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Determinants of Sponsorship Fit: a Multilevel Analysis

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Sponsorship fit is frequently mentioned and empirically examined as a success factor of sponsorship. While sponsorship fit has been considered as a determinant of sponsorship success, little knowledge exists about the antecedents of sponsorship fit. In the present paper, individual and firm-level antecedents of sponsorship fit are examined in a single hierarchical linear model. Results show that sponsorship fit is influenced by the perception of benefits, the firm's regional identification, sincerity, relatedness to the sponsored activity, and its dominance. On a partnership level, results show that contract length contributes to sponsorship fit while contract value is found to be unrelated.

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Determinants of Sponsorship Fit: A Multilevel Analysis

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EXTENDED ABSTRACT

Sponsorship fit is frequently mentioned and empirically examined as a success factor of sponsorship (e.g. Becker-Olsen and Hill 2006; Cornwell, Weeks, and Roy 2005; Simmons and Becker-Olsen 2006; Speed and Thompson 2000). Sponsors that are perceived as congruent with the sponsored object have been found to benefit more from their sponsorship engagements in terms of increasing brand equity (Becker-Olsen and Hill 2006; Gwinner and Eaton 1999; Simmons and Becker-Olsen 2006) and purchase intentions (Speed and Thompson 2000) than incongruent sponsors. From a theoretical point of view, a low sponsorship fit is equivalent to incongruence between sponsor and sponsored object. Such incongruence causes psychological tensions in the consumer's mind and forces to reestablish congruence (Festinger 1957). Hence, a perceived miss-fit is often related to a negative evaluation of the sponsor, and, therefore causes lower brand equity and purchase intentions.

While sponsorship fit has been considered as a determinant of sponsorship success, little knowledge exists about the antecedents of sponsorship fit. Commonly, sponsorship fit is conceptualized as "fit in a general sense" (e.g., Speed and Thompson 2000). From a managerial point of view and especially for sponsors that are in a particular situation of low fit, identifying antecedents of (in)congruence is highly relevant for improving the effectiveness of sponsorships. On the one hand, sponsorship fit can be seen as a result of a cognitive process including different antecedents which is different for each individual. On the other hand, sponsorship fit is likely to be different between brands, i.e. the group level as a result of different sponsorship policies and other influencing factors. While previous research provides insights on individual drivers of sponsorship fit, explaining differences resulting from varying sponsorship policies (i.e., sponsorship deal characteristics) is mentioned as a noteworthy area of research (Cornwell 2008).

Hence, the present paper contributes to the literature by examining the individual and sponsor-level antecedents of sponsorship fit. To test our hypotheses, we draw on (1) a sample of 1,579 soccer fans from 18 clubs of the first German league to obtain individual drivers of sponsorship fit and (2) objective characteristics of the shirt sponsorship deals of these clubs to explain betweengroup differences. Given the hierarchical structure of the data, hierarchical linear modelling (HLM) is an adequate method for analysis and hence applied in this study.

Individual Fan Perceptions as Determinants of Sponsorship Fit

Several factors have been mentioned in previous studies that are proposed to contribute positively to sponsorship fit or sponsorship related outcomes. Functional similarity (Gwinner and Eaton 1999), relatedness to the sponsored activity, perceived benefits of the partnership (Woisetschläger and Haselhoff 2009), regional identification of the sponsor (Woisetschläger and Haselhoff 2009), the sponsors sincerity (Speed and Thompson 2000), dominance in the partnership, and the ubiquity of the sponsorship (Speed and Thompson 2000) are potential determinants of sponsorship fit.

Sponsorship Characteristics as Determinants of Sponsorship Fit

Besides determinants of sponsorship fit that are perceived differently by individual fans, characteristics of the sponsorship partnership are proposed to affect sponsorship fit. Typically, sponsorship contracts can be characterized by the contract value (i.e., the amount paid by the sponsor per year), and the duration of the contract. These objective measures indicate the firm's commitment (Farrelly and Quester 2005) in terms of budget and timeline. Differences in contract value and contract length are expected to partially explain differences of the level of sponsorship fit over different sponsor-partnerships.

Methodology

Sample. To test the hypotheses, consumer-level data was collected via an internet survey among fans of the 18 clubs of the first German soccer league. A total of 1,579 respondents participated in the survey and fully answered all questions.

Measures. Our study comprises two levels of analysis: the individual fan-level and the sponsor-level. All measures are adapted from the literature. Sponsorship fit is measured with seven items using the scale employed by Simmons and Becker-Olsen (2006). Items to measure functional similarity are taken from Gwinner and Eaton (1999). Relatedness to the sponsored activity is operationalized using items by Speed and Thompson (2000). Scales to measure perceived benefits and regional identification of the sponsor are adopted from Woisetschläger and Haselhoff (2009). Sincerity and ubiquity of the sponsor are measured with items from Speed and Thompson (2000). Situation specific reactance (Wendlandt and Schrader 2007) is adopted to measure the degree of sponsor dominance.

On the second level (sponsor-level), we measure key characteristics of the sponsor partnerships from secondary sources. More specifically, contract value is measured by the total yearly amount spent by a particular firm for the actual sponsorship contract. Past contract length is measured by the number of years that a particular firm has been a sponsor of the particular club. Future contract length is the contract duration in number of years starting from today.

Results, Implications, and Future Research

Our findings reveal that, on the individual fan level, perceived benefits are the strongest determinant of sponsorship fit. Sponsors should therefore actively communicate the benefits of their engagement. Regional identification is also an important antecedent of sponsorship fit. Firms that show their belongingness to the region of the club are perceived as in-group members, and therefore as congruent to the club. Perceived sincerity of the sponsor is also a positive determinant of sponsorship fit. Therefore, firms should communicate that they are reliable partners of the particular club but should avoid to be perceived as a dominator of the club. Relatedness to other sports activities is also positively contributing to sponsorship fit. Contrary to our propositions, functional similarity and perceived ubiquity are not significantly related to sponsor-

ship fit. The individual-level determinants explain about 45 % of the variance in sponsorship fit.

On a sponsor-level, results show that past and future contract lengths contribute positively to sponsorship fit and explain 41 % of the variance between the 18 groups. Sponsors that strive for short-term impact are evaluated less favorable. Contrary to our expectations, contract value is not significantly related to sponsorship fit. Hence, firms should invest in long-term sponsorship relations instead of spending more of their budget over a shorter time period.

The model is limited to a few–yet central–proxy variables to characterize sponsorship deals. Results show that a good part of the variance of sponsorship fit between the 18 sponsor partnerships is explained by these variables. The remaining part could be explained by including additional variables that characterize sponsorship deals and the nature of the sponsoring brand.

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