Leveraging sport events over time: a comparison of sponsorship and sport event advertising.

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Marc Mazodier, Assistant Professor, University of Nottingham Ningbo, Ningbo, 315100, China, and Adjunct Professor at ISG Business School, Paris, France. Ph: +86 574 8818 3042. E-mail: marc.mazodier@nottingham.edu.cn

Pascale Quester, Professor, University of Adelaide Business School, Adelaide, SA 5005, Australia. Ph: +61 8 8303 3986. E-mail: pascale.quester@adelaide.edu.au
1. Introduction

In this issue, Gijsenberg (2014) examines the worthy topic of whether advertising around major sport events is effective. Based on an impressive database and a solid methodology, it shows that both short-term and long-term advertising elasticities decrease before, during and to a lesser extent, after the event. His research, however, does not investigate sponsorship, which we found to influence positively brand attitude (Mazodier & Quester, 2014). Therefore, some may conclude that sponsorship, as a marketing communication approach, appears more effective than traditional advertising around major sport events. Indeed, managers and academics are increasingly looking at ways to compare the impact of communication strategies related to one event (Olson & Thjømøe, 2009). Unfortunately, Gijsenber’s research and ours differ substantially and cannot be used to draw direct conclusions about the most effective event communication strategy.

2. Similarities and differences between Gijsenberg (2014) and Mazodier & Quester (2014)

First, Gijsenberg focuses on advertising impact on sales while we study the effects of sponsorship on brand attitude. Attitude is more sensitive to brand message over time than sales. Thus, both advertising and sponsorship may improve brand attitude during major sport events. Furthermore, an improvement of brand attitude may increase the effects of other marketing activities. This may explain why long-term own-advertising elasticities do not decrease so much after the event and why price promotions’ effectiveness improves around major sport events. Second, Gijsenberg’s research objective and ours are different. He is more interested in the macro level, whereas we are more interested in the micro-level. This resulted in two very different methodological choices. Gijsenberg uses time-series whereas we use a Latent Growth Modeling (LGM). Both methods have specific advantages. Times-
series allow data from different sources about 206 brands to be analyzed, enhancing the generalizability of Gijsenberg’s results. LGM can empirically examine inter-individual differences in intra-individual changes (Steenkamp & Baumgartner, 2000), which allowed us to investigate the role of incongruence resolution in sponsorship effects. Finally, Gijsenberg’s data is limited to consumer packaged goods whereas we studied one durable product category and a single service provider.

Nevertheless, our findings support partially Gijsenberg’s standpoint. He suggests that “greater increases in advertising spending resulting in significant growth in share of voice around, focused, single sport-events are a successful strategy to overcome” the general negative advertising effectiveness around major sport events. The positive impact of Sony’s sponsorship of the FIFA world cup is consistent with these results since Sony increased substantially its sponsorship-linked advertising spending compared to its competitors during the 2010 FIFA world cup in France, where the data was collected. Moreover, brand attitude also increased for EDF, which launched a massive sponsorship activation campaign in the United Kingdom while its competitors did not undertake any specific advertising during its sponsorship of the 2012 Summer Olympics. According to Gijsenberg, brands increasing their share of voice around multi-sports event also do better in the long run. However, their own-advertising elasticities are still lower than normal. But again the effect of advertising on sales is hard to compare with the effect of sponsorship on brand attitude.

3. Avenues for further research in sport event communication

To sum up, Gijsenberg and our findings are not contradictory but complementary. In order to improve the understanding of event communication efficacy, we suggest several avenues for further research, based on a combination of Gijsenberg’s findings and ours:
Gijsenberg’s database does not allow comparing advertising effects with sponsorship since there are too few sponsors in the consumer packaged goods categories used by Gijsenberg. Both strategies enable companies to benefit from an event’s massive audience. Academics and managers underlined the lack of research assessing the return of event communication alternatives. Sponsorship has become one major communication strategy to build brand equity with global sponsorship expenditure valued at more than US$50 billion in 2013. Moreover, the mechanisms of advertising and sponsorship differ (Cornwell et al., 2005). Advertising works by conveying informational content, whereas sponsorship works by creating a link to the sponsored program (Olson & Thjømøe, 2012). Indeed, sponsorship messages result primarily in an association between an event and a brand. Therefore, sponsorship is an indirect persuasion process whereas advertising is more overt. Furthermore, when consumers perceive the association between a sponsor and an event as harmonious, they tend to assume a goodwill motivation and build positive feelings toward the sponsor, whereas advertising is generally perceived as more selfish and intrusive (Meenaghan, 2001). The comparative assessment of advertising and sponsorship effects represents a clear avenue for ongoing research.

More research is also needed to assess the effects of ambush marketing compared to traditional advertising. Ambush marketing refers to any form of communication around an event that uses its characteristic signs and symbols to mislead spectators by implying that the brand is an official sponsor (Mazodier, Quester & Chandon, 2012). However, ambush marketing is a strategy hard to define. Is advertising using representative elements of the event another form of ambush marketing? Because they suggest an implicit link with the event, ads with event-related
elements are usually defined as ambush marketing. Thus, it is likely that Gijsenberg includes some ads in his research that could be qualified as ambush marketing. Coding the ads studied by Gijsenberg according to their content would provide additional insights about the effects of ambush marketing compared to traditional advertising. Moreover, it could explain partially the considerable advertising elasticity heterogeneity he found amongst brands. Despite an abundant prior research, the investigation of the drivers of advertising efficacy is still a major avenue for further research.

- Gijsenberg suggests that managers should not do advertising around major sport events except if they can increase the share of voice of the brand. But if managers do not advertise around a major sport event, de facto, they increase their competitors’ share of voice. Therefore, what should marketing managers do? This question is especially relevant since Pepsi made the decision to not advertise Pepsi’s products in the United Kingdom for the last 2012 Olympics, when Coca-Cola did a massive communication campaign. This decision fits the implications of Gijsenberg’s research remarkably well. But by doing so, do companies like Pepsi increase the effectiveness of their competitors’ campaigns?

- Gijsenberg notes many of sport event characteristics. However, we still do not know whether the eroding advertising elasticities around major sport events are specific to major sport events or relate to high level of advertising clutter. Another avenue for further research, therefore, would be to explain the negative effects of major sport events on advertising elasticities. Are they due to advertising clutter or the excitement associated with the event, which distracts consumers’ attention, or another phenomenon?
References:


