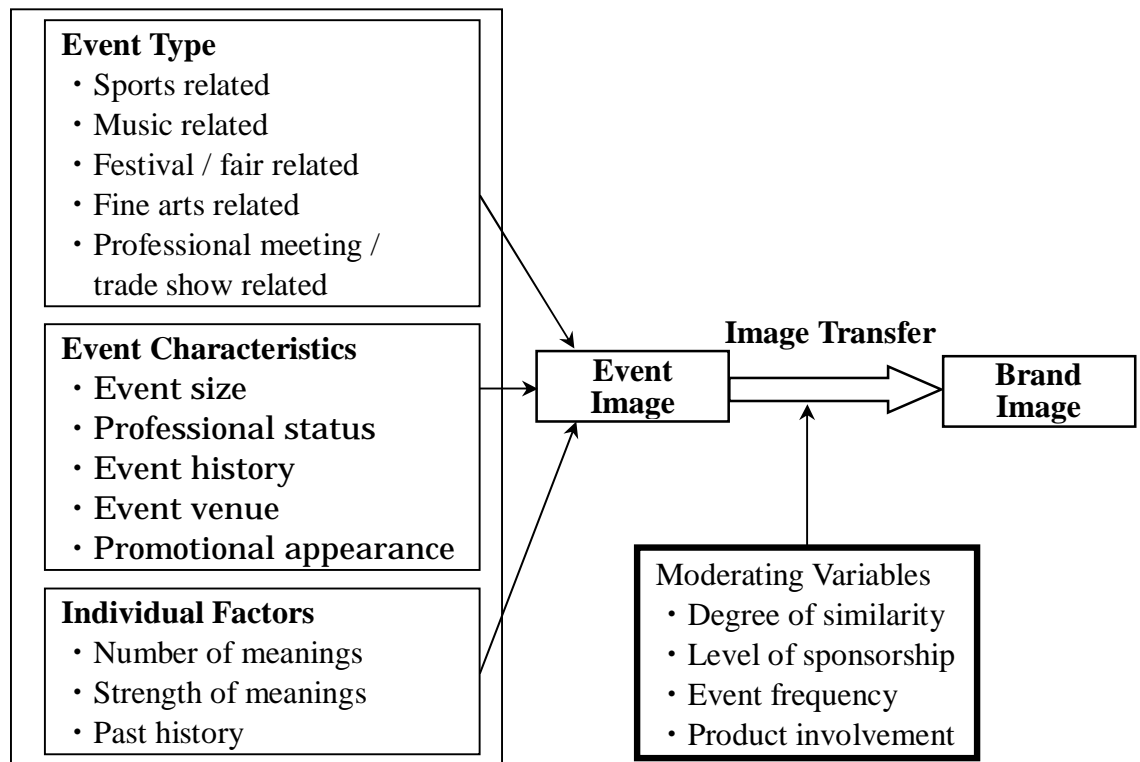


**Figure 1 Annual Growth of Advertising, Sales Promotion, and Sponsorship**

Sponsorship is defined as “the provision of assistance either financial or in-kind to an activity (e.g., sport, musical event, festival, fair, or within the broad definition of the Arts) by a commercial organization for the purpose of achieving

commercial objectives” (Meenaghan, 1983, p. 9). Several studies regarding sponsorship have been made in terms of image transfer. The term image transfer describes the transfer of such associations from sponsored activity to a brand or a company. In this regards, Keller (1993) suggested that when a brand is associated with the event, some of the associations linked with the event may become linked with the brand in consumer memory. The aim of the sponsor to transfer image is to evoke positive feelings and attitudes toward the sponsor by closely linking the sponsor to an event which consumers esteem (Grohs and Reisinger, 2004). Sponsors, therefore, seek out the appropriate event to transfer desirable image from the event to their own brand.

What determines the successful image transfer? The first scholar who paid attention to the determinants of image transfer was Gwinner (1997). He suggested three determinants of event image and four determinants of image transfer (see Figure 2) however, he did not examine his hypotheses empirically.

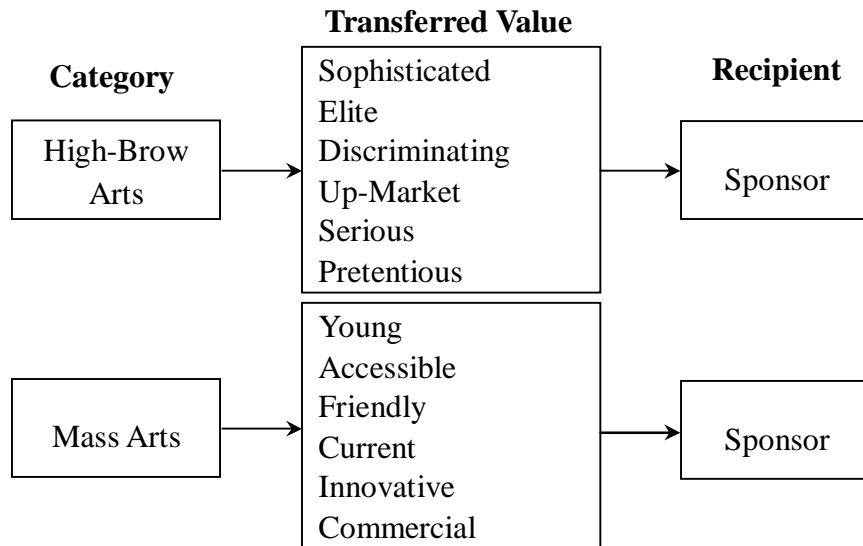


**Figure 2 A Model of Image Creation and Image Transfer in Event Sponsorship**

(Gwinner, 1997, p. 148)

Regarding this model, Meenaghan (2001) suggested that the image which transfers from a sponsored event to the sponsor depends on the category of the event (see Figure 3). Grohs, Wagner, and Vsetecka (2004) tried to bear out the determinants of image transfer through empirical analysis. They found sponsor image before event, sponsor awareness, and event image affect image transfer. This study was followed by Grohs and Reisinger (2005) implying that fitness between an event and a sponsor and event involvement affect image transfer. Also, Gwinner and Eaton (2005) and Donahay and Rosenberger (2007) found that similarity between event and sponsor affects image

transfer. More recently, Lee, Song, and Tingting (2008) suggested that event exposure and event quality affect image transfer.



**Figure 3 Image Values Derived from Various Categories of Sponsorship**

(Meenaghan, 2001, p. 103)

However, previous research has two problems. First, the studies mentioned above focused only on sports events, and it is needed to expand object of research (Grohs and Reisinger, 2005). Note that there is no research that focused on the several different types of event. Second, few studies have treated with the determinants of image transfer, and it is needed to model all determinants of image transfer (Grohs, *et al*, 2005). This study aims to model all determinants of image transfer.

## Hypotheses

### *Brand image*

Brand image is defined as “perception about a brand as reflected by the brand associations held in consumer memory” (Keller, 1993, p. 3). Brand managers try to build their own brand image because brand image help them to differentiate their product or service from competitors (Meenaghan, 1983). Some of the associations linked with the event may become linked with the brand in consumer memory, when a brand is associated with the event, as stated above. Therefore, determinants of image transfer may stimulate brand associations through the event, which drive image transfer. Further, Keller suggested that favorability, strength, and uniqueness of brand associations are the determinants of brand image. Thus, the following hypotheses are proposed:

**H<sub>1</sub>** Strength of sponsor associations has positive effect on image transfer,

**H<sub>2</sub>** Favorability of sponsor associations has positive effect on image transfer, and

**H<sub>3</sub>** Uniqueness of sponsor associations has positive effect on image transfer.

### *Event exposure*

Repeated presentation of sponsored event results in increased knowledge of the connection between event and sponsor, which strengthen associations of them. The close link between event and sponsor should result in the event image rubbing off on the

sponsoring company (Grohs and Reisinger, 2004).

Additionally, when objects are presented to the individual on repeated occasions, the individual's attitude toward these objects is more positive. It is called mere exposure effect (Zajonc and Markus, 1982). Therefore, repeated presentation of sponsored event may result in increased positive feeling of the event and its sponsor.

In this regards, Lee, Song, and Tingting (2008) suggested that event exposure is a determinant of image transfer. Thus, the following hypotheses are proposed:

**H<sub>4</sub>** Event exposure has a positive effect on image transfer, mediated by strength and favorability of sponsor associations.

#### *Event involvement*

Event involvement is a kind of genuine enthusiasm or strong interest in event which comes from the importance of this activity for an individual (Lardinoit and Derbaix, 2001). Increased event involvement leads to greater resources the fan devotes to processing information with regard to the sponsored event. With detailed processing of sponsored event information, the fan of the event learns more about the connection between event and sponsor, which may strengthen associations of them.

Additionally, in general, when the relationship between the team and its sponsor is positive, the fan's attitude toward the sponsor is positive, too. It is called balance theory (Heidi, 2007). Therefore, increased event involvement results in making

more fans and making their attitude toward the sponsor more positive.

In this regards, Grohs and Reisinger (2005) suggested that event involvement is a determinant of image transfer. Thus, the following hypotheses are proposed:

**H<sub>5</sub>** Event involvement has a positive effect on image transfer, mediated by strength and favorability of sponsor associations.

### *Event Quality*

Increased event quality leads to greater resources the fan devotes to processing information with regard to the sponsored event. With detailed processing of sponsored event information, the fan of sponsored event learns more about the connection between event and sponsor, which strengthen associations of them.

Additionally, professional status is a determinant of event image (Gwinner, 1997). Therefore, the sponsor of high quality event may be recognized as more unique than the sponsor of low quality event.

In this regards, Lee, *et al.* (2008) suggested that event quality is a determinant of image transfer. Thus, the following hypothesis is proposed:

**H<sub>6</sub>** Event quality has a positive effect on image transfer, mediated by strength and uniqueness of sponsor associations.

### *Sponsor exposure*

In the same way as event exposure, repeated presentation of sponsor results in increased knowledge of the connection between event and sponsor and increased positive feeling of the sponsor.

In this regards, Grohs and Reisinger suggested that sponsor exposure is a determinant of image transfer. Further, Grohs, Wagner, and Vsetecka (2004) suggested that sponsor awareness is a determinant of image transfer. Thus, the following hypotheses are proposed:

**H<sub>7</sub>** Sponsor exposure has a positive effect on image transfer, mediated by strength and favorability of sponsor associations.

### *Sponsor prominence*

There are many types of sponsorship. In the same way as event and sponsor exposure, exclusive rights of sponsorship result in more increased knowledge of the connection between event and sponsor and more increased positive feeling of the sponsor than common sponsors. Additionally, dominant sponsor is recognized as more unique than common sponsors.

In this regards, Gwinner suggested that the level of sponsorship is a determinant of image transfer. Thus, the following hypothesis is proposed:

**H<sub>8</sub>** Sponsor Prominence has a positive effect on image transfer, mediated by strength,



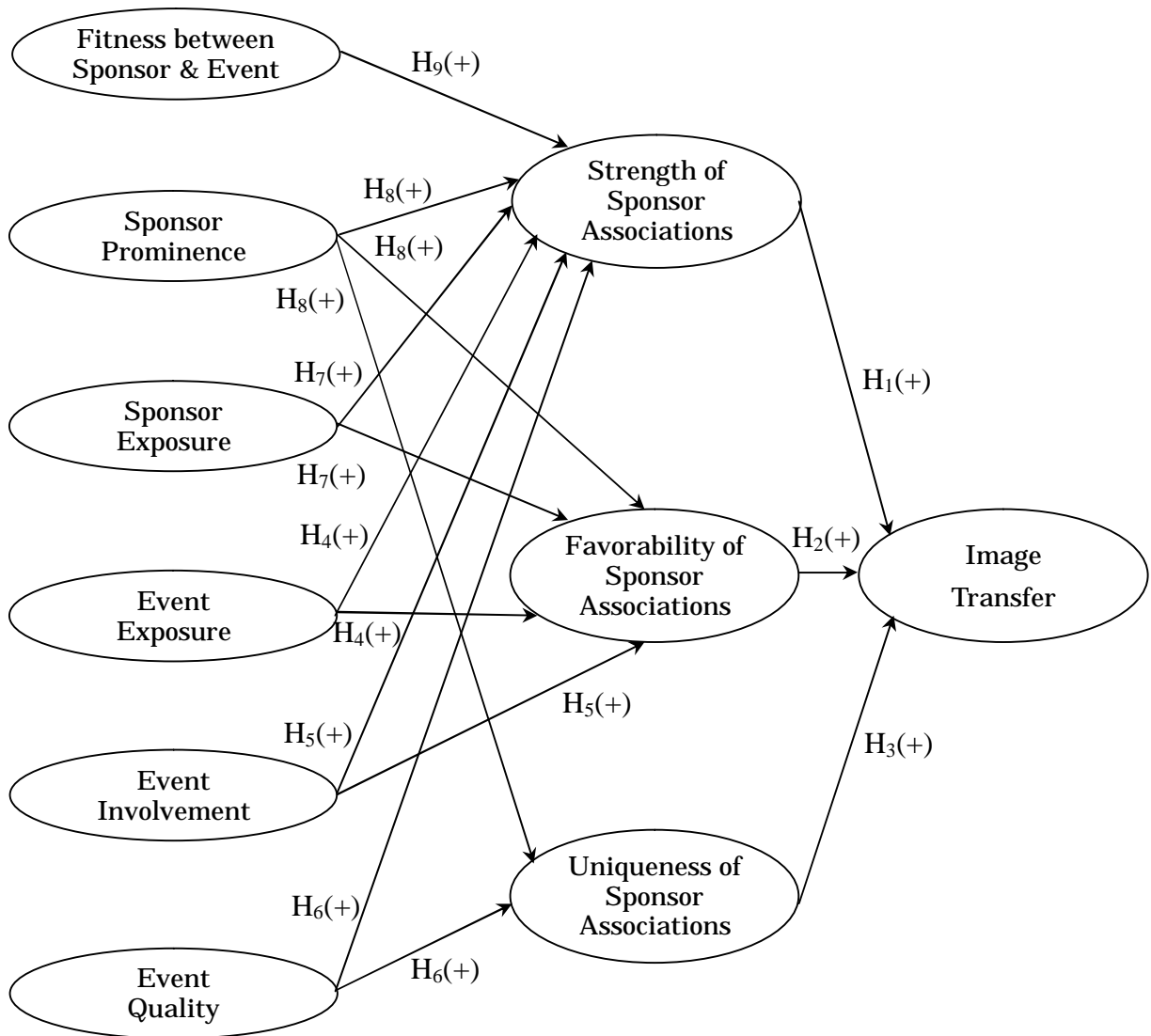
favorability, and uniqueness of sponsor associations.

*Fit between event and sponsor*

In general, product endorsers in advertising are more effective if the image of product endorser matches the image of the product. Matched presentation of sponsor results increased knowledge of the connection between event and sponsor. In this regards, Grohs and Reisinger (2004) and Gwinner (1997) suggested that fit between event and sponsor is a determinant of image transfer. Thus, the following hypothesis is proposed:

**H<sub>9</sub>** Fit between event and sponsor has a positive effect on image transfer, mediated by strength of sponsor associations.

Finally the hypotheses mentioned above are summarized in Figure 5.



**Figure 5 A proposed Model**

## Methodology

Structural equation modeling (SEM) was used to analyze the proposed hypotheses since SEM fits the analysis of casual relationship representing psychological process of attendants in events. Generally, SEM is suitable for analyzing the hypothesized relationship among latent variables and confirmatory factors. SEM needs

multi scale for each construct. We developed three scales for each construct. Questions about each construct were implemented on a seven point Likert scale with 1=strongly disagree and 7=strongly agree. I sought consumer data pertaining to the experience of 3 types of events (sport, music, and art). The target population consisted of college students. Yielding a total of 276 completed responses, of which, 276 were deemed usable after list-wise deletion. The structural equation model (see Figure 5) was estimated with maximum likelihood criterion in CALIS procedure of SAS for Windows ver. 9.1.

## Results

Preliminary analysis was conducted on the proposed model. The path between “sponsor exposure” and “strength of sponsor associations” was not significant in 10 % level. Therefore, a modification of the model which removes this path was made.

The resulting full model  $\chi^2_{(1710.71)}$  was ( $p < .0001$ ) and the ratio of  $\chi^2$  to degree of freedom (3.70) is within the acceptable range. Cronbach' alphas for each construct were above .96. Confirmatory factor analysis was utilized to examine convergent validity. All the factor loadings and measurement errors were in acceptable ranges and significant in 1 % level. GFI and AGFI are .76 and .71, respectively. Although they are lower than the recommended level, this could be due to the small sample size and the large number of constructs. In this case, useful index is RMSEA, a parsimony measure

that accounts for potential artificial inflation due to the estimation of many parameters.

The RMSEA is .10, which indicates a close fit of the data to the model. These results are presented in Table 1. As shown in Figure 6, all parameter estimates of the structural equations had adequate signs and were significant no more than in 10 %.

**Table 1 Model Estimation**

$\chi^2$	1710.71	RMSEA	0.10
$\chi^2 / \text{d.f.}$	3.70	GFI	0.76
AIC	810.83	AGFI	0.71
SBC	-865.41	NFI	0.90

Regarding relationships between “Image Transfer” and its direct determinants, the estimated value of  $\beta_{12}$  (“Strength of sponsor associations” => “Image transfer”) is .42 ( $t=6.68$ ,  $p<.01$ ), while the value of  $\beta_{14}$  (“Uniqueness of sponsor associations” => “Image transfer”) is .32 ( $t=5.90$ ,  $p<.01$ ) and  $\beta_{13}$  (“Favorability of sponsor associations” => “Image transfer”) is .24 ( $t=3.52$ ,  $p<.01$ ). All paths have adequate sign and significant value. Thus, image transfer may occur when associations of sponsors become strong, unique, and favorite thorough event in consumer mind.

Regarding relationships between “Strength of sponsor associations” and its direct determinants, the estimated value of  $\gamma_{21}$  (“Event exposure” => “Strength of

sponsor associations”) is .29 ( $t=4.01$ ,  $p<.01$ ), while the value of  $\gamma_{22}$  (“Event involvement”  
=> “Strength of sponsor associations”) is .29. ( $t=6.99$ ,  $p<.01$ ). Both of them have  
adequate sign and significant value. Thus, the strength of sponsor associations is likely  
to be heightening when... “Fitness between Event and Sponsor” and “Sponsor  
prominence” are also found to have significant, positive effects on “Strength of sponsor  
associations” ( $\gamma_{26}=.21$   $t=2.68$ ,  $p<.01$ ;  $\gamma_{25}=.28$ ,  $t=3.29$ ,  $p<.01$ ). Thus, the strength of  
sponsor associations is also likely to be heightening when...

Regarding relationships between “Favorability of sponsor associations” and its  
direct determinants, the estimated value of  $\gamma_{35}$  (“Sponsor prominence” => “Favorability  
of sponsor associations”) is .46 ( $t=4.94$ ,  $p<.01$ ), while the value of  $\gamma_{32}$  (“Event  
involvement” => “Favorability of sponsor associations”) is .27 ( $t=5.42$ ,  $p<.01$ ). Both of  
them have adequate sign and significant value. Thus, the favorability of sponsor  
associations is likely to be heightening when... “Event exposure” and “Sponsor  
exposure” are also found to have significant, positive effects on “Favorability of  
sponsor associations” ( $\gamma_{31}=.13$ ,  $t=1.92$ ,  $p<.05$ ;  $\gamma_{34}=.12$ ,  $t=1.78$ ,  $p<.05$ ). Thus, the  
favorability of sponsor associations is likely to be heightening when...

Regarding relationships between “Uniqueness of sponsor associations” and its  
direct determinants, the estimated value of  $\gamma_{45}$  (“Sponsor prominence” => “Uniqueness  
of sponsor associations”) is .60 ( $t=9.00$ ,  $p<.01$ ), while the value of  $\gamma_{43}$  (“Event quality”  
=> “Uniqueness of sponsor associations”) is .36 ( $t=6.59$ ,  $p<.01$ ). Both of them have

adequate sign and significant value. Thus, the uniqueness of sponsor associations likely to be heightening when...

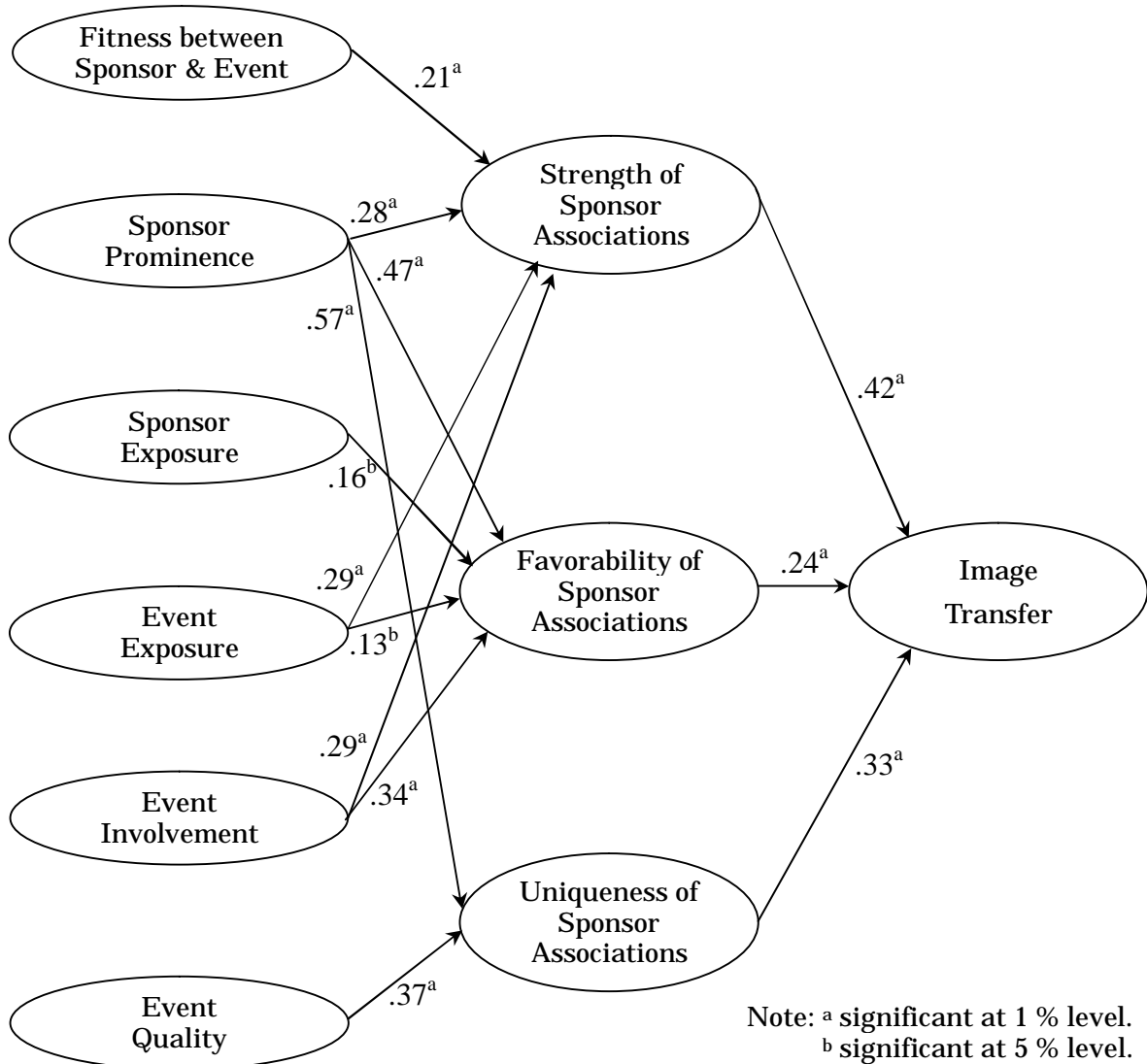


Figure 6 Proposed Model and Estimation Results

Discussion

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