

RESEARCH PAPER

No. 4. March 2004

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Evaluations of Major Sponsors**

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Abstract

The paper reports findings from a larger study of sponsors and their relationship to sponsored parties. In the present reporting, the focus is on sponsors. Rather than evaluating such sponsorships in traditional effect hierarchical terms, a conceptual Sponsor Value Model is specified as a structural equation model where the drivers are attitudes towards the sponsorship and emotions towards the sponsorship. It is found that the two classes of variables describe different aspects of the perception of sponsorships, and that they both contribute significantly to the overall value of sponsoring for a particular company. In the present paper, two cases are shown for two major sponsors. The specified Sponsor Value Model is estimated by a partial least squares (PLS) method. It is found that the two sponsors are perceived differently, both in terms of emotional and attitudinal responses. It is also found that the emotional responses aroused by the sponsorships are at least as important as those ascribable to attitudinal elements.

Key words: Sponsorship, emotional response, attitudes towards sponsorship, structural equation model

1. Introduction

In evaluating potential sponsoring objects, companies are very concerned with the effects resulting from their investment. Will it have a positive effect on the company's sales?

In rare cases, information about this is provided (Waliser, 2003), but in real life most sponsors will have to rely on less perfect effect indicators. Thus, a sequence of responses suggested by the effect hierarchy model (Hansen, 1997) is analysed: exposure, awareness, information processing (attitude change), purchase intention and purchase.

In reviewing 223 empirical studies of sponsorships, Waliser (2003) concludes that they are all concerned with either awareness, image or purchase intention. In recent years, however, it has been suggested that other kinds of information processing among consumers may occur (Hansen, 1997; Heath, 2001; Franzen & Bouwman, 2001). Here, the emphasis is on attitude towards the messages and emotional responses generated by the exposure to it. It is suggested that these processes dominate when low involvement information processing occurs (Zaichkowsky, 1985) or peripheral information processing dominates (Petty & Cacioppo, 1986).

When looking upon sponsorships and its effects, it is obvious that exactly this condition dominates where such low involvement, peripheral information processing is at stage. An audience member at a sports event rarely attends because of the sponsor's name on the players' clothes or on the billboards at the stadium; rather they attend for the sake of the game. If they pay attention to the sponsor's messages, it is likely to occur with little attention, low involvement and in a very peripheral way. Thus, attitudes towards the message (or attitude towards the sponsorship) and emotional responses should be important when looking at the effects of sponsorships.

The purpose of this paper is to empirically test the hypothesis that positive attitudes towards the sponsorship as well as positive emotional reactions to the sponsorship, have a positive and significant impact on the effect on sponsorship value. And conversely for the negative attitudes and negative emotional reactions - these will have a negative, but significant effect on sponsorship value. A priori, we would, however, expect that the positive

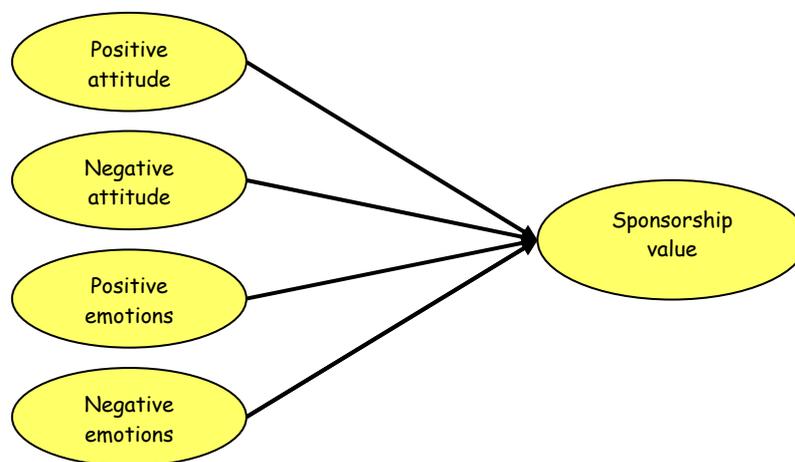
attitudes and emotions will have a greater effect on sponsorship value than the negative attitudes and emotions.

2. The Sponsorship Value Model

Based on the experiences from studies of low involvement information processing and peripheral processing (Hansen, 1997), we have developed a conceptual Sponsor Value Model. The model (Figure 1) links the response variable, sponsorship value, to its four drivers: positive and negative attitudes towards the sponsorship and positive and negative emotional reactions to the sponsorship.

The conceptual model in Figure 1 is specified as a structural equation model with five latent variables. Each of the latent variables is operationalised by a set of measurement variables observed by survey questions to the consumers. For that purpose, two question batteries have been developed: one concerned with emotional responses and one concerned with attitudes towards the sponsorship.

Figure 1. The Sponsorship Value Model



To quantify emotional responses, a battery of 16 feeling statements have been derived from earlier work (Hansen & Halling, 2000). The statements date back to the work by Richins (1997) on consumer emotions. A list of 12 items has been selected to cover the more important feeling dimensions that are relevant for sponsorships.

In the same manner, attitude towards the sponsorship (A-Sp) has been selected from more general 'attitude towards the ad' (A-ad) batteries (Mitchell & Olsen, 1981). Here, a total of 12 attitude words relevant for sponsorships have been selected to cover most of the important aspects in connection with attitude towards the commercial messages of the sponsorship.

3. Methodology and data

To validate the model and test the hypothesis, a large-scale survey was conducted during the autumn of 2003. A total of 12 larger sponsors known to Danish consumers were selected. These included influential Danish companies such as House of Prince, Danske Bank, Novo Nordisk, Sonofon, etc. A representative sample of approximately 500 respondents was asked to evaluate these sponsors based partly on emotional dimensions and partly on attitudes to the sponsorship. Additionally, more traditional effect measures such as awareness of a potential sponsoring object and overall liking of the potential sponsor were measured. Both questions were measured on a 5-point scale, ranging from 'considerable knowledge' to 'no knowledge what so ever' and from 'very positive' to 'very negative'.

The sponsors' ability to be persuasive was quantified by using a so-called self-rated change in behavioural intention. This was measured by the question: "If a company engaged in sponsoring the following sponsoring object x, do you think you would be more or less likely to buy its products or services than before?" In this paper, we only consider the results from Danske Bank and House of Prince. The following sponsoring objects have been included to examine the question of buying intention:

Danske Bank:	House of Prince:
<ul style="list-style-type: none"> • Tivoli • The Danish Red Cross • Save the Children Denmark • Doctors without borders • The Royal Theatre • The Danish Cancer Fund 	<ul style="list-style-type: none"> • Tivoli • FC Copenhagen • The Royal Theatre • Men's National Soccer Team • The Danish Cancer Fund

Since the same battery of questions has been used for all sponsors, it may be used across sponsors from different industries. Hereby, the estimated results of the model are comparable across sponsors from different industries.

Based on the data collected, the model in Figure 1 can be estimated by using a partial least squares (PLS) method (Fornell & Cha, 1994). This method has proven to be well suited for customer analysis based on structural modelling (Johnson & Gustafsson, 2000, p. 104). PLS estimates the performance level for each of the five latent variables and impact scores between the variables.

4. Initial data analyses

Several analyses have been carried out to assess the final items and provide methodological validation of the latent variables in the sponsorship value model.

Analyses of internal consistency reliability were performed. Cronbach's coefficient alpha was first calculated for the items of each latent variable. It was found that all items contribute significantly to the reliability. For Danske Bank, the five Cronbach's alpha ranged from 0.86 to 0.94 for each of the five latent variables. For House of Prince, Cronbach's alpha ranged from 0.84 to 0.95. These values are clearly higher than the generally recommended lower limit of 0.70 (Hair et al., 1998, p. 118; Robinson et al., 1991), indicating that all the items in each latent variable form a single, strongly cohesive and conceptual construct.

Next, exploratory factor analyses were conducted to examine whether the case was actually two different question batteries, i.e. one relating to attitudes to a sponsor company and one relating to the emotional reactions. Furthermore, this analysis would reveal whether the items produced the proposed positive and negative factors and whether the individual items were loaded on their appropriate factors as hypothesised. A principal factor analysis with varimax rotation technique was conducted for each of the 12 sponsors, and the result was very unambiguous: Four factors emerged supporting the proposed two-factor solution for attitudes (a positive and negative factor dimension) as well as for emotions. Finally, the factor analysis showed that it is possible to reduce the number of questions. The reduced question batteries as well as the questions' concrete distribution on the four factors is shown in Table 1.

Finally, confirmatory factor analyses were conducted to assess the items of the latent variables more rigorously, based on the correlation matrix of the items. Specifically, the confirmatory factor analysis was used to detect the hypothesised uni-dimensionality of each construct. For Danske Bank, Cronbach's alpha ranged between 0.73 and 0.89 for the four determinants of sponsorship value, and for House of Prince alpha ranged between 0.77 and 0.87.

Table 1. The applied statements for the attitude and emotion batteries, respectively

Positive attitudes	Positive emotions:
<ul style="list-style-type: none"> ▪ Trustworthiness ▪ Worth remembering ▪ Attention creating ▪ Good-will creating 	<ul style="list-style-type: none"> ▪ Trust ▪ Joy ▪ Hope ▪ Happiness ▪ Enjoyment ▪ Surprise ▪ Excitement
Negative attitudes:	Negative emotions:
<ul style="list-style-type: none"> ▪ Inappropriate ▪ 'Seen too often' ▪ Unnatural relation ▪ Unappealing ▪ Misleading ▪ Unimaginative 	<ul style="list-style-type: none"> ▪ Anger ▪ Fear ▪ Sorrow ▪ Worry ▪ Shame ▪ Sadness

All in all, we may conclude that these initial results, based on the two sponsorship studies, provided evidence of reliability and construct validity.

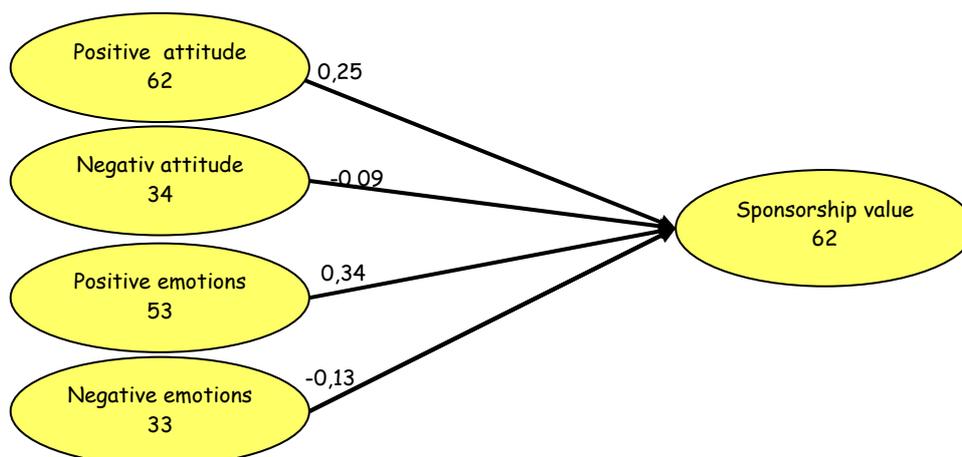
5. Estimation and application of the model on Danske Bank

5.1 Estimation and validation

Figure 2 shows the estimated model for Danske Bank with performance indexes for each latent variable (these are shown in bold types inside the circles) and impact scores between the latent variables (these are shown by the arrows).

The performance index for a latent variable is estimated by a weighted average of scores from the corresponding measurement variables (questions), transformed from the original 5-point scale to a 0- to 100-point (poor-to-excellent) scale. E.g., positive attitude has an estimated performance index of 62 as shown in Figure 2.

Figure 2. The estimated Sponsorship Value Model for Danske Bank



An impact score represents the effect of a change in the performance index of one point in a latent variable. E.g., a 1-point increase in the performance index for positive attitude directly results in a 0.25 increase in the sponsorship value as shown in Figure 2.

All the relationships between the latent variables shown in Figure 1 were tested and found to be significant as shown in Figure 2.

The estimated model in Figure 2 shows that the proposed hypotheses are confirmed; that is, the positive attitudes and emotions influence sponsorship value positively, while the negative influence sponsorship value negatively. Furthermore, our a priori assumption that the positive dimensions have a greater numerical impact than the negative was confirmed - the positive impact scores are 0.25 and 0.34, respectively, versus the negative of -0.09 and -0.13, respectively. This provides useful knowledge of how the determinants influence the sponsor, which can be used in the planning of marketing communications. Thus Danske Bank would benefit much more from designing their communication to create positive attitudes and emotional reactions than by designing advertising messages that reduce the negative attitudes and emotions.

Of the four determinants, positive attitudes achieves the highest index, index 62, followed by positive emotions with a significantly lower index, index 53. And finally, negative attitudes and emotions achieve a performance index of 34 and 33, respectively, which is very low and coincidentally the two lowest indexes in the estimated model.

One explanation for the four indexes' relative size could possibly be that banking customers may have a positive attitude to whether the bank is trustworthy, worth remembering etc. Banking, however, does not 'excite people' to create significant emotional reactions. Generally, the banking area may be characterised as a low involvement area, which is confirmed by several survey results.

According to a survey carried out for The Danish Bankers' Association (2001), banking customers are not interested or involved in their banking matters. 64% of the surveyed respondents stated that they only spend little or no time understanding financial questions that relate to their everyday lives. At the same time, banks are perceived as not significantly different – when assessing level of service, level of employee competency and whether the bank acts in the best interest of the customer, a majority of the respondents felt that their bank was the same as others. Moreover, the banking market was perceived as very complex. Only 16% of the respondents agreed or particularly agreed with the statement that it is easy to compare interest and fees between financial institutions (The Danish Bankers' Association, 2001).

Similar results can be found in a survey mentioned in Boyd et al. (1994), showing that consumers often know very little about the specific financial products and that they do not want to know more. They are content with the notion that the banks with the best reputation also carry the best financial products. This result is consistent with *The Cue Utilization Theory* (Olson and Jacoby, 1972), which points to the consumers' use of non-product related factors, such as e.g. brand, surroundings, price and reputation, as the basis of decisions, if a more objective basis is not present.

Furthermore, one may argue that consumers with the possibility of assessing one loan offer compared to another on a fairly objective basis would probably do so, if the case was a big and long-term financial commitment. However, this type of behaviour rarely characterises banking customers' usual contact and involvement with a bank, in which case a thorough assessment of whether it would be possible to obtain more value for money with another bank is seldom carried out; this is particularly evident when considering how seldom Danish banking customers change banks. It is probably a case of the market's complexity rendering many customers either incapable of objectively assessing the quality of the bank's products or they associate this type of information search and possible consequence of changing banks with too great mental and time costs. In other words, only an extraordinary situation will prompt a change of banks, such as e.g. establishing a large debt or severe dissatisfaction with the bank's service.

All in all, we believe that banking customers' evaluation takes place at a very general level, which does not elicit any great emotional reactions: consequently, the low emotional indexes in

Figure 2. Moreover, we believe that the area's low involvement means that negative attitudes and emotions are generated to a lesser degree. As the customer seldom has emotional associations with her/his bank and more or less leaves everyday banking matters to the bank, the customer is unlikely to think that the bank is inappropriate, unappealing, misleading or overexposed. If they have an attitude to the bank, it will be neutral - at best positive. As the customer seldom wishes to get heavily involved in her/his financial dealings with the bank, emotional reactions such as fear, sorrow or shame will not occur.

Generally speaking, we have achieved a relatively low level of explanatory power by estimating the model in Figure 2. The model is only able to explain 39% of what drives sponsorship value ($R^2=0.39$). Therefore, the findings only indicate moderate support for the developed model.

But the obtained level of explanatory power is reasonable, compared to other analyses related to attitudes and emotions for low involvement information processing and peripheral information processing. It is not unusual to observe explanatory power levels between 30 and 40%.

5.2 Application of the model

The estimated total impact scores and performance indexes from Figure 2 can be combined by categorising each of the determinants into an impact-performance map (Figure 3). Such a data presentation is appealing from a managerial viewpoint and useful in assessing the sponsorship value.

Figure 3. Impact versus performance in driving sponsorship value for Danske Bank

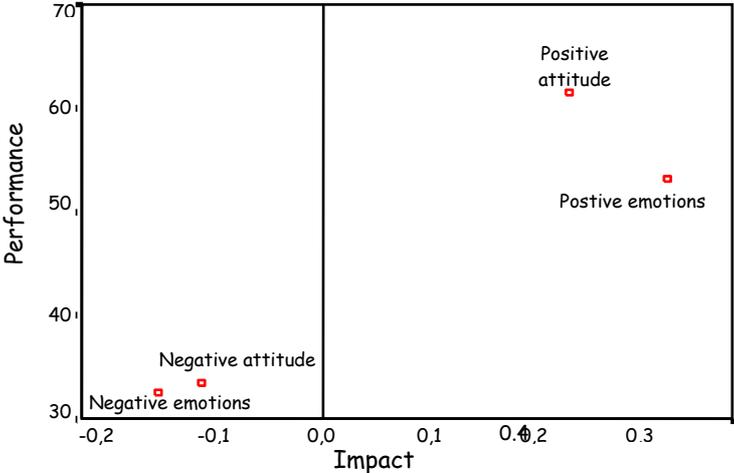


Figure 3 fairly clearly shows that Danske Bank's relative strengths are positive attitudes and emotions when it comes to creating sponsorship value. In contrast, both the negative attitudes and emotions can be regarded as low priority areas for Danske Bank, as they have a low index as well as importance for sponsorship value.

Thus, it may be concluded that, generally, Danske Bank focuses on the right elements of its communication to consumers when it comes to creating sponsorship value, as positive attitudes and emotions already exist towards Danske Bank, which subsequently have a positive and high impact on sponsorship value: the determinants are either areas of strength (high impact and high performance) or low priority ('low' performance but also low impact).

As the positive emotional reactions towards Danske Bank are at a significantly lower performance level than the positive attitudes (53 vs. 62), and the impact on sponsorship value are significantly higher for the former (0.34 vs. 0.25), we would recommend that Danske

Bank first and foremost strengthen the positive emotions with the consumers and subsequently the positive attitudes.

We can get an idea of the concrete elements that should be emphasised in the communication with consumers by studying some of the 'outer coefficients' from the PLS analyses, which represent relative weights relating the measurement variables to their corresponding latent variables. Here, it is revealed that the messages should primarily try to create emotional reactions such as trust (outer coefficient=0.27) and happiness (0.23), while the positive attitudes are first and foremost created by signalling trustworthiness (0.35) and emphasising that the bank is worth 'remembering' (0.28).

Cronbach's alpha for sponsorship value is only 0.38 (cf. section 4.1), which is far below the recommended limit of 0.70. Further, two of the outer coefficient-values related to Tivoli and Doctors without Borders, respectively, are small but negative (-0.02 and -0.04). This does not correspond to our a priori knowledge. There are no reasonable arguments to support the contention that if Danske Bank sponsors Tivoli or Doctors without Borders, this would have a negative effect on the consumers' tendency to buy services from the bank. The remaining outer coefficients related to other sponsorship objects (Danish Red Cross, Save the children and The Royal Theatre) are also small but positive. In contrast, the outer coefficients for awareness (0.21) and liking (0.44) are positive and high. This makes us come to the conclusion that the question of buying intention in its present form is not relevant and that it may be one reason for the low level of explanatory power achieved in the model ($R^2=0.39$).

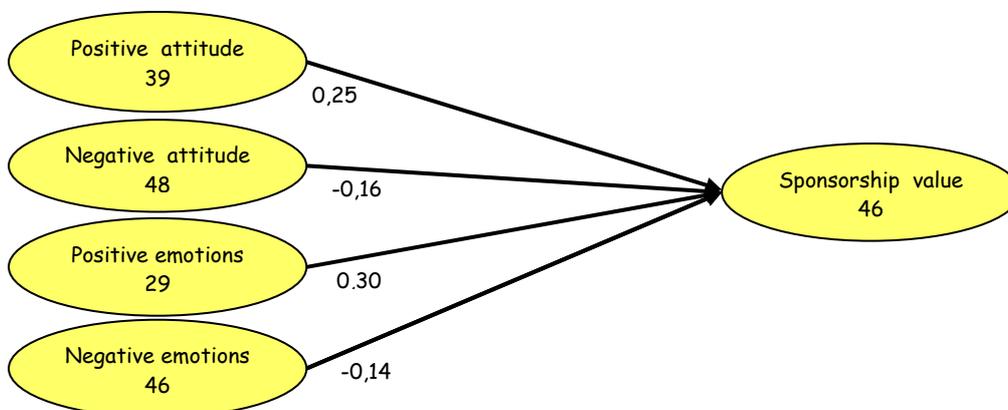
6. Estimation and application of the model on House of Prince

6.1 Estimation and validation

Figure 4 shows the estimated model for House of Prince with performance indexes and impact scores similar to the one for Danske Bank.

Here, we also find that all four determinants have a significant impact on sponsorship value and that the positive attitudes and emotions influence sponsorship value positively while the negative ones influence sponsorship value negatively. Furthermore, our a priori assumption that the positive dimensions have a greater impact numerically than the negative ones is confirmed – the positive impact scores are 0.25 and 0.30, respectively, versus -0.16 and -0.14, respectively, for the negative ones. Thus if House of Prince emphasises the creation of positive attitudes and emotional reactions in its communication, it would have a significantly greater effect on sponsorship value than if it tried to reduce the negative attitudes and emotions in its advertising campaigns.

Figure 4. The estimated Sponsorship Value Model for House of Prince



House of Prince as a sponsor will create many negative associations with the consumers such as e.g. carcinogenic, smoker's lungs, death, increased hospital bills, pollution etc. Therefore, the index values follow a totally different pattern with significantly higher index values for the negative attitudes and emotional reactions (48 and 46) compared to the positive ones (39 and 29). Further, we also see that the achieved index for sponsorship value is only 46, which is 16 points below the Danske Bank level, which means that on average all respondents answered under 3 on the applied 5-point scale.

Here, we also achieved a relatively low level of explanatory power. The model is only able to explain 42% of what drives sponsorship value ($R^2=0.42$). Therefore, the findings only indicate moderate support for the developed model.

6.2 Application of the model

Figure 5 shows the impact-performance map for House of Prince, which has been developed according to the same guidelines as in Figure 3 for Danske Bank.

Figure 5. Impact versus performance in driving sponsorship value for House of Prince

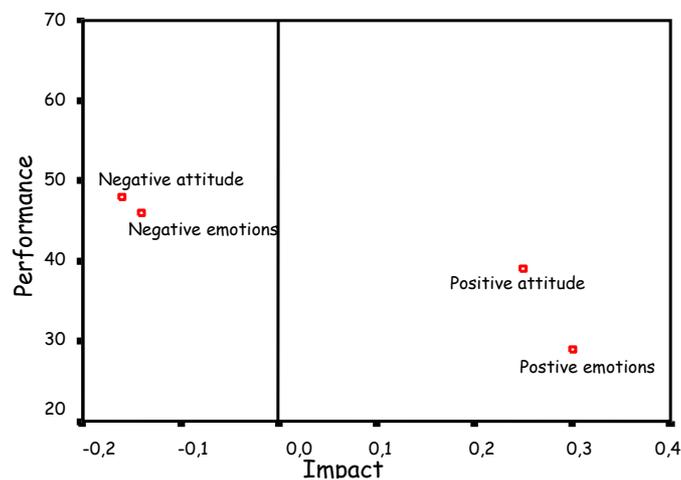


Figure 5 clearly shows that the respondents have a critical view of House of Prince, as the positive emotions in particular, but also the positive attitudes, have a very low index, and at the same time they are very significant for the perception of House of Prince's sponsorship value.

In addition, a lot of negative attitudes and emotions are associated with House of Prince, but numerically they are attributed with less importance than the positive dimensions. The index values are relatively high, but with a relatively reduced importance for sponsorship value.

In order to improve its sponsorship value, House of Prince should therefore primarily improve the consumers' positive attitudes and emotional reactions towards House of Prince in its communication. And as the positive emotional reactions towards House of Prince are at a significantly lower performance level than the positive attitudes (29 vs. 39) combined with a significantly higher impact on sponsorship value for the former (0.30 vs. 0.25), we would recommend that House of Prince first and foremost look to strengthen the positive emotions with consumers and then subsequently the positive attitudes.

Here, we may also study the outer coefficients from the PLS analyses to arrive at concrete recommendations for which elements the communication should include to the consumers. The message should primarily focus on creating positive emotional reactions such as trust

(outer coefficient=0.20), while the positive attitudes should first and foremost be created by signalling trustworthiness (0.24), emphasising that House of Prince is an exciting company (0.23) 'worth remembering' (0.23).

The impact-performance maps for Danske Bank and House of Prince provide the sponsor with knowledge about the concrete communication actions that will improve sponsorship value most advantageously.

Finally, it should be mentioned that Cronbach's alpha for sponsorship value is only at 0.36 (cf. section 4.1), which is far below the recommended limit of 0.70. It is interesting to note that all outer coefficient-values are positive except the value related to The Danish Cancer Fund at -0.06, which corresponds to our a priori knowledge. It goes against common sense that House of Prince would ever sponsor The Danish Cancer Fund – this would represent a violation of norms and be ethically indecent. On the one hand, House of Prince would hope to induce the consumers to buy more cigarettes by sponsoring The Danish Cancer Fund, on the other hand House of Prince would feel slightly guilty for creating more cases of cancer and therefore sponsor The Danish Cancer Fund's activities. The remaining outer coefficients related to the other sponsoring objects (Tivoli, FC København, The Royal Theatre and The Men's National Soccer Team) are also small, but positive. This is also the case for awareness (0.13). Liking (0.36) is the only outer coefficient that is both positive and high. Therefore, we can conclude that, in this case, sponsorship value is more or less identical with liking.

7. Practical and theoretical implications

Our conclusions relating to the two cases chosen for this paper are outlined in the discussion. On a more general level, it is worth pointing out a few other conclusions that are also supported by additional data, which has not been reported here.

Positive attitudes towards the sponsor and emotional responses towards the sponsor, with few exceptions, dominate the negative ones for the same sponsors. Emotional evaluations are at least as important as attitudinal ones in explaining sponsorship value for major sponsors.

For the same sponsorships, we may have different performance scores (how much attitude, how much emotion) and impact scores (how much influence upon sponsorship value). This, and the specific nature of the scores for different sponsors, has important implications for the overall sponsorship policy, the choice of what to sponsor and execution of communication related to the sponsorship.

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