

Decision-making Processes Surrounding Sponsorship Activities

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The rationale behind sponsoring is as varied as the definitions of sponsorship itself. A logical approach to sponsorship decision making would dictate that firms should have clear targets and goals for sponsorship. They should also make some attempt to coordinate sponsorship with other communications efforts while measuring its effects or return on investment. This paper describes the findings from a sample of large Norwegian businesses on how they define sponsorship, how much they spend and where, why they sponsor, and how they manage their sponsorship activities.

Large-scale sponsorship is relatively new to Norway, but this late start also has provided an opportunity for learning from those who have gone before. It is possible to conclude from this research that many firms have a variety of complex goals for their sponsorship efforts but not terribly high-quality management practices when it comes to decision making surrounding sponsorship.

DESPITE THE IMPRESSIVE GROWTH in sponsorship spending, there is much that remains to be learned about how sponsorship works and what makes it effective (Cornwell and Maignan, 1998; Speed and Thompson, 2000). The current study attempts to provide some insight into the decision-making process of managers responsible for sponsorship activities by examining how they define sponsorship, how sponsoring fits into their strategic planning and overall communication planning, and what sort of measurement of sponsorship effectiveness they regularly do. The sample is taken from the 400 largest firms in Norway, which includes a high proportion of foreign firms with operations in Norway.

Norway provides an interesting context in which to study sponsorship because the large-scale sponsorship is a relatively new phenomenon. Berge (2000) notes that sponsorship was not a major communication activity in Norway before the 1994 Olympics in Lillehammer, where Norwegian sponsorship participation was largely confined to Norwegian state-owned industry such as telecommunications, the postal service, and Statoil, the

state-owned oil company. The primary Olympic sponsors were not Norwegian firms but instead were large international firms such as Coca-Cola and Kodak that typically had a long history of sponsorship activities. Due to the perceived positive response to these Olympic sponsors, however, many Norwegian firms started or greatly expanded their sponsorship activities. Most recent estimates from 1999 suggest that, from a very low base prior to Lillehammer, sponsorship spending in Norway has grown to approximately 100,000,000 USD (Berge, 2000). This is in line with per capita sponsorship spending in countries with longer histories of sponsorship such as Sweden and the United States (ESOMAR, 1999).

LITERATURE REVIEW

Sponsorship definitions and motivations

The typical progression of a sponsoring firm is illustrated by the stages of sponsorship goals and participation described by Meenaghan (1991). The first level is simply a donor giving money to a sponsor object in order to gain attention, but

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without more sophisticated goals and sponsor-object selection criteria. In the next level, the sponsor develops more specific goals and becomes more interested in receiving a return on their investment. On the third level, the firm assumes the role of an 'impresario', energetically involved and controlling activities. As firms move up in progression, their sponsorship goal setting, coordination, and effect measurement should all show increasing sophistication (Cornwell and Maignan, 1998).

Although Meenaghan suggests that firms typically go through these progressive stages, Lannon (1992) asserts that classifications of firms, based on the perceived value of their sponsorship investments, may be influenced by the many different definitions given to the activity that imply differing levels of goals and motivations. While there have been several attempts to define exactly what sponsorship is, there is no generally accepted definition (Cornwell and Maignan, 1998). Meenaghan (1983) provides a very general and inclusive example when defining sponsorship as "provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives." A more specific goal orientation is provided by Otker and Hayes (1995) who define sponsorship as the financial support that industry provides in exchange for brand exposure. Kitchen (1993) and Dolphin (1999), however, provide a more sophisticated goal in defining sponsorship as financial support given with the expectation for commercial exposure in order to achieve goodwill and good relationships. While all of these definitions include only commercial motivations to sponsor, Duncan and Moriarty (1997) provide a less commercial definition of sponsorship, by including philanthropic gifts as a form of sponsorship, where sponsorship-generated publicity plays a secondary

role to simply doing good deeds for needy causes. The breadth of definitions would indicate that scholars use the term "sponsorship" to cover a wide range of activities.

Within Meenaghan's (1991) multi-level framework, firms at the first level of sponsorship participation would likely be defining sponsorship strictly as a means to increase firm or brand awareness, while those at the higher levels have developed more sophisticated definitions that include goals such as improved credibility, image, and relationship-building. Higher-level sponsorship goals assume that the target audience for the sponsorship will transfer their perceptions of the sponsor-object to the sponsor (Stipp and Schiavone, 1996). These links can produce what Park, Jun, and Shocker (1996) describe as a "composite brand extension," which some researchers have stressed as important for maximizing sponsorship impact (Samson, 1987; Otker, 1988; Crimmins and Horn, 1996).

The higher-level sponsorship-effect processes, however, assume that the major motivation for sponsoring is publicity for the firm or brand. Altruistic behavior, where the sponsorship goal is simply to support a worthy event, may also have commercial benefits as the heavy leveraging of sponsorship activities can lead to perceptions of insincerity among the groups being targeted, and a consequent reduction in sponsorship effects (D'Astous and Bitz, 1995; Javalgi et al., 1994; Stipp and Schiavone, 1996; Speed and Thompson, 2000).

Coordination and integration

Within the realm of Integrated Marketing Communications, sponsorship activities should be more effective when they are coordinated with other marketing communications and promotional activities (Cornwell and Maignan, 1998; Meen-

aghan, 1991). This might mean that various areas within the firm might have primary responsibility for sponsorship depending on the hoped-for sponsorship objective(s) (Meenaghan, 1991). For example, marketing might be responsible for sponsorships linked to a particular product brand and targeted at customers, while public relations might be responsible for sponsorship that is linked to corporate brand building and targeted at a wide range of stakeholders.

For larger firms this might mean that multiple groups are responsible for different sponsorship programs, each having different goals and targets. While multiple groups might have responsibility for different sponsorship programs, integration requires that each be coordinated based on overall corporate or brand goals and consideration of the other communication activities including advertising, promotions, and other sponsorships (Cornwell and Maignan, 1998; van Riel, 1995).

Measuring sponsorship effectiveness

The most commonly reported methodology for evaluating the results of sponsorship is based on measuring the quantity of exposure the sponsoring brand achieves through media coverage of the event (Kate, 1996; Rosen, 1990; Cortez, 1992). Although exposure alone has been shown to influence liking of the exposed items (Zajonc, 1980; Bornstein, 1989), measurement of exposure will not provide direct evidence of sponsorship's effect on a targeted audience's level of brand awareness or image (Speed and Thompson, 2000). Furthermore, this primary means of measuring sponsorship effects will not be sufficient to determine goal attainment at the later stages of sponsorship participation noted by Meenaghan (1991). For example, when the communications goal moves from exposure to the creation of associations and perceptions, its achievement is

typically measured by the strength and impact of these associations using some sort of hierarchy of effects (Crimmins and Horn, 1996; Hansen and Scotwin, 1995; Otker and Hayes, 1987; Stipp and Schiavone, 1996). Eilander and Koenders (1995) suggest a measurement that includes degree of nearness/association as an expression of how strong respondents feel associated with certain characteristics of the sponsor. The stronger this bond, the more likely the sponsor can obtain goodwill or sympathy.

Within advertising and sponsorship, a number of methodologies have been developed to measure their effect at various levels of the hierarchy (Cornwell and Maignan, 1998; Jones, 1998). In general, however, little evidence is found that marketers make much effort to measure the effects of the communications spending (Abratt and Grobler, 1989; Cornwell and Maignan, 1998; Helgesen, 1992; Jones, 1998; McDonald, 1991). Although measurement expense might be an obstacle for smaller firms, it should not be insurmountable for the larger firms. Burton et al. (1998) state that executives should require quantifiable sponsorship measures. This helps ensure a consistent approach regardless of the level of investment. These authors further assert that many organizations are not evaluating their sponsorship investments well enough, and too many are naïve about purchasing sponsorship packages. This often occurs because of personal interests of executives as opposed to a strategic approach to sponsorship (Cornwell and Maignan, 1998). Routine measurement of communication effectiveness would therefore be a clear indicator of well-integrated sponsorship strategies and goals.

RESEARCH AGENDA

While the literature presented in the previous discussion outlines many of the is-

ssues of sponsorship management, much less effort has been put into looking at how firms actually plan, implement, and monitor their sponsorship programs in an integrated manner (Cornwell and Maignan, 1998). The following section outlines the method and questions used to determine how the largest Norwegian firms define sponsorship, how sponsoring fits into their strategic planning and overall communication planning, and what sort of measurement of sponsorship effectiveness they regularly do, if any.

A telephone survey was conducted of a sample taken from among the 400 largest firms in Norway (ranked by turnover). Filter questions were used to make sure the person most knowledgeable about the sponsorship activities of the firm was used to answer the questions. Three attempts were made to reach the best informant of each firm, which resulted in a total of 144 useable responses for a response rate of 36 percent, a result which is quite good for surveys of top-level managers (Yu and Cooper, 1983). A check of the industries represented by those who responded indicated that all the major industries in Norway were represented in the sample. These included insurance companies, grocery store chains, banks, food and beverage producers, transport firms, oil companies, automobile importers, telecommunications firms, computer firms, and agricultural suppliers.

The questionnaire was developed from a survey of the sponsorship literature. The first section consisted of two questions of sponsorship definition. While some sponsorship definitions have excluded philanthropic gifts, we wanted to determine how widely held this view was among practicing managers. The next section of the questionnaire asked about sponsorship spending amounts and patterns using the sponsorship definition of the responding firm, including total sponsor-

ship spending, percentages spent on anonymous gifts (pure philanthropy), sports-related sponsorships, humanitarian causes (medical, religious, etc.), educational causes, artistic and cultural causes, and local community events. Firms that did not spend any money on sponsorship as defined by themselves in section one were excluded from this section and were asked questions pertaining to why they did not sponsor.

Section 3 determined what area in the firm was most responsible for sponsorship decisions and budgets. Section 4 dealt with commercial (increased awareness and improved attitudes among potential or current customers, improved relationships with employees, suppliers, and the local community) and noncommercial (personal interest of top management, mission statement to help community) goals and motivations. Section 5 dealt with the coordination and monitoring/research of sponsorship activities. The final substantive section dealt with potential reasons why firms might choose to not sponsor and was only used by firms that claimed not to have any sponsorship activities.

RESULTS

Definition of sponsorship and motivations

Of those who sponsor, the average amount spent on sponsorship in 1998 was 2.4 million Norwegian kroner (approximately \$261,000), which averaged 9.2 percent of their total communications budget. The sponsorship budget was broken down into 9.8 percent spent on anonymous gifts; 32.3 percent toward events, individuals, and organizations related to sports; 8.5 percent to medical, religious, or humanitarian causes; 3.5 percent to educational causes; 5.6 percent to cultural or artistic causes; 6.6 percent to support local community causes; and the remainder to "other" causes.

Respondents were given two definitions of sponsorship: (1) sponsorship is the "giving of financial support to an individual, organization, or activity to support its good work without regard to whether or not we receive publicity," and (2) sponsorship is "support for an organization, event, or individual in order to get the firm's or brand's name in front of the public." The definition in statement 1 allowed philanthropic contributions to be included as sponsorship (i.e., no publicity for the firm or brand might be generated). With a mean of 5.5 (on a 7-point scale, with 7 being "very strongly agree"), the agreement rate with definition 2 was much higher than the agreement with definition 1 where the mean was 2.6. An examination of the few firms that agreed with definition 1, however, revealed that they were also in agreement with definition 2. For this reason, the sample was split into what we termed "wide" and "narrow" definitions of sponsorship. Those that agreed to both the philanthropic and commercial definitions of sponsorship were put into the wide definition group, while those that only agreed on the commercial definition statement 2 were placed in the narrow definition group.

Marketing clearly has the leading responsibility for sponsorship decisions followed by top local management.

Significance tests of mean differences were then performed on the wide and narrow groups on the remaining questionnaire items to determine if behavioral differences were present. As might be expected, the wide group gave significantly more of their sponsorship budget as anonymous gifts (18.6 percent versus 6.5 percent, $p < .02$). They also gave more to

TABLE 1
Responsibility and Integration

	Total Mean	N
<i>Influence in sponsor activities</i>		
3-1. The marketing department	5.5	88
3-2. The public relations department	3.6	88
3-3. The top manager (i.e., President, Managing Director, or owner)	4.8	88
3-4. The top management outside the country	2.6	88
3-5. The personnel department	2.1	88
<i>Coordination with other activities</i>		
5-12. Our various sponsoring activities are well coordinated	3.8	88
5-13. We use our sponsorships in our marketing activities	3.0	88
5-14. We coordinate sponsorship with other marketing activities	4.2	88

**Mean response on 7-point scale, where 1 is "strongly disagree" and 7 is "strongly agree."*

the category that included medical, religious, and humanitarian organizations that might be termed less commercial in intent (15.2 percent versus 6.3 percent, $p < .03$).

When comparing the sponsorship goals and motivations of the narrow sponsorship definition group with the wide, the narrow group was significantly more in agreement with the statement that they sponsored because they wish to improve firm or brand awareness (5.6 versus 4.9,

by "we sponsor to improve image" (mean = 5.1), "sponsoring benefits our business" (mean = 5.0), "our sponsorship emphasizes corporate image, not a particular brand or product" (mean = 5.0), and "we sponsor to improve relationships with customers and suppliers" (mean = 4.8).

Responsibility and Integration

When it comes to who within the organization had major influence in sponsoring activities, it was found that only the marketing department and top local (national rather than international HQ) management had mean values higher than or equal to the scale midpoint on both the responsibility and budgeting process (see Table 1). Marketing clearly has the leading responsibility for sponsorship decisions followed by top local management.

Three statements addressed how well various sponsorship activities were coordinated with each other and other market communications: (1) our sponsorship activities are well coordinated with each other; (2) we always use our sponsor objects in our marketing activities and/or product packaging; and (3) sponsoring ac-

$p < .06$), to match competition (2.4 versus 1.2, $p < .00$), and increase sales (3.1 versus 2.2, $p < .03$). Only on the first item, however, was the mean of either group on the "agree" side of the 7-point scale. For the entire sponsoring sample only the following had a mean value of more than the scale midpoint (4): "we sponsor to increase awareness" (mean = 5.4), followed

activities are planned in careful coordination with other corporate communications/marketing activities. The mean value for the overall sample indicates that coordination with other communications had a mean above the scale midpoint (mean = 4.2), indicating some agreement on coordination. Means for statements regarding if sponsorship activities are coordinated with each other and if there is coordination in using name of sponsor objects in marketing communication activities and/or product packaging were below the midpoint (means = 3.8 and 3.0, respectively), indicating a lack of coordination on those aspects of sponsorship.

Measuring sponsorship effects

Research questions asked how sponsors measure the effects of their sponsoring activities. The results from the overall sample showed only one statement "we don't measure sponsorship effects because we have no budget for it," with a mean of 4.0, had a mean value equal to or higher than the scale midpoint (4 on the 7-point scale). While few of the firms indicated much agreement on the measurement statement, the mean value was 4.6 on the statement "we are satisfied with our sponsoring program," indicating agreement. Yet on the statements "we have very high certainty that we are achieving our sponsorship goals," and "we are sure of the results we get from sponsoring," the sample means are below the midpoints at 3.6 and 3.4, respectively. This suggests that most firms are not able to assess the results of their sponsorships through any measures, including "gut instinct." This creates a seeming paradox of satisfaction with sponsorship results without quantitative or qualitative measures of what those results are.

Further analysis was done to see if any firms used appropriate research methods to determine if they achieved their stated

sponsorship goals. Of the 68 firms that agreed with the statement "we sponsor to improve relationships with customers and suppliers," only 15.9 percent of them agreed with "we measure turnover, loyalty, or sales before and after a sponsoring program." Of the 26 firms that agreed with "we sponsor to increase sales," only 33.3 percent agreed with "we measure turnover, loyalty, or sales before and after a sponsoring program." Of the 76 firms that agreed with "we sponsor to increase awareness," only 15.4 percent agreed with the statement "we study brand perceptions before and after sponsorship." Of the 69 firms that agreed on "we sponsor to improve our image," only 15.6 percent agreed with this statement. These results clearly show that only a small minority of firms chose appropriate measures to determine whether they had achieved their stated sponsorship goals. This finding is similar to what Helgesen (1992) found in a study of the largest Norwegian advertisers and what other researchers have found internationally regarding sponsorship effectiveness research (Cornwell and Maignan, 1998).

Grouping of firms

While the analysis above indicates that the overall sample does not measure sponsorship effects with much frequency, further analysis was done to see if some subgroup of firms more regularly employed appropriate sponsorship management techniques. First, the respondents were split into two groups: those from among the 100 largest firms in Norway and the firms from the next 300. This split yielded relatively few significant differences. As might be expected, the amount spent on sponsoring was significantly higher (1.6 Mill. NOK versus 6.9 Mill. NOK, $p = .02$) for the larger firms, but no other differences in spending patterns were significant. In terms of sponsorship manage-

ment, local top management was significantly more involved (5.0 versus 3.62, $p < .03$) in the smaller firms than the larger firms. On the sponsorship goals and motivations section, the only significant difference (4.89 versus 6.0, $p < .02$) was that larger firms agreed more that they sponsored to improve their image.

Among the variables measuring research and planning, significant differences ($p < .05$) between the larger and smaller sponsoring firms were found on several variables. These included "measurement of brand image," "we always try to measure sponsorship effect," "we don't have money to measure sponsorship effects," "we have measurable sponsorship goals," and "we often use the name of our sponsorships in our marketing communications." The larger firms were more in agreement with these items than their small firm counterparts, although mean values were all on the "disagree" side of the scale.

Cluster analysis was then conducted using the 17 variables from the section measuring research and planning. After comparing the results from 2-, 3-, and 4-cluster results, the 2-cluster solution was judged to have the most meaningful cluster profiles. Thus the respondents were divided into two groups (see Table 2). Cluster 1 was significantly lower in agreement on all but one of the clustering variables ("we don't measure results because we already know the results"). While cluster 2 had more agreement with the research and planning variables than cluster 1, the cluster means were still on the "disagree" side of the scale in most cases. For these reasons we chose to label cluster 1 "unprofessional" and cluster 2 "more professional."

While determining the effects of communications such as sponsorship is often a difficult thing to achieve through research, the results clearly show that the

decision to do research is as much an issue of priorities as it is a perceived ability to do so. The more professional firms were in agreement that they had "measurable sponsorship goals," meaning they should be amenable to research. Yet they also agreed that they "would measure sponsorship effects if they knew how," and disagreed that they "don't measure sponsorship effects because we have no budget for it," indicating a lack of confidence in how to measure effects. In contrast, the unprofessional firms were generally much more negative toward research as they did not have measurable sponsorship goals and did not agree that they would do more research if they only knew how, perhaps in part because they have no research-friendly goals nor a budget for research.

On the sponsorship goals and motivations section (not used for the cluster analysis), the unprofessional cluster was significantly more likely to sponsor because of top management interest in an event, individual, or organization (3.00 versus 1.71, $p < .01$). The more professional group was more likely to sponsor because they wished to improve awareness of firm or brand (5.94 versus 4.76, $p < .00$), improve firm or brand image (5.81 versus 4.59, $p < .00$), improve relationships with customers and suppliers (5.36 versus 3.94, $p < .00$), improve employee loyalty (4.51 versus 3.21, $p < .00$), improve relationships with local stakeholders (4.23 versus 3.06, $p < .01$), increase sales (3.55 versus 1.85, $p < .00$), meet competition efforts (2.30 versus 1.64, $p < .04$), and sponsor for short-term effects (2.30 versus 1.71, $p < .07$). The more professional cluster was also more in agreement that sponsorship gave them competitive advantages (5.77 versus 4.21, $p < .00$) and that they were satisfied with their sponsorship program (5.00 versus 4.26, $p < .00$).

TABLE 2
Significant Differences between "Professional" and "Unprofessional" Sponsors

Professional versus Nonprofessional Firms	Less Professional	More Professional	t/p
<i>Clustering variables (Sponsoring management activities)</i>	<i>n = 34</i>	<i>n = 47</i>	
1. Our sponsorship is dependent on consulting with stakeholders.	2.15	3.45	2.78/.01
2. We measure turnover, loyalty, and sales before and after sponsorship.	1.12	3.13	6.58/.00
3. We study brand perceptions before and after sponsorship.	1.35	3.23	5.78/.00
4. We always attempt to measure the effects of our sponsorship.	1.47	3.30	5.05/.00
5. We would measure effects more if we knew how.	2.59	4.30	4.41/.00
7. We don't measure effects because we have no budget for it.	4.76	3.29	2.03/.05
8. Sponsorship-effects research affects our sponsorship planning.	1.47	3.60	7.31/.00
9. Our firm has measurable goals for sponsoring.	2.12	4.60	6.10/.00
11. Our various sponsoring activities are well coordinated.	2.85	4.60	4.59/.00
12. We use our sponsorships in our marketing activities.	2.38	3.28	2.20/.03
13. We coordinate sponsorship with other marketing activities.	2.50	5.19	8.62/.00
14. Our sponsorship emphasizes image, not a particular product.	4.06	5.91	4.66/.00
15. Sponsoring is the most important of our communications.	1.29	2.64	6.58/.00
16. We are very sure we are achieving our sponsorship goals.	2.47	4.70	6.41/.00
17. We are sure of the results we get from sponsoring.	2.38	4.21	5.81/.00
<i>Sponsorship Amounts and Patterns</i>			
2-1. how much on sponsoring in 1998 (1000 NOK)	502	4,226	2.26/.03

(cont'd on p. 12)

TABLE 2
(Cont'd)

Professional versus Nonprofessional Firms	Less	More	t/p
	Professional	Professional	
2-2. sponsoring as % of communications budget	4.7	13.0	2.73/.01
<i>Sponsoring Goals and Motivations</i>			
4-1. sponsorship based on personal interests of top manager	3.00	1.71	2.98/.01
4-3. sponsorship to improve employee loyalty	3.21	4.51	2.94/.00
4-4. sponsorship to improve relationship to customers and suppl.	3.94	5.36	3.60/.00
4-5. sponsorship to improve awareness of company or brand	4.76	5.94	3.56/.00
4-6. sponsorship to improve company or brand image	4.59	5.81	3.61/.00
4-7. sponsorship to meet or beat competitor's efforts	1.64	2.30	2.06/.04
4-8. sponsorship to increase sales	1.85	3.55	5.25/.00
4-9. sponsorship to improve relationships with local stakeholders	3.06	4.23	2.72/.01
4-12. sponsorship for long-term effects	4.21	5.77	3.95/.00
4-13. sponsorship gives us advantages	3.79	5.23	4.73/.00
4-14. we are satisfied with our sponsorship program	4.26	5.00	2.21/.03

In terms of spending patterns, sponsorship management, and funding sources, there were few differences between the two clusters. The more professional group spent a considerably larger amount on sponsorship (4.2 million kroner versus 0.5 million kroner, $p < .03$), and sponsorship was a larger portion of their communications/marketing budget (13.0 percent versus 4.7 percent, $p < .01$). The unprofessional group gave a larger portion of their sponsorship money as anonymous gifts (14.7 percent versus 5.9 percent, $p < .09$). They were also less likely to agree that their sponsorship decisions were strongly influenced by their marketing department

(5.29 versus 6.00, $p < .09$), or public relations department (2.73 versus 3.78, $p < .08$). The more sophisticated motivations and more commercial spending patterns further support the labeling of the clusters as "unprofessional" and "more professional."

Nonsponsoring firms

Research questions also addressed firms who do not sponsor. Surprisingly, over 30 percent of the respondents claimed to not sponsor anything. As can be seen in Table 3, the types of businesses represented by the nonsponsors was very similar in profile to the firms that did sponsor. Only in

size was there a difference as nonsponsors were significantly smaller. The two most important reasons for not sponsoring was that "there is no effective way to measure results" (mean = 5.0) and that "sponsoring is too expensive" (mean = 4.1). The other two questions relating to effectiveness in reaching target markets and appropriateness of sponsoring for the firm had means below the midpoint (3.5 and 3.9, respectively).

DISCUSSION AND CONCLUSION

The findings indicate that large Norwegian firms that choose to sponsor have developed sponsorship goals which are in keeping with the higher-level steps in Meenaghan's (1991) framework of sponsorship progression, despite their rather late start as sponsors. On other elements of professional sponsorship management, however, there is less evidence that Norwegian firms follow through on their goals with careful planning, coordination, and research. While the findings do not support the supposedly common sponsorship rationale of ego-gratification of top management (Cornwell and Maignan, 1998; Meenaghan, 1991), they also do not suggest that much accounting is made of the large sums of money devoted to sponsorship activities. The lack of interest or ability to conduct research that would allow firms to evaluate the effectiveness of their sponsorship programs contrasts quite sharply with the specific sponsorship goals and considerable sponsorship budget that they employ. It therefore might be considered a paradox that most companies in our study claim that they are fairly satisfied with the results of their sponsorship even if they are not sure what those results are.

To gain some added insight into this paradox, we showed our results to Åsmund Berge, head of a leading sponsor-

TABLE 3
Differences between Sponsors and Nonsponsors

Nonsponsoring Firms	N	Mean		
6-1. Sponsoring is too expensive.	50	4,1		
6-2. It is too difficult to find out how effective sponsoring is in achieving our goals.	51	5,0		
6-3. Sponsoring does not reach our target group.	51	3,5		
6-4. We do not think that sponsoring is adequate for our company.	53	3,9		
Does your company sponsor today?				
	Yes	No		
	Mean	Mean	N	P value
Turnover 1998 (1000 NOK)	2,810,758	516,316	129	0,15
No. of employees 1998	1149	153	93	0,27
Does your company sponsor today? By industry				
Industry	Yes %	No %	Total %	
Retail	19,5	14,5	17,6	
Distributors, importers	27,6	34,5	30,3	
Service, finance, insurance	21,8	21,8	21,8	
IT, communication	13,8	16,4	14,8	
Manufacturers, energy	17,2	12,7	15,5	
SUM %	100,0	100,0	100,0	

Pearson chisq = 0,81

ship consulting firm in Norway (Berge, 2001). He commented that the findings were not very surprising because the Norwegian sponsorship market was still very sales-oriented. In his own dealings with many of the largest Norwegian sponsoring firms, he found that many were making sponsoring decisions based on sales presentations by sponsor objects in need of funding. In many cases the opportunity to present the sponsorship opportunity was based on personal connections between the sponsor object and management at the potential sponsor. This meant that the choice of what to sponsor was often not part of the "official" communication strategy and budgeting process.

While the sales presentation might emphasize commercial objectives such as higher awareness or closer relationships with suppliers as a means to justify the asked-for spending/contribution, the process made it more difficult to find "extra" money for measurement purposes and made coordination with other sponsorship and communication programs difficult. In addition, because part of the sponsorship choice was based on personal relationship criteria, he felt that there might be a reluctance to spend money finding out that the sponsorship did not achieve its "commercial" objectives. Although our sample is limited to large Norwegian firms, the findings are similar to other

markets with even longer histories of sponsorship (Hansen and Scotwin, 1995). This suggests that this somewhat ad hoc basis for making sponsorship decisions is not unique to Norway.

Although the lack of coordination and research on sponsorship efforts might be explained by the sales-oriented sponsorship environment in Norway, our survey of nonsponsors indicates that many perceive that there is no effective means of measuring sponsorship effects even if they had a budget for it. In addition, the mean for those in the professional cluster indicated agreement with the statement "we would do more research if we knew how." This is not a new issue, as even the long history of efforts to measure advertising effects have not yielded methods that are universally accepted as valid and cost effective (Vakratsas and Ambler, 1999). In addition, the most common method of determining sponsorship effects in Norway and in more advanced markets such as the United States is the measurement of sponsoring brand exposure on media coverage of the sponsored event (Kate, 1996; Rosen, 1990; Cortez, 1992). While this might be an appropriate method for measurement of such sponsorship goals as building brand awareness, it is clearly not appropriate for more advanced goals such as changing brand image or enhanced relationships with stakeholders/customers.

The results do show, however, that a small minority of firms do seem to be making an effort to determine the effects of their sponsorship activities by choosing methodologies that are appropriate for the sponsorship goals they have. This does not mean that they are completely satisfied with the methods they have available, but that they believe it is worthwhile to do the best job they can to determine the effects that sponsorship is giving them. The overall results, however, suggest that

most firms in Norway, and probably other markets, are still waiting for more effective and efficient ways to research sponsorship effects, and that this desire will probably grow as firms become more professional in their approach. The methods that evolve will need to encompass the variety of sponsorship goals and aims used by firms today, even in late-developing markets such as Norway. The lack of budgeting for measurement indicated by the survey of current sponsors also means that these measures will also need to be cost effective. **JAR**

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