Company Sponsorships in Major Sports Events- A Market Study

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Abstract

The primary objective of the researchers is to study and analyse the impact of sponsorship on the perception of consumers towards the sponsor. It is intended to see which factors are contributing to sponsorship response. Data was collected using questionnaire from 53 respondents who are undergraduate and post graduates. The model is now subjected to reliability of scale test, Cronbach Alfa. As there are many factors and each has many variables, the factor analysis method is adopted and the components that are of most significant value are taken into consideration MoneyGram and Pepsi both have different components that lead to increase in perception of sales amongst the customers. Across all three dependent variables, perceived ubiquity, perceived sincerity, and sponsor-event fit were significant predictors. Personal Liking was not so significant in predicting interest. Event status partially supported in predicting favour. The major finding in regard to both the companies is that response is stronger when the consumer feels that the sponsor fits well with the event and they are sincere to the event. The results of the study implies that in order to maximize the benefits of the sponsorship the event managers and sponsorship managers should have a deep knowledge of the attitudes and the perceptions of the audience. A promotion indicating the sponsor sincerity or sponsor-event fit is expected to raise sponsorship response.

Keywords: *Sponsorship, Sports Sponsorship, Sponsorship Response*

1. Introduction

1.1. Background of the study

Sponsorship has become a very essential source of funds for a wide range of sporting, artistic, and social events. The worldwide sponsorship market has seen a rise during the last 3 decades an estimated U.S. $2 billion in 1984 to $66 billion in 2018. Sporting sponsorship in particular has seen a high rise. The major contributors to global sponsorship landscape are North America, with 22.3 billion U.S. dollars in 2016, 16 billion U.S. dollars from Europe and 14.8 billion U.S. dollars

from the Asia Pacific. North America has seen a tremendous growth over five years increasing from 4.2 billion U.S. dollars in 2010 to 17.3 billion U.S. dollars in 2015. Out of North America's total sponsorships expenditure in 2016, 15.7 billion U.S. dollars were in the form of sports sponsorships. Cornwell and Maignan (1998) noted, it is remarkable that even after such growth there is very small amount of research done in the field of sponsorship, its working and how it influences the minds of the consumers.

Provision of assistance financially or to an activity by an organization for the aim of achieving commercial objectives can be defined as Sponsorship (Meenaghan 1983). The presence of a second party i.e. sponsored entity separates sponsorship from advertising, and the presence of a commercial motivation separates sponsorship from altruism. Here In this study, we test a model of the determinants of sponsorship response developed by Richard Speed and Peter Thompson (2009) to seek insights into Indian market, how the sponsorship influences perception of the consumers about the brand and how their perception effects the sponsorship response.

1.2. Statement of the problem/ Research problem:

Company sponsorships in major sports events (ICC World Cup T20 2016) and its effect on the perception of the brand in the mind of consumer.

1.3. Purpose and objectives of the study:

The primary objective of the researchers is to identify the major contributors to a sponsorship response when a consumer is exposed to a particular combination of sponsor and event. Finding effects when there is a logical association between the sponsors with the event is also taken into consideration. The primary motive of any sponsorship is to display a philanthropic dimension towards the event which will help in making a positive impact on minds of consumers. The purpose of this paper is to serve as a reference for making sponsorship related decisions and various factors to consider while making those decisions in Indian landscape.

2. Literature Review

Richard Speed and Peter Thompson (2009), "Determinants of Sports Sponsorship Response", Journal of the Academy of Marketing Science. The purpose of the study was to form and test a model to identify the components of sponsorship response and to find out how sponsorship works and how managers can make a more informed decision regarding sponsorship. The effects of consumers' attitudes towards a sports event, their attitudes about the sponsor and their perceptions of sponsor-event fit are examined on a multidimensional determinant of sponsorship response. To develop a model, 10 managers who are responsible for making sponsorship related decisions were interviewed. For validating the model, the collected responses were first subjected to Exploratory

Factor Analysis and then Confirmatory Factor Analysis. The results indicated that the success of any sponsorship campaign depends on various factors like the attitude of consumers toward the sponsor, toward the event, and by their perception of sponsor-event fit, perceived ubiquity of the sponsor, perceived sincerity of the sponsor.

Srdan Zdravkovic and Brian D. Till (2012), "Enhancing brand image via sponsorship: Strength of association effects", International Journal of Advertising. Examining the influence of sponsorship on associations transfer from sponsored entity to the sponsor is the main emphasis of the study. The study aims to identify the factors that contribute to forming strong associations between sponsors and sponsored entities, and to find out whether the strength of the association between these partners have any measurable effect on transfer of associations from the sponsored entity back to the sponsor. Two pre-tests and one main study was conducted. The purpose of two pre-tests was to identify the entities which were sponsored and about which subjects were aware of and about which they had neutral or favourable opinion and collect the combination of sponsors and sponsored entities; and to find out what sponsors were fitting and not-fitting with sponsored entities among the collected combinations. Strength of a logical link between sponsor and sponsorship receiving entity is assessed by the response latency task. Transfer of logical associations from the sponsorship receiving entity to sponsor is assessed by examining the number of sponsored entity-related links that are corresponded with the sponsor when subjects are exposed to the stimulus. Results suggested that the subjects who are exposed to the highly fitting sponsor sponsorship receiving entity partnership attain a stronger logical link between sponsor and sponsorship receiving entity than subjects who are exposed to the poorly fitting partnership of sponsor sponsorship receiving entity. Results does not conclusively give any evidence about the effects that the frequency of the partnership have on increasing the strength of the logical link between sponsor and sponsorship receiving entity.

Nicolas et al. (2009), "Sponsor and Sponsees Interactions: Effects on Consumers' Perceptions of Brand Image, Brand Attachment, and Purchasing Intention", Journal of Sport Management. The study was conducted to examine the effects of commercial sponsorships on the intention to purchase sponsor products with respect to brand attachment and brand image. Relationships between sponsors like Adidas, an event like 2006 FIFA Soccer World Cup, a team like French National Soccer Team and a top player like Zinédine Zidane was analysed in this study. The results revealed that when more than one sponsorship arrangements are there, there is an interaction between the sponsor and the sponsees brands cognitive and affective stages. The model showed that multiple sponsorship brings out the brand behavioural dimensions like cognitive, affective and conative. As the purpose of this study is related to sponsorships that have main objective of influencing the behaviour of their consumers toward them. In this type of sponsorship, a change is brought upon by displaying a logical association of the sponsor with the event. Here, consumers are simultaneously exposed to the event and the sponsor as stimuli. This can be a one of the circumstances where learning may occur through classical conditioning. Because there is a lack of academic research to provide guidance to the event and sponsorship managers, a consultant usually comes into the picture. The exposure achieved by the brand through various sponsoring activities

is mostly used for determining the effectiveness of sponsorships. The name, appearance of the logo, and so on are used as means of generating exposure. Monetary value is measured by the cost of the advertising to achieve comparable exposure. Most importantly, the analysis is post hoc, so, it cannot be used in sponsorship related decisions or to evaluate proposals. Exposure is assumed to be a necessary and sufficient condition for a successful sponsorship campaign according to the exposure-based model. There is also an assumption that increased frequency of the exposure increases results.

There has been extensive research to understand the link between exposure and behaviour in other areas of promotion. Mere-exposure effects (Zajonc 1980) indicated that intervening attitudes, for example liking, interest, and relevance, are not essential for response to a stimulus. But when considering low-involvement situation, mere-exposure effects model is considered to be relevant to advertising (Bornstein 1989). If advertising responses are automatic and unconscious, a different study (Grunert 1996) used cognitive psychology to indicate that the mere-exposure effect can lead to higher appraisal of a product. However, there are many researches which indicate that at most times, exposure is a necessary but insufficient condition as a response to promotion. The consumers' attitude toward various features of a promotion is a major contributor in forming the response when advertising is considered as a strategic and conscious action (Grunert 1996).

The cognitive aspects of the promotion process is important point of focus for researchers of classical conditioning. Classic conditioning seen as the use by an information seeker of the relationship between two stimuli to learn about one of these through what is known about the other (Shimp 1991).

3. Research Methodology

3.1. Theoretical Framework

Based on the gap analysis we can conclude that the present research model is not particularly focused on factors which sponsors can capitalize on for making informed decision related to event sponsoring. Sponsorship decisions are very crucial for a company because a lot of money is invested here.

Implied by classical conditioning research in advertising that the size of the response will be based on (1) attitude of respondent's toward the ad/endorser (Mitchell and Olsen 1981; Shimp 1981), (2) prior attitude of respondent's toward the brand (Stuart, Shimp, and Engle 1987), and (3) respondent's perception of congruence between the ad/endorser and the brand (Mitchell, Kahn, and Knasko 1995; Shimp 1991). Using this in sponsorship landscape, the sponsorship response is assumed to be affected by (1) attitudes toward the event, (2) attitudes toward the sponsor, and (3) perception of congruence between the sponsor and the event.

This leads us to the identification of variables for this study. **Status of the event, , Personal liking of the sponsored event, Sponsor event fit, Sincerity of the sponsor, Ubiquity of the**

sponsor are independent variables in this study while **Sponsorship Response** is the dependent variable.

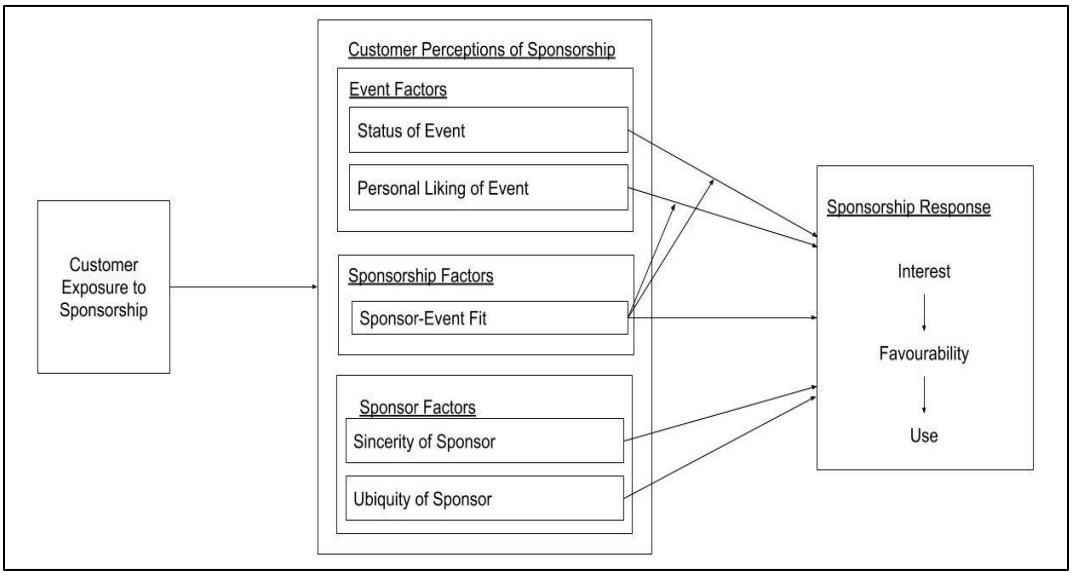

Figure 1. Identification of Variables

Formulation of hypothesis has been done based on the theoretical construct keeping in mind views of other researchers and marketers. The focus of this study will be to test the following formulated hypothesis:

H_{a1}: There is a positive association between the status of the event and sponsorship response after sponsoring event.

H_{a2}: There is a positive association between the personal liking for the event and sponsorship response after sponsoring event.

H_{a3}: There is a positive association between the level of fit between the sponsoring company and the sponsored event and sponsorship response after sponsoring event.

H_{a4}: There is a positive association between the sincerity of a sponsor and sponsorship response after sponsoring event.

H_{a5}: There is a positive association between the perceived ubiquity of a sponsor and sponsorship response after sponsoring event.

3.2. Source of Data

The two main sources of data and their collection was done as follows:

- Primary data: The primary data for this study was collected through a quantitative questionnaire survey designed on the basis of the theoretical construct. The survey was

focused on identifying perceptions of respondents about the company and its effect on sponsorship response.

- Secondary data: The main sources of secondary data were international journals, publications, articles. Previous relevant researches were extracted from reliable databases like ScienceDirect, JSTOR and ProQuest Central. This secondary research provided useful insights on sponsorship and determinants of sponsorship response. This helped in better understanding of the topic and identifying the gaps of these previous researches.

3.3. Sampling Procedures

This study investigates and analyses the sponsorship response and the factors affecting it. The respondents chosen for the study were undergraduate and postgraduate students. 53 students participated in the research. To ensure that respondents had sufficient information to make judgments about a proposed sponsorship, respondents were only considered valid only if the respondent could accurately define the sponsor's business and had watched the event. The sample consisted of undergraduate and postgraduate students with an age range from 18 to 30. The gender balance was about 51 percent female and 49 percent male. The target population was Indians watch sports actively. The sample size was significantly smaller than usual due to inadequacy of time. Period of data collection was 2th March, 2018 to 12th March, 2018.

3.4. Methods and Instruments of Data Gathering

There are 3 factors affecting sponsorship response namely Event factors, Sponsor Factors and Sponsorship Factors. To study these factors, each factor was divided in various variables which were measured through questions.

Sponsor-event fit was measured on a 5-point Likert scale. The variables used were fit with respect to logical connection, similarity, and sensibility.

Personal liking for the event was measured on a 5-point Likert-type scale. The variables used were respondents' attitude towards the event and their degree of liking.

Status of the sponsored event was measured on a 5-point Likert-type scale. The variables used were significance of the event locally and internationally.

Sincerity of the sponsor for the event was measured on a 5-point Likert-type scale. The variables used were the benefits of the sponsor, sponsor's motivation and likely behavior.

Ubiquity of the sponsor was measured on a 5-point Likert-type scale. The variables used were focus of the sponsor and sponsorship activities of the companies.

The 5 point Likert-type scale ranging from 1(Strongly Disagree) to 5(Strongly Agree) is used.

3.5. Methods of Data Analysis

In order to check the validity and reliability of data, the responses were checked for reliability test. Series of validity checks were performed on the dependent and independent measures. The scales were evaluated on the basis of exploratory factor analysis. Items with high cross-loadings or poor item correlations were deleted. Table 1 below shows the Cronbach Alpha value of 0.950. This indicates the data is reliable and accurate.

Table 1. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.969	.970	30

Once the data is verified to be reliable, the next step is to perform the principal component analysis and factor analysis. This step determines which factors are most relevant and the components that were important for success of sponsorship of the event. The next step is to find the correlation between the various variables and which variables are the ones that are highly correlated.

All the variables are taken into consideration. We carry out the KMO and Bartlett's test to check how suitable our data is for the factor analysis. The next step is to set the extraction based on Eigenvalues so that we can formulate the number of components and based on that we can group the variables into various components. The rotated component matrix will finally give the segregation of the components. Based on these, the components can be categorized and given descriptions. Thus, factor analysis helps in determining which out of the given factors are most relevant to the given model.

4. Analysis and Results

4.1 Quantitative Data Analysis: MoneyGram

Next, we find the correlation between various variables and determine the correlation between them (as shown in table 2).

As seen through the below table, the Pearson correlation values are shown. The correlation matrix shows the level of relation that is present between the variables. Now beginning with the exploratory analysis, the priori expectation was a five-factor solution. All the 15 variables are taken into consideration, and the factor analysis is carried out. On further evaluation, the total variance table is obtained as shown in table 3.

Table 2. Correlation Matrix

		MLogicalConnection	MSimilarity	MEventFit	MStandforSame	MSignificance	MImportance	MSupporter	MAttendEvent	MCoverage	MSponsor	MFocus	MCommon	MExpect	MBelieve	MInterest
Correlation	MLogicalConnection	1.000	.687	.690	.654	.371	.301	.320	.373	.377	.575	.518	.612	.483	.478	.463
	MSimilarity	.687	1.000	.681	.708	.297	.332	.238	.311	.346	.419	.547	.470	.396	.348	.413
	MEventFit	.690	.681	1.000	.775	.358	.404	.356	.416	.488	.498	.543	.571	.571	.407	.435
	MStandforSame	.654	.708	.775	1.000	.354	.337	.252	.379	.390	.451	.563	.431	.546	.420	.419
	MSignificance	.371	.297	.358	.354	1.000	.745	.705	.702	.751	.362	.452	.395	.636	.502	.517
	MImportance	.301	.332	.404	.337	.745	1.000	.769	.567	.609	.320	.450	.345	.533	.500	.377
	MSupporter	.320	.238	.356	.252	.705	.769	1.000	.724	.744	.527	.341	.393	.579	.499	.528
	MAttendEvent	.373	.311	.416	.379	.702	.567	.724	1.000	.836	.446	.395	.338	.530	.590	.552
	MCoverage	.377	.346	.488	.390	.751	.609	.744	.836	1.000	.477	.422	.323	.579	.458	.518
	MSponsor	.575	.419	.498	.451	.362	.320	.527	.446	.477	1.000	.490	.634	.594	.531	.585
	MFocus	.518	.547	.543	.563	.452	.450	.341	.395	.422	.490	1.000	.597	.482	.534	.451
	MCommon	.612	.470	.571	.431	.395	.345	.393	.338	.323	.634	.597	1.000	.520	.478	.598
	MExpect	.483	.396	.571	.546	.636	.533	.579	.530	.579	.594	.482	.520	1.000	.604	.606
	MBelieve	.478	.348	.407	.420	.502	.500	.499	.590	.458	.531	.534	.478	.604	1.000	.724
	MInterest	.463	.413	.435	.419	.517	.377	.528	.552	.518	.585	.451	.598	.606	.724	1.000

Table 3 below interprets the number of factors, or components as said, in which the variables can be grouped into. The components with Eigenvalue of atleast 1 are selected. As seen from the table, only the first 3 components have eigenvalue greater than 1. This means the 15 variables seem to measure 3 underlying factors.

Table 3. Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.981	53.209	53.209	7.981	53.209	53.209	4.245	28.298	28.298
2	2.028	13.518	66.727	2.028	13.518	66.727	3.630	24.201	52.499
3	1.018	6.788	73.515	1.018	6.788	73.515	3.152	21.016	73.515
4	.653	4.355	77.870						
5	.607	4.050	81.919						
6	.502	3.344	85.263						
7	.439	2.925	88.188						
8	.391	2.609	90.797						
9	.335	2.234	93.031						
10	.318	2.119	95.149						
11	.211	1.404	96.553						
12	.184	1.223	97.777						
13	.156	1.043	98.820						
14	.094	.626	99.445						
15	.083	.555	100.000						

Extraction Method: Principal Component Analysis.

Components are not assumed to represent real traits underlying the 15 questions who have quality score as low. Such components are considered “scree” as shown by the line chart below (figure 2).

A scree plot visualizes the Eigenvalues (quality scores) just seen. These are considered as “strong factors”. After that -component 4 and onwards- the Eigenvalues drop off dramatically. Next step is checking to what extent our communality matrix account for variance of the 15 variables. These are answered by the communalities (Table 4) in factor analysis.

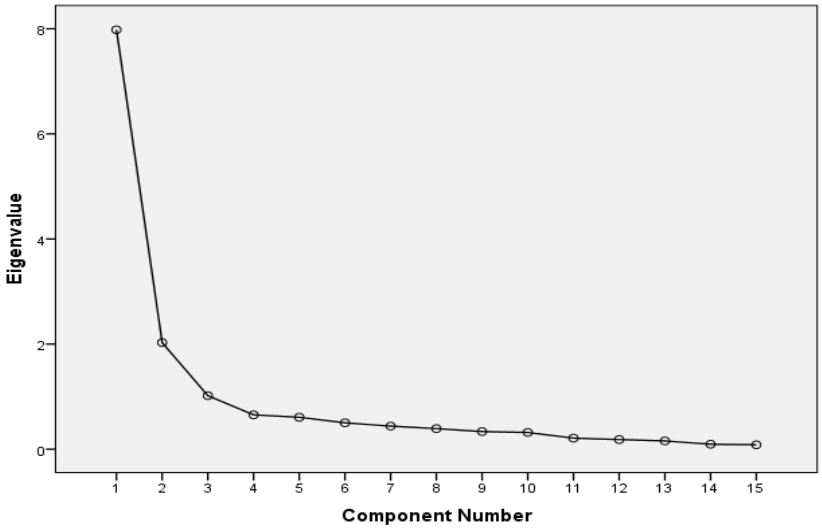

Figure 2. Scree Plot: Component Number vs Eigen Value

Table 4: Communalities

	Initial	Extraction
MLogicalConnection	1.000	.691
MSimilarity	1.000	.735
MEventFit	1.000	.783
MStandforSame	1.000	.753
MSignificance	1.000	.777
MImportance	1.000	.694
MSupporter	1.000	.811
MAttendEvent	1.000	.725
MCoverage	1.000	.768
MSponsor	1.000	.628
MFocus	1.000	.582
MCommon	1.000	.599
MExpect	1.000	.652
MBelieve	1.000	.716
MInterest	1.000	.823
MLowerProfile	1.000	.642
MPerception	1.000	.629
MPayAttention	1.000	.759
MBuyProduct	1.000	.720

So on predicting MLogicalConnection from our 3 components by multiple regression, we'll find r square = 0.691 -which is MLogicalConnection's communality. Variables having low communalities i.e. lower than 0.40 does not contribute in measurement of underlying factors. Once these are calculated, the rotated component matrix (as shown in table 5) will group the variables into 3 factors. The first 6 variables relate to the personal liking of the event. So the component is interpreted as "Personal Liking of the Event". This is the underlying trait measured by MSignificance, MCoverage, MSupporter, MImportance, MAttendEvent and MExpect.

After interpretation of all components in similar way, following descriptions of components is computed:

- Component 1 - "**Personal Liking of Event"**
- Component 2 - "**Sponsor-Event fit"**
- Component 3 - "**Perceived Ubiquity and Sincerity of Sponsor"**

Hence, for MoneyGram as a sponsor, the descriptive statistics shows how we interpreted our factors. We conclude that Sponsor-Event fit is rated best and Personal Liking of Event is rated worst.

Table 5. Rotated Component Matrix

	Component		
	1	2	3
MSignificance	.842		
MCoverage	.840		
MSupporter	.835		
MImportance	.812		
MAttendEvent	.800		
MExpect	.514		
MStandforSame		.854	
MSimilarity		.851	
MEventFit		.824	
MLogicalConnection		.733	
MFocus		.560	
MInterest			.769
MSponsor			.733
MCommon			.718
MBelieve			.694

4.2 Quantitative Data Analysis: Pepsi

We follow similar steps for Pepsi.

The Pearson correlation values are shown through the table. The priori expectation was a five-factor solution. All the 15 variables are taken into consideration, and the factor analysis is carried out. On further evaluation, the total variance table is obtained as shown in table 7.

Table 6. Correlation Matrix

		PLogicalConnection	PSimilarity	PEventFit	PStandforSape	PSignificance	PImportance	PSupporter	PAttendEvent	PCoverage	PSponsor	PFocus	PCommon	PExpect	PBelieve	PInterest
Correlation	PLogicalConnection	1.000	.840	.800	.720	.610	.383	.492	.573	.533	.709	.533	.540	.516	.563	.497
	PSimilarity	.840	1.000	.817	.834	.568	.498	.554	.661	.542	.691	.611	.573	.534	.586	.546
	PEventFit	.800	.817	1.000	.668	.691	.447	.551	.689	.616	.689	.562	.669	.569	.612	.526
	PStandforSaPe	.720	.834	.668	1.000	.452	.395	.482	.465	.376	.539	.520	.424	.341	.486	.494
	PSignificance	.610	.568	.691	.452	1.000	.477	.733	.740	.607	.740	.548	.721	.668	.686	.522
	PImportance	.383	.498	.447	.395	.477	1.000	.665	.494	.622	.652	.434	.408	.560	.448	.485
	PSupporter	.492	.554	.551	.482	.733	.665	1.000	.739	.644	.744	.686	.603	.725	.681	.627
	PAttendEvent	.573	.661	.689	.465	.740	.494	.739	1.000	.631	.712	.577	.689	.636	.594	.501
	PCoverage	.533	.542	.616	.376	.607	.622	.644	.631	1.000	.783	.583	.545	.552	.486	.490
	PSponsor	.709	.691	.689	.539	.740	.652	.744	.712	.783	1.000	.661	.651	.628	.664	.558
	PFocus	.533	.611	.562	.520	.548	.434	.686	.577	.583	.661	1.000	.588	.506	.719	.594
	PCommon	.540	.573	.669	.424	.721	.408	.603	.689	.545	.651	.588	1.000	.660	.715	.607
	PExpect	.516	.534	.569	.341	.668	.560	.725	.636	.552	.628	.506	.660	1.000	.757	.691
	PBelieve	.563	.586	.612	.486	.686	.448	.681	.594	.486	.664	.719	.715	.757	1.000	.841
	PInterest	.497	.546	.526	.494	.522	.485	.627	.501	.490	.558	.594	.607	.691	.841	1.000

The table interprets the number of factors, or components as said, in which the variables can be grouped into. The components with Eigenvalue of atleast 1 are selected. As seen from the table, only the first 2 components have eigenvalue greater than 1. This means the 15 variables seem to measure 2 underlying factors.

Table 7. Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.428	62.851	62.851	9.428	62.851	62.851	6.524	43.492	43.492
2	1.285	8.565	71.417	1.285	8.565	71.417	4.189	27.925	71.417
3	.912	6.079	77.496						
4	.740	4.931	82.426						
5	.538	3.586	86.012						
6	.434	2.893	88.906						
7	.327	2.179	91.084						
8	.293	1.956	93.040						
9	.254	1.695	94.735						
10	.205	1.364	96.099						
11	.191	1.273	97.372						
12	.133	.886	98.258						
13	.119	.796	99.054						
14	.078	.519	99.573						
15	.064	.427	100.000						

Components are not assumed to represent real traits underlying the 15 questions who have quality score as low. Such components are considered “scree” as shown by the line chart below (figure 3).

A scree plot visualizes the Eigenvalues (quality scores) just seen. These are considered as “strong factors”. After that -component 3 and onwards- the Eigenvalues drop off dramatically.

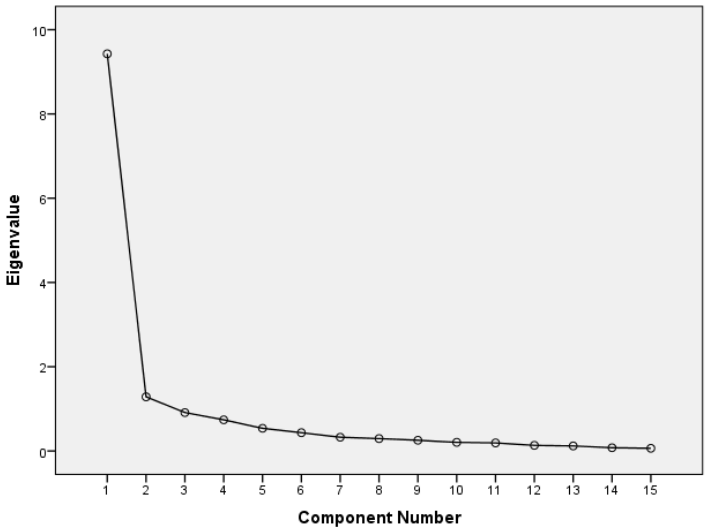

Figure 3. Scree Plot: Component Number vs Eigen Value

The rotated component matrix (as shown in table 8) will group the variables into 2 factors. The first 4 variables relate to the sponsor event fit of the event. So the component is interpreted as "Sponsor-event fit". This is the underlying trait measured by PSimilarity, PStandforSame, PLogicalConnection, and PEventFit.

After interpreting all components in a similar fashion, we arrived at the following descriptions:

- Component 1 - "**Sponsor-Event fit"**
- Component 2 - "**Perceived Ubiquity, Sincerity and Status of Event"**

Hence, for Pepsi as a sponsor, the descriptive statistics shows how we interpreted our factors. We conclude that Perceived Sincerity, Ubiquity and Status of Event fit is rated best and Sponsor-Event Fit is rated worst.

Table 8. Rotated Component Matrix

	Component	
	1	2
PSimilarity		.872
PStandforSaPe		.871
PLogicalConnection		.848
PEventFit		.764
PSponsor	.725	
PInterest	.720	
PCommon	.720	
PAttendEvent	.702	
PCoverage	.693	
PImportance	.671	
PFocus	.642	

5. Summary and Conclusions

5.1. Restatement of the Problem

Post the data analysis, the results seemed accurate with respect to the problem statement of this study- “Company sponsorships in major sports events (ICC World Cup T20 2016) and its effect on the perception of the brand in the mind of consumer”.

5.2. Description of Procedures

The research procedure followed throughout this study involved initial exploratory secondary research to identify the gaps in current research which lead to identification of the dependent and the independent variables. Then, the research objectives and hypothesis are formulated. Once the hypothesis is developed, we know the various factors that will affect the perception of sales or sponsorship response and we develop a conceptual framework for the same. Now, according to various factors identified a questionnaire is prepared for primary data collection. Primary data is collected from the responses obtained from various undergraduate and postgraduate students. The model is now subjected to reliability of scale test, Cronbach Alfa test. As there are many factors and each has many variables, the factor analysis method is adopted and the components that are of most significant value are taken into consideration.

5.3. Major Findings

As seen above, the research clearly identifies the relationship between the sponsored event and sales of the company before and after sponsorship taking into consideration factors such as status of the event, personal liking for the event, sponsor-event fit, sincerity of the sponsor and ubiquity of the sponsor. The factor analysis segregated the considered variables into specific number of components which were considered to be most significant and least significant. MoneyGram and Pepsi both have different components that lead to increase in perception of sales amongst the customers. Across all three dependent variables, perceived ubiquity, perceived sincerity, and sponsor-event fit were significant predictors. This evidence supports Hypotheses 3, 4 and 5. Personal Liking was not so significant in predicting interest. Event status partially supported in predicting favor. Thus these results supported Hypothesis 1, 2 partially. The major finding in regard to both the companies is that response is stronger when the consumer feels that the sponsor fits well with the event and they are sincere to the event. The positive and logical link found between perceived sincerity and response to sponsorship indicate that consumers do not think of sponsorship as just another method of increasing commercial value but are concerned about the potential philanthropic motivation that sponsorship displays. The reference to correlation matrix helps to interpreting these findings.

5.4. Conclusion and Implication:

The results of the study implies that in order to maximize the benefits of the sponsorship the event managers and sponsorship managers should have a deep knowledge of the attitudes and the perceptions of the audience. While considering the sponsorship selection, managers should look between various events for sponsorship. In this study, a conceptual framework is applied which is developed from classical conditioning research to predict response to the sponsorship. A key contribution of our study is identification of distinct constructs that contribute to determinants of sponsorship response. The study involves different factors the managers should look into for making a well informed decision. A promotion indicating the sponsor sincerity or sponsor-event fit is expected to raise sponsorship response.

When the sponsorship highlights the commercial motives of the sponsor then the sincerity of the company may be damaged. For example, using a sponsorship to run a sales promotion campaign or contest may expose the link between the sponsorship and commercial motives thus affecting perception of sincerity. Using contractual rights to be the sole sponsor may also draw attention towards commercial motives of the sponsorship. The most compelling managerial implication from this research is that while making sponsorship decisions considering exposure is not sufficient but other factors need to be kept in mind too. Market research with customers to look for prospects to exhibit sponsor-event fit and sincerity can turn out to be an integral part of sponsorship management. For event mangers, the attitudes about the status of the event, personal

liking of the event by the audience of the event plays a vital role in analyzing which sponsors to consider and being beneficial for the sponsors.

5.5 Limitations and Future Research:

The research has mentioned the drawbacks of considering only the exposure as a deciding factor while making sponsorship related decisions, still exposure is an essential prerequisite for awareness of a sponsorship association to subsist. Here, it is not clear which factors in a sponsorship design contributed to higher or lower level of awareness of a sponsorship association, thus it is not possible to comment on the role exposure plays in sponsorship response. An extensive research design could possibly address these issues.

Another limitation of the study is the exposing the respondents to the companies. The stimuli used in the study were real companies (Pepsi and MoneyGram) and major sport event (ICC World Cup T20 2016), because the stimuli are real, information possessed by the respondents was not controlled in the study (information from previous sponsorship association). The study cannot conclusively say anything about the effects that may be due to a particular sport or an industry. If a set of fictional event and companies would be used then the impact of product, industry and sports on sponsorship response could be analyzed. Further extension of the study can be done using alternative stimuli (using low profile companies and events or a different national setting) which could help determining the generalizability of the study. Replication of the study using a larger age group and varied life stages as sample would give insights into external validity of the study. There are many other possibilities of research in sponsorship. The study mainly focused on the intention of the respondent to use, pay attention or favorability towards the sponsor as dependent variables. Various other studies have identified different sponsorship objectives which shows that there are other variables than interest to evaluate sponsorship response. For example, effect of sponsorship on brand equity, brand loyalty and other brand related beliefs can be also considered for measuring sponsorship response.

Appendix

Questionnaire

Demographic Questions

1. Age Group

- 18-21
- 21-25
- 25-30
- 30+

2. Gender:

- Male

- Female

3. Occupation:
- College Student
- Working Professional

4. Income:
- Below 30k pm
- 30k-50k
- 50k-80k
- Above 80k

Rate your inputs on a scale of 1-7 with 1 being the lowest and 7 being the highest
We take into consideration the sponsors of the ICC World Cup

Sponsor-event fit questions

5. Is there a logical connection between the event and the sponsors?
6. There is a similarity between image of the event and image of the sponsors
7. The sponsors fit well with the event.
8. The sponsors and the event stand for the same thing.

Status of the event

9. The ICC World Cup has an international significance.
10. The event is important to where I live.

Personal Liking of the event

11. I am a strong supporter of the ICC World Cup.
12. I would want to attend the World Cup.
13. I enjoy following the coverage of the World Cup.

Perceived ubiquity

14. The companies also sponsor many different sports.
15. The companies are clearly focused on certain sports.
16. It is common that these companies sponsoring sports events.
17. I expect the company to sponsor major sports events.

Perceived Sincerity

18. The main reason the sponsors would be involved with this event because they believe the event deserves support.
19. The sponsors would be likely to have best interest of sport at heart.

20. The sponsors would probably support the event even if it had a much lower profile.

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