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**EVENT SPONSORSHIP**

**-A CORPORATE TOOL FOR BRAND POSITIONING**

**Ville Davidsson & Ville Savolainen**

**Graduate Business School  
School of Economics and Commercial Law  
Göteborg University  
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## **Abstract**

The use of event sponsorship has increased greatly in the recent years, and the proportion of event sponsorship in companies' marketing budgets has increased. There are many reasons for this, but a major contributor to this development is the increasing difficulty of differentiating from competing brands through mass-media advertising. Events offer an opportunity to focus on a smaller, but more select number of people in an appealing environment, which can bring forth positive associations to the brand and thus give it a competitive advantage.

This thesis studies the use of event sponsorship in five major consumer product companies that operate on the Finnish market and looks at how they use event sponsorship to position their brands.

The study made evident that event sponsorship was still a rather minor component in most companies' marketing mixes, and that it was not explicitly included in most companies' marketing strategies. The role of event sponsorship in building brand image and identity was thus a minor one. Accordingly, the use of event sponsorship was reported to be very much "ad hoc" in nature, and events were occasionally sponsored if they "fit the brand" and if resources gave way for such an investment. However, event sponsorship was seen as an effective tool for reaching desired consumer groups and positioning it in their minds, but it was seen to be very time-consuming and unpredictable, as unexpected changes can often occur during the course of events.

As the element of time is always prevalent in events and hence event sponsorship as well, the results of the study were analyzed against the time frame of an event. By doing so, it was possible to separate the different processes that event sponsorship entails and gain a clearer view on how companies use event sponsorship as a part of their marketing mix.

**Keywords:** Event sponsorship, brand, brand building, brand image, brand identity, brand positioning, project lifecycle

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## *Introduction*

### **I Introduction**

*This chapter will introduce the reader to the general concepts discussed in this thesis. Background to the topic will be described, as well as motivation for pursuing the topic.*

#### 1. From mass marketing to focused communication

When setting strategies for the use of different mass marketing tools, companies face an abundant cornucopia of options: print media, television, radio, the Internet, billboards and more. The problem with these options is that they easily blend into the “mass”, as the term “mass marketing” already implies. Moreover, companies have limited chances of controlling who is exposed to the message and how it is perceived (Aaker, 1997). A study done by Initiative Futures Worldwide (IFW) showed that the amount of “TV clutter”, i.e. the number of television commercials that people are exposed to, is steadily increasing. While Finland is currently very lowly ranked in this regard (a rating of 193 commercial viewings per week versus a global rating of 561), the number is going up, as the increase rate of 6,3% for Northern Europe proves. The study also shows that the higher the clutter rate, the more likely it is for consumers to see competitors advertisements. (IFW, 2004).

Being omnipresent, too, might not be a good idea for established brands. Consumers might have established a relation with the brand to a certain context, and therefore, being presented in an opposite environment could prove detrimental for some companies. Global marketing campaigns, where a message is given out virtually unchanged to the whole world, can also damage brands or heavily decrease the effectiveness of campaign. Although companies gain economies of scale by using the same campaign and advertising agency around the planet, cultural differences, language barriers and differences in brand image on different markets might turn the scales towards the use of local campaigns. (Aaker and Joachimsthaler, 1999)

Building brands and impacting people’s impressions of a company are not limited to the mass marketing tools stated above. In fact, some of the previously mentioned marketing channels have a risk of becoming obsolete – television, as an example, loses power when viewers have access to more channels and can “channel-hop” during commercial breaks (IFW, 2004). As Aaker and Joachimsthaler (1997) argued, companies have many alternatives of gaining positive attention other than bombarding the public with repeated messages. They regard event sponsorship as one option for brands that seek good access to their target segments and wish to gain representation in the media.

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As Aaker and Joachimsthaler (1997) argued, sheer visibility does not necessarily gain market share – every campaign should have the brand identity as a guiding beacon. This thesis sets focus on how companies use of event sponsorship to communicate their brand identity to consumers, and how they work with the event throughout the event’s lifecycle.

### 2. Increasing opportunities for sponsorship

As Roy and Cornwell (2004) stated, corporate sponsorship of sports and other events is one of the fastest-growing forms of marketing communication used to reach target audiences. The rate of growth experienced in sponsoring expenditures is greater than for traditional advertising and promotion. Corporate spending on sponsorship grew by 14% in 2000 compared with 10% growth in advertising and 6% in sales promotion. Compared to that, the rate of growth has decreased slightly, as for 2004 the prognosis is 8,1% (IEG). According to the International Events Group (IEG), sports are the most popular events sponsored, with an estimated share of 69% of all sponsorship money. As stated earlier, traditional marketing channels face the problem of “clutter”, or over-exposure to similar types of messages, which makes the differentiation of brands very difficult for the consumers (Aaker, 1997, Meenaghan, 1998). Sponsorship is one way of setting a focal point to a company’s marketing communication and enables the company to reach consumers that belong to a well-defined group of demographics and lifestyles (Roy and Cornwell, 2004). Something that sets event sponsorship apart from other means of marketing communication is also the time constraint involved; events last for a limited time and accordingly can only act as mediums of communication for a limited time. This gives the sponsor an opportunity of creating a fresh message through the event without risk of the message growing stagnant due to overexposure.

As the use of sponsorship increases as a form of marketing communication, the number of parties who want to benefit from corporate support can be expected to grow. Even if one assumes that companies’ investments in sponsorship increase at the rate proposed by Roy and Cornwell (2004), a steeper growth rate of requests for sponsorship money can be expected.

In relation to the media clutter discussed by Aaker (1997) and Meenaghan (1998), the extensive requests for sponsorship can be seen to create another type of clutter, i.e. “request clutter”. Such a situation forces companies to be more strict when deciding who to support and which events to sponsor. It might also force companies to reflect more carefully on their motivation of sponsoring events and other organizations and parties. The motivational factors might include goodwill, or positive association of consumers to the company due to support of an event or other party. Media attention related to an event

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might also be an incentive for a sponsorship agreement. Being associated with other sponsors can also be beneficial for a company, if the other sponsors are seen as market leaders or “credible” in the eyes of the target audience. Integrated communication also is an issue for companies nowadays; companies might use events as an opportunity to reach a more focused group without changing the essence of the message. Events offer the possibility of giving out messages in a much more subtle manner than mass marketing tools because there is not as much media clutter. If a company manages to obtain exclusive rights for an event, such as a beer company might for a festival, it can begin reaping benefits from its investment immediately. Being part of a certain type of event can also affect the general perception of a company or a brand beyond the visitors, which is why careful selection of which events to sponsor is important. (Jiffer and Roos, 1999).

### 3. Discussion on the problem & problem statement

This thesis will revolve around certain key terms, mainly brand, brand image and brand identity. Moreover, the study is related to brand positioning. For the sake of clarity, these terms shall be briefly defined.

A brand represents the non-physical, intangible aspect of products and services. Brands add value to items and goods that would often have mere commodity or functional value. Kotler (2000) defined a brand as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”. Brands have arguably more “staying power” than the products and services they sell, because they are harder to copy. As Aaker (1996) stated, the physical aspects of products and services are rather easy to copy, which can be seen at e.g. the speed that Chinese manufacturers are able to copy Western technology. However, a brand is much more complex in nature and thus harder, or impossible, to copy. One of the key elements of a brand is its associations in consumers’ minds. Brand associations are built by linking the brand with positive issues that the consumers can relate to, something that e.g. event sponsorship can be used for (Aaker, 1996).

Brand image and brand identity are two central concepts in brand building. Brand image is the perception that the consumer has of the brand; it is affected by the communication efforts made by the company that owns the brand as well external forces, e.g. what the general opinion of the brand is, how ethically the company operates, and what kind of associations the brand has in the consumer’s mind. (Aaker, 1996, Aaker and Joachimsthaler, 2000). Brand identity, however, represents the brand’s future: it is the brand at its purest, or

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how its owners would like it to be seen. Brand image, in essence, is brand identity that has been distorted by internal and external forces. (Aaker, 1996). Brand position is the part of brand identity that is actively communicated to a target audience. It seeks to demonstrate the advantage that the brand has over competing brands. Although e.g. cleanliness would clearly be an important aspect of a fast-food restaurant's identity, but as customers would expect and demand it, such a claim would hardly give a competitive advantage over the competition. (Aaker, 1996).

As stated earlier by Aaker and Joachimsthaler (1997) and IFW (2004), the impact of mass marketing tools decreases as consumers' exposure to it increases. As they are exposed to more and more commercials, consumers become jaded and do not give advertisements as much attention as they previously have given. Moreover, as there are ever more television channels, people are likely to switch the channel or visit the refrigerator during commercial breaks. (Aaker and Joachimsthaler, 1997). Events are a different medium for marketing communication in this respect. While visiting an event, people can not escape the influence of parties that are present, as they are physically at the location. Moreover, people are often relaxed and joyful at events, which makes them more susceptible to marketing communication (Getz, 2004; Aaker and Joachimsthaler, 1997; Goldblatt, 1997). As brand image is built up of the combination of the brand identity communicated by the company and the associations consumers link to the brand, event sponsorship can be seen as an effective way of positively impacting the visitors' perception, or image, of the brand (Aaker, 1996; Biel, 1997). These findings might spark up interest in many marketers to consider event sponsorship as a way of separating their brand from the masses, or positioning their brand. However, as event sponsorship is always tied to a time-bound event, there are many considerations to be made when contemplating the use of the medium.

Kreiner (1995) and Lövendahl (1995), among others, have discussed the element of time in regard to project management. As events are planned against a fixed time horizon and can thus be seen as projects, event sponsorship includes a definite element of time. One can surmise that when investing in event sponsorship, companies must take the time element very carefully into consideration. As this was seen to be extremely relevant, the study will look into how the event project lifecycle affects companies' actions when investing in event sponsorship. Moreover, attention will be given on how companies event sponsorship related brand building efforts span across the event sponsorship lifecycle. Having looked into literature and interviewed marketing professionals, it was found that event sponsorship could be divided into three distinct phases: the one preceding the event, the one during the event, and the

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one that follows the event. All these phases feature different opportunities and challenges that need to be taken into consideration in order to benefit fully from event sponsorship.

This study will seek to establish knowledge on how companies use event sponsorship as a brand positioning tool and furthermore, how brand building in event sponsorship activities spans across the event project lifecycle. The brands featured in this thesis are Frezza, L'Oréal Paris, Bertolli, Knorr, Tropicana, and Maybelline. This study spans the whole event sponsorship process, from the sponsorship bid to the sponsorship evaluation. The aim is to try to find out how companies relate event sponsorship to marketing strategy, how they communicate their brand identity at events, and how they monitor the effects of the sponsorship activities, and how these activities relate to the event lifecycle.

The preceding discussion has led to the formulation the following questions:

### *Main question:*

**“How do companies use event sponsorship to position their brands at different stages of the event sponsorship process?”**

As discussed earlier, event sponsorship can be used to separate a brand from its competition. This study seeks the answers to how consumer product companies that operate in the Finnish market use the medium to their advantage. Moreover, as event sponsorship can be seen as a process, the study will give separate focus to its different phases to bring more depth and clarity to the issue.

To underline the differences between the different brands that were studied, a research problem was added:

### **Research Problem 1:**

**Which elements of brand identity can be expressed through event sponsorship?**

There seemed to be differences in how brands benefited from event sponsorship at its differences. To gain understanding on this issue, scrutiny was given on which brand identity elements each brand could best portray at each stage of event sponsorship.

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### 5. Purpose of the study

The purpose of this study is to shed light on how companies relate their sponsorship activities with their overall brand building strategies. The findings of this study might be of interest to parties that wish to seek corporate sponsorship and companies that are planning on investing in sponsorship, as throughout the study they can see examples of how other companies embrace these activities. The increasing use of event sponsorship as a marketing medium can be said to make the study more interesting in a general sense.

### 6. Outline of the study

Due to the standardized thesis format and for the sake of clarity, this thesis will be divided into six clearly defined chapters: introduction, theory, methodology, empirical part, analysis, and conclusions. The main topics of the chapters are as follows:

#### **6.1. Introduction:**

This chapter presents the topic and the research question to the reader. It seeks to build interest in the topic and help the reader understand the motivation for choosing the subject.

#### **6.2. Theory:**

This chapter presents to the reader what other authors have written on the chosen subjects, which cover mainly branding, sponsorship and relationship marketing. The chapter seeks to give the topic depth and perspective, and further establish a basis on which the analysis is built.

#### **6.3. Methodology:**

This chapter explains the theoretical, empirical and analytical approaches that were used for the study. It also seeks to establish the validity and reliability of the paper.

#### **6.4. Empirical part:**

This chapter presents a synopsis of the interviews. The main points will be presented, while the whole transcriptions of the interviews will be found as appendices.

#### **6.5. Analysis:**

This chapter seeks to analyze the results of the study in relation to research question and the literature presented in chapter two. Hence, this chapter will present the “essence” of the thesis.

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### **6.6. Conclusions:**

This chapter will summarize the findings of the study and present applications for them. Furthermore, implications of the findings will be discussed.

## *Introduction*



## **II Theoretical framework**

*This chapter will present literature that was found central to the topic. It will focus on three main topics: branding, sponsorship and events. The foremost purpose of this chapter is to provide insight into the topic and give the reader a background against which to scrutinize the findings.*

### **1. Defining events**

Events are temporary occurrences, either planned or unplanned. They are passing occurrences, and every event is a unique blend of duration, setting, management, and people. Some events can be characterized as “special events”. Context makes some events special to their organizers or guests, and therefore, what is “special” to someone is not to some else. Two definitions can be given of special events. (Getz, 1997) First, a special event is a one-time or infrequently occurring event outside the normal program or activities of the sponsoring or organizing body. Second, to the customer or guest, a special event is an opportunity for leisure, social, or cultural experience outside the normal range of choices or beyond everyday experience. (Getz, 1997)

Mossberg (2000) adds that definitions as to what constitutes an event and what does not. She postulates that events have to fulfill some criteria, such as they have to occur not more often than once a year; they need to have a program, an organizing body, a number of participants and be open to the public and apart from the intrinsic objectives, be developed primarily to enhance the awareness, appeal and profitability of the host city, region or country as a tourism destination. These definitions are rather rigid and deny many happenings, such as the Olympic Games, their event status, but give an idea of the debate related to events (Mossberg, 2000).

According to Jago and Shaw (1998) special events used in a tourism sense can be divided into three categories: minor events, festivals and major events. Minor special events are annual or one-off events, which include historical, musical and cultural events as well as dance performances (Van der Wagen, 2001). Festivals, in turn, are special events that are public, themed celebrations and related to the celebrating of social values (Jago and Shaw, 1998). Major special events, on the other hand, are large scale special events with high status that attract a large crowd and wide media attention according to Jago and Shaw (1998). In the categorization of events done by Jago and Shaw (1998), major events are further divided into two categories: mega-events and hallmark events.

## *Theoretical framework*

**Hallmark Events** are recurring events that possess such significance, in terms of tradition, attractiveness, image, or publicity, that the event provides the host venue, community, or destination a competitive advantage. Over time, the event and the destination can be inseparable. Arguably the best known hallmark event in the world is the Carnival held annually in Rio de Janeiro. (Getz, 1997; Mossberg, 2000)

**Mega-Events** can, according to International Association of Tourism Experts (IAEM) - conference, be defined by reference to their volume of visitors, cost, or psychology. Their volume should exceed one million visits, their capital costs should amount to at least \$500 million, and their reputation should be that of a “must see” event. It should also be able to attract worldwide publicity. (Getz, 1997; Mossberg, 2000).

Mega-events, by virtue of their size of significance, are those events that yield extraordinarily high levels of tourism, media coverage, prestige, or economic impact for the host community or destination. Best examples of such events are World Fairs and the Olympic Games. (Getz, 1997)

Events can be put to different categories by the type of the event. According to Getz (1997) these categories are cultural celebrations, sport competitions, art and entertainment events, business and trade, educational and scientific events, and political and state occasions.

**Cultural Celebrations** include festivals, carnivals, religious events, parades, and heritage commemorations. Festivals are the most common forms of cultural celebration, and although many are traditional, with long histories, the majority have been created in the recent decades. Festivals are public themed celebrations and parades and processions are the most common elements seen in festivals. (Getz, 1997)

The enormous number and variety of sports worldwide makes **sports events** a big business. The teams, their entourages, and spectators have to travel a lot all over the world, which has a large impact on the tourism industry. Traditional sports events like the Olympic Games always include ceremonies and festivals to their agenda, and it has now become ordinary to build a program of special events around sports events to create a festival or special event with a delicate appeal. (Getz, 1997) Sport Competitions are usually divided into professional and amateur events. They are always popular with sponsors. However, these kinds of events are saturated with sponsors and the best opportunities rarely are available to new sponsors (Wragg, 1994).

### *Theoretical framework*

The most usual **Art and Entertainment events** are concerts, exhibits, and award ceremonies. Artistic events usually have a lower profile than sporting events, but appeal to a particular segment of customers or distributors, and more likely to appeal to both men and women than many sporting events. An added advantage is that most of these kinds of events occur during the evening, which can make it easier for guests to attend them. Art festivals are universal, but with substantial diversity in form and types of art featured e.g. visual, performing, or participatory. Events can be divided also to such subcategories as professional vs. amateur artists, paid vs. free events, or temporary vs. permanent events. (Getz, 1997)

**Business and Trade events** comprise fairs, markets, sales; consumer and trade shows; expositions, meetings and conferences; and publicity events. Fairs have a long tradition of their own as periodic exhibitions and markets. In earlier years, they were often associated with religious celebrations, although now they include entertainment and amusement. However, they have more to do with productivity and business than with themed public celebration. Some fairs are called exhibitions because of their educational orientation. The International Association of Tourism Experts (IAEM) explains that expositions are marketing events and generally fall into two categories: trade shows are targeted to industries or specific occupations, and are often held at the annual conventions of associations. Consumer Shows, in contrast, are held for the general public and can cover virtually any topic, from traditional automobile shows to alternative lifestyles. (Getz, 1997)

**Educational and Scientific events** include seminars, congresses, and interpretive events. Corporations and associations employ meeting or convention managers to handle their business get-togethers. Numerous meeting planning firms exist, some of which are expanded into the special event field. Hotels, resorts, and convention centers also employ professionals whose jobs cover the marketing and hosting of meetings and other events. Conferences are assemblies for the purpose of conferring and discussion, and should be small enough to facilitate interaction. Conventions are generally large assemblies of people from associations, political parties, clubs, or religious groups. Convention delegates must often go through a screening process. Academics often attend symposium or forum at which speakers present papers for discussions. In Europe, the term “congress” is generally used instead of “convention”, although it typically means an international meeting. **Political and state occasions** are divided into inaugurations, VIP visits, and Rallies. (Getz, 1997)

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### 2. Event project management

When planning momentary projects a company has to set up a temporary organization. A temporary organization is an organized course of action that aims at performing processes that are not routine. Usually there is limited amount of time in which the project has to be done and there is some kind of performance evaluation criteria. A temporary organization is so complex in terms of roles and number of roles that the project has to be organized and managed carefully. (Lundin and Söderholm, 1995). Lundin and Söderholm (1995) do not talk about events, but the same theory can be interpreted in the case of event sponsorship, as events require a course of action that is out of the ordinary.

Projects have a certain life-cycle pattern that can be applied to event sponsorship process, too. This life-cycle has four different stages beginning with concept followed by development, implementation, and termination. (Cleland, 1999) Planning and preparing for the event take place in the first two stages. Good results at the implementation stage are usually due to thorough planning and project management. Follow-ups take place at the termination stage and the results can be used to act better and gain improved results next time using event sponsorship.

As one can see from figure 2.1, the workload involved in the event sponsorship process is spread unevenly across the project lifecycle. In the beginning of the sponsorship process, the conceptual phase, the idea of sponsorship is brought up and decision to sponsor certain event is made. This decision involves numerous considerations, e.g. whether the event “fits the brand” and how many contacts can be gained through it (Jiffer & Roos, 1999). This stage, although crucial to the success of the sponsorship investment, does not involve a great amount of work.

Following the conceptual phase comes the development phase, which takes into consideration the planning of the all “content” that is to be presented at the event and moreover, how the sponsorship is tied to the company’s general marketing strategy. This phase requires more effort, as one can judge from figure 2.1 (Cleland, 1999).

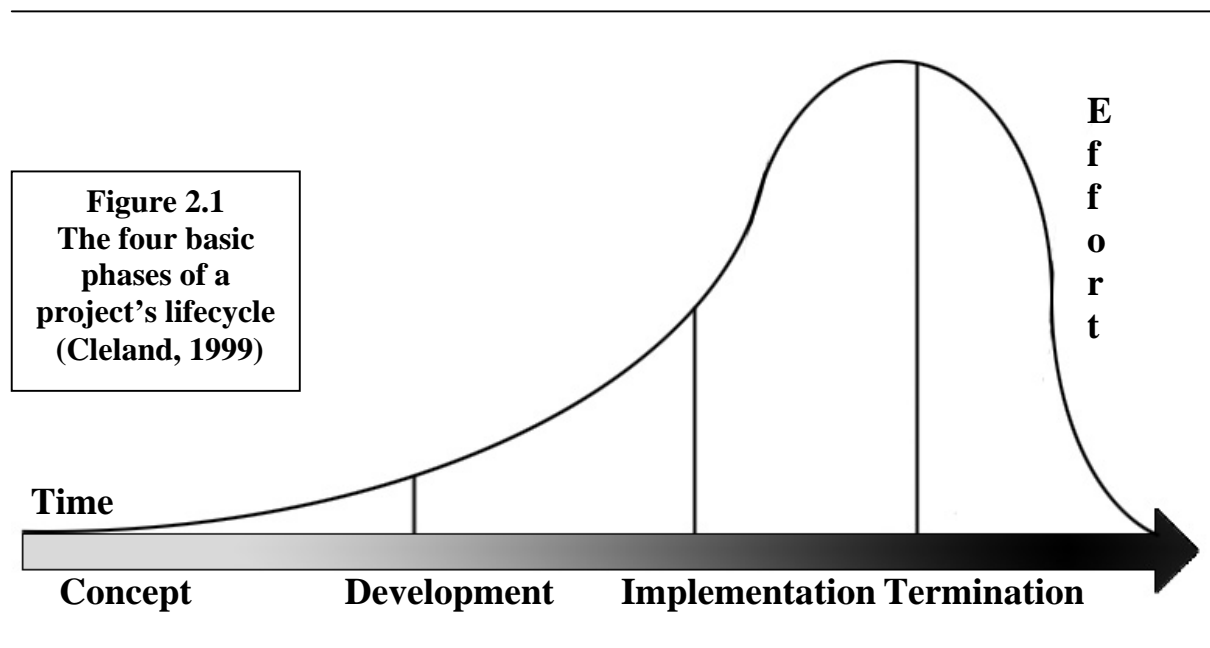
The third phase of event sponsorship takes place when the event is held. It is also the only phase that is inherently tied to the event itself. The third phase creates a brief period of intense activity, as one can see from figure 2.1 (Cleland, 1999).

## *Theoretical framework*

The last phase in event sponsorship is termination, which mostly measures the effects of the sponsorship investment (Jiffer & Roos) The termination phase also includes what Lundin and Söderholm (1995) refer to as “bridging”. Bridging involves the transition of the experience gained from the project to enhance future operations and the opportunity to evaluate the gains of the investment to the expectations.

As sponsorship often entails new tasks and cooperation with previously unknown parties, there is risk involved. Risk can be minimized through proper planning and using only the “right” events that fit the brand for channels of communication (Jiffer & Roos, 1999)

Risks can also be minimized with experience. Lövendahl (1995) argues that in event management, the best way of learning to plan and execute efficiently is to gain relevant experience.



### 3. Sponsorship

The creation of a strong brand and product credibility is more and more important. In the early days sponsorship was a matter of charity or patronage, but in the beginning of 70's companies started to want something in return. Since then event sponsorship has become an important part of companies' marketing mix. Earlier, events could be run with return from ticket sales and state support. Nowadays, sports and other events would not survive without sponsorship money from companies. Due to the reduction in state support sponsorship has become increasingly important. (Jiffer & Roos, 1999). Another

## *Theoretical framework*

reason for the growth in the sponsorship of leisure activities is the greater media coverage of these events combined with the rising cost of media advertising (Jagre et. al., 2001). Sponsorship has lately become a cost-effective alternative promotion strategy with an ability to transcend national and cultural barriers (Jagre et. al., 2001). Sponsorship in Europe is relatively undeveloped in comparison with the United States, although some reports suggest that the measurement of sponsorship is more advanced in Europe (Meenaghan, 1995). One could argue that the explanation for added interest towards sponsorship in the USA stems from the fact that it is at least superficially a huge single market, with no language or culture barriers, whereas Europe is very fragmented in that respect.

There are many definitions of sponsorship, but the one that was found the most suitable for the purposes of this study was the one used by Jiffer and Roos (1999): *"Sponsorship is a business method for communication and marketing which, in the short and long term, has the aim of contributing to the sponsor's brand awareness and image, as well as increasing the sponsor's sales. Sponsorship should benefit all those involved, and lead to a result that can be measured against pre-defined objectives."* (Jiffer & Roos, 1999)

De Pelsmacker et al. (2001) argue that the effectiveness of sponsorship is based on the exposure effect, i.e. exposure to a sponsor's name increases the familiarity with the brand in the long run and generates a preference for the brand. Usually sponsor messages are simple and limited to company or brand names. Furthermore, they state that both event-based and longer term based memory of spectators in a sponsored event is stimulated. This could lead to higher level of brand awareness than those resulting from advertising exposure. Sponsorship is a very flexible communications tool that can be used to achieve both marketing and corporate communications objectives. Marketing communication's objectives are awareness building, and to a certain extent, image building; corporate communication's objectives are to promote corporate image and increase goodwill towards the company.

There are many reasons why sponsorship is gaining importance. Traditional mass media advertising is becoming increasingly expensive, increasingly irritating, and as a result of communication clutter, less effective. Sponsorship is seen as a means to escape this disorder, to isolate brand from the competition and to get the message across at a lower cost. Sponsored events are also increasingly broadcasted, which makes the initial investment of sponsorship even more valuable. (De Pelsmacker et al., 2001)

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Due to increased leisure, sports, and cultural activities, new sponsorship opportunities are emerging and very diversified sponsorship audiences can be found. Furthermore, governments are nowadays less and less inclined to finance culture and other social activities, which forces cultural and social organizations to look for financial support from private companies. These issues make sponsorship an obvious tool for building brand awareness and image. Sponsorship projects are selected so that they are best capable of reaching the desired target groups; products targeted at up-market demographic segments will sponsor tennis, golf, and the arts, while brands targeting youngsters will focus on popular music festival sponsoring. (De Pelsmacker et al., 2001)

Sponsoring can be divided into four different categories: event-related sponsorship, broadcast sponsorship, cause-related sponsorship, and ambush marketing. Event-related sponsorship occurs when companies sponsor different matters related to events e.g. competitions, games, tournaments, a team, an athlete, or even a match ball. The event might be also cultural, e.g. an exhibition, a series of concerts, a philharmonic orchestra, an artist, or an event related to popular culture. (Wragg, 1994)

Broadcast sponsorship is the most recent type of sponsorship in Europe, but in North America it has been used for a longer time. There are two types of broadcast sponsorship: advertisements attached to the program or product placement, in which case the actors use the sponsor's products during the program. (Wragg, 1994)

Cause-related sponsorship is a combination of public relations, sales promotions, and corporate philanthropy, based on profit-motivated donation to good causes. The objectives are to some extent the same in cause-related sponsorship and other sponsorship. However, in cause-related sponsorship more emphasis is put on the effect on the corporate or brand image as a result of the link between the company or the brand and the good cause sponsored. (Wragg, 1994)

Ambush marketing takes place when a company intentionally seeks an association with a particular event without paying sponsorship fees. This can be done by sponsoring the media covering the event, by sponsoring subcategories within the event, or by overstating the company's involvement in the event by means of supporting advertising or sales promoting activity during the event. Ambushing used to be dubious, but nowadays it has become acceptable. An example of ambushing is Pepsi advertising in the Olympic Games, where Coca Cola is one of the main sponsors. (Wragg, 1994)

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### **3.1. Event Sponsorship**

Jiffer and Roos (1999) explain sponsorship as “*purchasing the right to create an association with the event*”. Sponsoring is about marketing a company and its products and services in order to sell more. With event sponsorship, a company aims to make itself visible through a popular activity and be associated with that activity. In event sponsorship a company can choose to reach either a narrow or a wide audience, depending on what they want from the promotion. (Jiffer & Roos, 1999)

Event sponsorship allows organizations to reach their target market with less confusion than other communication methods. It also exposes the product directly to the market and provides an excellent mechanism for the organization to give back to the community by which it is supported. (Walker Mack, 1999)

There are many advantages and disadvantages in event sponsorship. Jiffer and Roos (1999) have mentioned such advantages as the possibility to reach a large audience and combine many different media with event sponsorship. Many times possible customers can see advertisements placed on a sport stadium through television broadcastings and newspaper pictures, which increases the effectiveness of event sponsorship. Another advantage is that event sponsorship can increase awareness of other advertising and marketing acts of the company, such as radio and television campaigns. Event sponsorship seems also less commercial than other types of advertising. Furthermore, the sponsor is seen in the context of and associated with a positive leisure time activity. Event sponsorships provide relatively unobtrusive but high-impact name exposure coupled with positive associations (Aaker, 1996).

Jiffer and Roos (1999) have claimed that event sponsorship also has many disadvantages. They mention, for instance, that it is very time consuming because of the preparations, planning, and functions during the event. To be effective and successful in the events, a considerable amount of work has to be done, objectives have to be clearly defined, and knowledge has to be gathered. Wragg (1994) suggests that before planning any form of sponsorship, one should be clear about the objectives of the sponsorship, i.e. the expectations that should be fulfilled. This is important because careful analysis might suggest that sponsorship is not necessarily the best way forward. The audience of each event must be researched, as well, to be sure of the breakdown of the people present. This should be done by demographics such as sex, age, region, social group, disposable income, and occupation. (Wragg, 1994).

However, the most crucial fact is that sponsorship is a weak message carrier for unknown brands. Wragg (1994) argued that sponsorship can only succeed if the



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brand has a sound reputation. In other words, if the brand is not known by the public, sponsorship will only waste time and money. No one will notice an unknown brand name in an event. Competition for attention in events is hard, especially for newcomers. Moreover, in outside events the successfulness can also be dependent on the weather.

### **3.2. Measurement of the impact of event sponsorship**

Visibility is important, and can provide value for money. It is not easy to compare one sponsorship agreement to another. However, looking at competitors and their sponsorship programs and evaluating if they are making an impact might help making one's own decisions. This basically means taking a wide look at what other are doing in the field, what they are paying directly and indirectly for the sponsorship agreement, and what are the results. One should also judge whether what you will pay for the sponsorship and whether the cost and effort of promoting the sponsorship will provide value for money. (Wragg, 1994).

Tuori (1995) argues that the impact of event sponsorship should be evaluated when planning the sponsorship, during the sponsorship, and after the event:

- Before committing to sponsorship one should research how well the brand is known and what the interest groups' attitudes are towards the brand. Furthermore, it is important to know how the brand image is perceived.
- During sponsorship, it is crucial to evaluate that the company is on the right path with its communications and whether the environment gives a reason to change or adjust the direction of communications.
- After the sponsored event has ended, the company has to research the impact of the sponsorship and how well the company has reached the targets. (Tuori, 1995).

Measurement of the value of event sponsorship is very hard. Presented below are ways to estimate how feasible the sponsorship agreement has been. Explanations will be given on how to evaluate media exposure, how to evaluate the impact on image, how to measure effects on event visitors, and how to evaluate the impact of event sponsorship to different segments.

#### **3.2.1. Evaluating media exposure**

According to Meenaghan (1998) there is no universally accepted technique for measuring the value of sponsorship or the return on sponsorship investment. A

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common approach is to monitor media exposure. Assessing whether the media coverage is satisfactory requires the services of a good press cutting agency or a company that monitors broadcasts, provides transcripts whenever the sponsor is mentioned, and provides video tapes of television coverage (Wragg, 1994). For instance, Volvo has been reported to measure media value by counting every copy of a newspaper that features a story on Volvo Tennis as one impression. Each story was counted as equivalent to 30% of a newspaper advertisement of the same size. Based on these figures, Volvo's sponsorship of tennis in the late 1980's produced 1.7 million media impressions, equal to \$23 million in advertising. The sponsorship budget of Volvo was \$4.5 million at the time. (Meenaghan 1995).

### ***3.2.2. Evaluating the impact on image***

Another effect of sponsorship is the impact on the image of the sponsoring company. This effect can be measured by performing basic market research on a straight favorability scale, i.e. how favorably people feel towards this company. Questions concerning brand favorability rating scale, propensity to purchase, and actual use can be included. (Meenaghan, 1995). With qualitative research, a company can clarify for example how and where the brand image is developing. These interviews give a deeper knowledge about the consumers' motives and give answers for instance to "why"-questions. This kind of research is made by interviewing individual people or in focus group discussions. Interviews should be made through the phone or individually. The sample should be between 50 and 1000 people. (Tuori, 1995)

### ***3.2.3. Evaluating effects on event visitors***

People that participate the chosen events are almost always the most potential targets for the sponsor's messages, because they are the ones that are the most interested in the event. Researching this group is therefore very interesting. (Tuori, 1995).

Participants are usually unwilling to give any kind of interviews during the event. For that reason, it is worthwhile to arrange a competition where people have to fill up a coupon with a few questions in order to participate in the drawing. With this data it is easy to contact potential customers 2-4 days after the event has ended to measure the change in attitudes towards a particular brand. (Tuori, 1995).

### ***3.2.4. Evaluating the impact of event sponsorship to different segments***

Different segments of the population have different views of the sponsorship. People following a particular sport are more likely to support its sponsorship and think more highly of the sponsor. Older people, lower social classes, and

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women are more favorably disposed to sponsorship, believing that a company gets involved in event sponsorship because they care about sport. (Meenaghan, 1998).

Eilander and Koenders (1995) have developed a model to measure the effects of sponsorship. The model has two basic philosophies:

- It may be assumed that the more a consumer/respondent is involved with a certain sponsored object, the more he or she will be aware of all aspects concerning that particular object, and therefore the greater will the communication-effect of the sponsor on the consumer /respondent be
- The communications efforts filter through to all the respondents in the same way, regardless of the respondent's level of involvement with the subject. However, the impact and the timing of the information differ a lot between these groups.

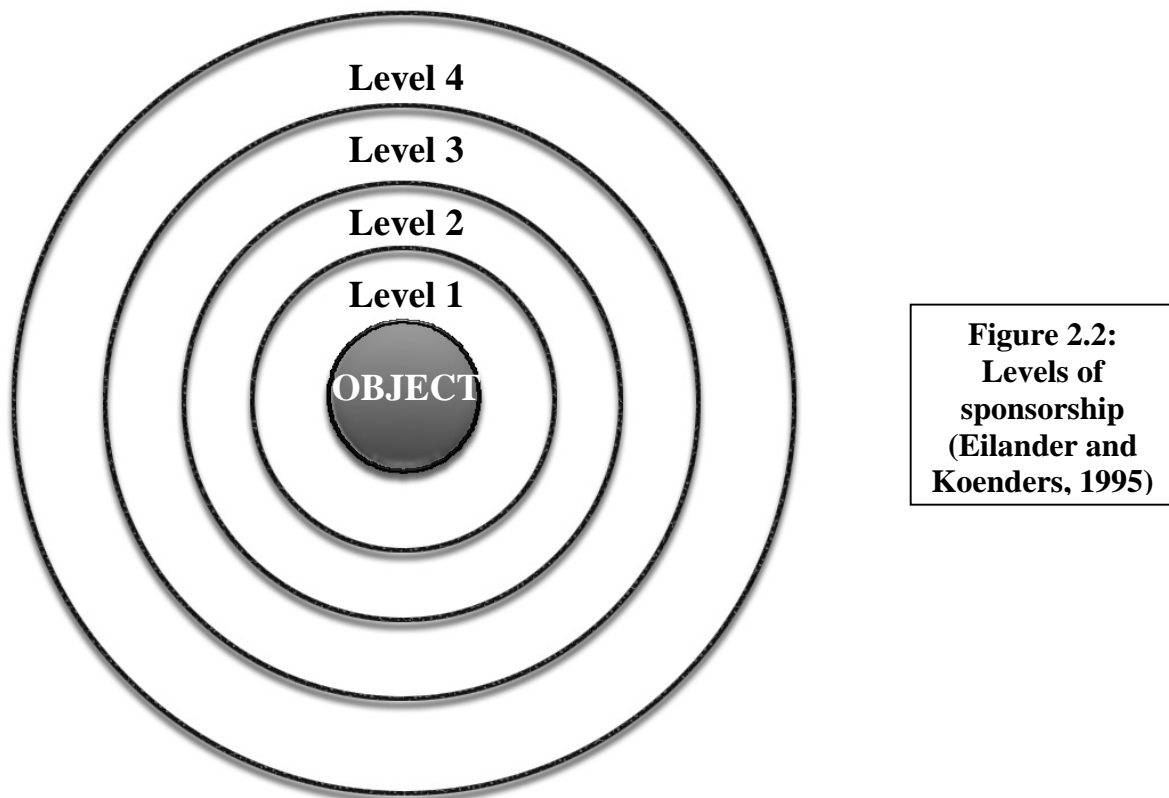
With these two philosophies in mind Eilander and Koenders (1995) have defined four different levels of proximity. These levels define sponsors target group in different segments based on the physical and emotional involvement of the members of the target group with the sponsored object. Figure 2.2 presents the model.

Level 1: visitors of the sponsored object: this level has Physical and Mental Proximity

Level 2: people interested in the sponsored object: at a certain distance, not visitors, their Proximity is mostly mental

Level 3: people interested in the sponsorship-field to which the sponsored object belongs (sports, culture etc.). These people have an indirect Mental proximity to the sponsored object

Level 4: people not interested in the sponsored object nor in the sponsorship field. They have no Physical or Mental Proximity to the sponsored object or the sponsorship field at all.



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These levels can be applied to any sponsored object because of its extreme flexibility. Whether a sponsorship deals with art, sport, environment, science, media or other subject, whether it is local, regional, national, or international sponsorship: all its specific demands can be met. The model has been tested on practically all of the above mentioned objects and field, and it has shown its performance capabilities. (Meenaghan, 1995).

The previous chapters have dealt with different aspects of event sponsorship. However, this study seeks parallels as to how event sponsorship is used for brand positioning, which generates a need for branding theory, as well. The following paragraphs will present different views on branding from authors that were deemed appropriate for this thesis.

#### 4. Branding

In a world where product features can be copied in constantly diminishing periods of time, brands offer companies the possibility of distinguishing themselves from their competitors. Whereas products offer tangible benefits, such as different uses, and feature tangible attributes, such as price and quality

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and physical characteristics, brands are much more complex. A brand is often loaded with symbolic meaning; it can bring up associations with seemingly unrelated subjects that have been linked with the brand, a perception of quality beyond physical attributes, or other positive (or negative) associations. (Aaker, 1996; Kotler, 2000).

Numerous authors have presented definitions for a brand. Kotler (2000) defined it as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”. Murphy (1990) identified a brand as a product or service of a particular supplier that is differentiated by its name and presentation. According to Kapferer (1997), a brand has two different functions: to distinguish products from each other and to indicate a product’s origin.

A brand is ultimately built in the consumer’s mind, where he or she gathers up all the knowledge regarding the company, its products and /or services, the communication they have with the outside world, and the associations all those elements bring up. A company with no brand management strategy is left totally at the mercy of the consumer, as the consumer will have an opinion, and thus create a brand, in any case. Branding is ideally done in a manner that appeals to the needs and wants of the proposed target audience, and thus communicates to that audience issues that give them a positive impression. (Yastrow, 2001).

Building profitable brands is a hard task, especially with the huge amount of competition today. Only approximately 5% of new brands succeed, and even huge, well-known companies often experience the need to downsize their brand portfolios (Talouselämä, 22/2004). However, the value of a strong brand can be immense, so a look into what researchers have deemed effective ways of building brands is in order.

### **4.1. Corporate brand**

Corporate brand refers to the whole company being treated as a brand. Major companies such as Sony and Siemens apply their corporate name to all their brands, thus uniting them all under a common “umbrella” (Aaker, 1996). Murphy (1990) divided corporate brands into three different categories; the monolithic approach, the endorsed approach, and simple approach.

#### ***4.1.1. The monolithic approach***

When the corporate name is the primary communication tool at all levels while approaching all audiences, the practice is called the monolithic approach. The

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problem with this approach is that the brand name, which is the corporate name, remains static; changing the brand would mean changing the whole company. Bad products can also damage the whole brand name. However, this type of approach makes sponsorship agreements very lucrative for the company, as the whole brand portfolio benefits from the exposure. The creation of sub-brands can separate important product categories from the corporate brand. Examples of such an approach are e.g. how Nokia has done with its gaming phone N-Gage and its high-end line of mobile phones, Vertu (Nokia), and Audi's TT cars, which reflect a different attitude than traditional Audi cars (Aaker and Joachimsthaler, 2000).

### *4.1.2. The endorsed approach*

Combining the corporate brand with divisional brands is called the endorsed approach. The approach allows individual brands to develop on their own, while benefiting from the security that the corporate brand name offers. Problems related to this approach include the vulnerability of the endorser brand; poor brands can damage every brand that is endorsed by the parent brand. There are numerous examples of this practice, as it is done among others by Nestlé, Santa Maria, and various car and oil companies (Aaker and Joachimsthaler, 2000).

### *4.1.3. The simple approach*

The term "simple approach" is used when the brand is used as the sole means of communicating with the customer. In this approach, the corporate brand is not communicated to the consumer, but used only with e.g. investors. The simple approach represents freestanding brands and as such defines the purest form of a brand. These brands are the most easy to transfer, value and manage. However, this is the most expensive and difficult way to establish and maintain brands. Examples companies that uses this approach are for instance Unilever and L'Oréal that have a broad category of brands that are marketed separate from each other (Unilever, 2004; L'Oréal, 2004). Aaker (1996) refers to this approach as the "house of brands", meaning that the corporation is a shelter, or base, for the multiple brands that is houses and markets separately.

The corporate brand, apart from the "freestanding brands", draws attention to more than just the branded products and services; it also turns focus on the organization. One can argue that as the whole company is the brand, the actions of the company affect the brand image even though the action would not be directly related to what the company sells. Although companies can gain economies of scale from using a corporate brand that unites everything they offer, they are also made far more vulnerable by such practice. (Aaker and Joachimsthaler, 2000). As an example of this, Nestlé tarnished its reputation by

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selling mother's milk substitutes in third world countries, claiming that it would protect babies from diseases (which it certainly did not), which created negative goodwill especially among doctors.

### **4.2. Building strong brands**

As Aaker (1996) stated, brands offer marketers a way of differentiating their products or services, which otherwise would easily copied by the competition. Branding can thus be argued to build barriers for competitors, which become harder to breach as the brand grows in power. Branding is also one of the most important tools for creating a good position on the market. A strong brand can create a high degree of loyalty and thus build a solid sales base. (Kapferer, 1997). As a result of that, a strong brand can benefit a firm by adding protection against competitive marketing actions or marketing crises, providing larger margins, and more gaining more favorable customer response. One can therefore argue that gathering knowledge and doing research on how to create a powerful brand is essential. (Aaker 1991, 1996).

Kotler et al. (1999) gave examples of different tools to use for strengthening a brand and projecting its image and identity. Strong brands often show an owned word, a slogan, a color, a symbol or a collection of stories. An owned word refers to the triggering of a certain word in people's minds when presented with a brand; ideally, this word is a positive one. A slogan is a brief message that companies add to their corporate or brand name, which is repeated in all advertising. The effect of the repetition of a slogan nearly is hypnotic and it helps the brand be more memorable. Colors, too, can be related to a certain brand; for instance, a certain shade of blue that is characteristic to Fazer chocolate has been branded, and thus legally protected, in Finland (M&M, 35/2004). Symbols are often related to brands, as are certain logotypes. Two good examples of well known symbols are Mickey Mouse's ears and the Nike swoosh. Another kind of symbol is a spokesperson, e.g. an athlete or a movie star, who promotes and endorses a brand; this can be seen as an attempt to lure consumers by connecting the brand with someone they trust and can relate to. Pepsi, for instance, has sponsored a great number of pop stars, while Nike has at some point been directly personified by Michael Jordan. Some brands and companies are associated with stories. The stories can be related e.g. to the founder and the struggle of creating the company. The story can also revolve around the founder alone, who gives the company a face. Such stories can deepen the consumer's perception of the brand and give more value for their money. It is important that the stories that are put forth are in line with the brand's and company's image, as that gives more power to the stories. A good example of a story related to a brand is that of Levi Strauss jeans, which allegedly have a past in the gold rush of the 19<sup>th</sup> in Western USA, where they

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were used by miners. Examples of founders of companies that have become “larger than life” could include Bill Gates of Microsoft and Richard Branson, the man behind Virgin. (Kotler et al., 1999).

Customers’ needs and wants are ideally the cornerstone of all marketing in modern business procedure. The AIDA model gives insight into the thought processes of the consumer.

### *4.2.1. The AIDA -model*

In order to be successful in brand building, a company must learn to understand the wants and needs of its consumers and their motivation and decision-making processes. A great number of models are usually based on concepts from psychology, which purport to show how people reach decisions. (ft.com, 2001). Advertisers view the market as an active group, purposefully seeking information from mass media, which requires considerable participation from audience members. These conditions created the AIDA model (awareness, interest, desire, action) which suggests that when considering making purchases, human thought processes go through four stages. The model states that the advertising message must first gain the audience’s awareness then its interest, next its desire for the product, and finally action (purchase) will occur. (Smith and Swinyard, 1982; ft.com, 2001).

Before a customer will make a purchase decision, he or she needs to be aware that the product exists, what it is, what it does, and perhaps also where and when it is available. Next, consumers need to be stimulated to take some interest in the product. What special features does the product have? What benefits does it offer to consumers? How might it satisfy any one of a variety of needs and wants that the consumer might have? During this stage the consumer develops a reaction to the product, usually either favorable or unfavorable. (ft.com).

If the response is favorable and the advertisement is successful in awakening interest, it then attempts to create a desire to purchase in the consumer's mind. It does this by successfully connecting the benefits of the product with the consumer's needs and wants. This phase of advertising has to both show consumers that there is a product available which will satisfy their needs, and show them that they can satisfy that need by purchasing the product in question. This leads to the final stage, action, where consumers actually get up, go out, actively seek the product and buy it. (ft.com).



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### **4.3. Brand leadership**

Aaker and Joachimsthaler (2000) have introduced a theory of “brand leadership” which proposes a model for building strong brands. They propose that brand building faces four fundamental challenges that an organization must tackle in order to thrive in the market. Figure 2.3 portrays the model.



**Figure 2.3:**  
**Brand leadership tasks**  
**(Aaker and Joachimsthaler,**  
**2000)**

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#### ***4.3.1. The organizational challenge***

The first challenge is to build an organization that supports the construction of strong brands. Brands must have solid management teams that are devoted to building them on a long-term scale, and the organization must adapt a culture that is focused on nurturing and maintaining brands. (Aaker and Joachimsthaler, 2000).

#### ***4.3.2. The brand architecture challenge***

Brand architecture involves identifying the brands and sub-brands that are most valuable to the company and acknowledging their relationship with one another. The aim of brand architecture is to clarify customer offerings, create

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real synergies in the brands and their communication programs, and form an ability to leverage brand assets. (Aaker and Joachimsthaler, 2000).

A key element in brand architecture is knowing when to stretch an existing brand, when to create a new brand, when to use an endorsed brand, or when to launch a sub-brand. These decisions are instrumental when stretching to new markets; e.g. sub-brands or endorsed brands can be used for vertical stretches when seeking access to upscale or downscale markets. (Aaker and Joachimsthaler, 2000).

### *4.3.3. The brand-building program challenge*

Communication and other brand-building programs are needed to realize the brand identity. In fact, brand-building programs not only implement the brand identity but also help define it. An advertising execution or a sponsorship can bring clarity and focus to a brand identity that would otherwise appear sterile and ambiguous. As previously stated by Kotler et al. (1999), a symbol or a story can help people relate to a brand, as they give something tangible to which people can feel a connection to. In Finland, for instance, Coca-Cola is forever tied to the Summer Olympics of 1952 in Helsinki, when the first cases of the soft drink arrived to the country. Coca-Cola has in a sense made itself a part of the Olympics by constantly sponsoring the event since 1928 (Athens 2004), and as such included itself in the Olympic story. (Aaker and Joachimsthaler, 2000).

The key to most strong brands is brilliant execution that bursts out of the clutter, provides boost to the brand, and creates a cumulative impact over time. The difference between good and brilliant cannot be overstated. Brilliant execution requires the right communication tools. These tools are often more than just advertising – in fact, sometimes advertising plays a small role or even no role. One key is to access alternative media. The strong brands of tomorrow are going to understand and use interactive media, direct response, promotions, and other devices that provide relationship-building experiences. Another key element is to learn to manage the resulting communication program so that it is synergetic and consistent on strategy. (Aaker and Joachimsthaler, 2000).

Successful management involves measurement. Without measurement, budgets become arbitrary and programs cannot be evaluated. However, measurement should encompass all aspects of the brand; relying on short-term financial indicators alone is a recipe for brand erosion rather than brand building. (Aaker and Joachimsthaler, 2000).

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### **4.3.4. The brand identity and position challenge**

Each actively managed brand needs a brand identity – a vision of how the brand should be perceived by its target audience. The brand identity is at the heart of the brand leadership program, because it is the vehicle that guides and inspires the brand-building program. If the brand identity is confused or ambiguous, there is little chance of brand building occurring. (Aaker and Joachimsthaler, 2000).

### **4.3.5. Brand Positioning**

When the brand identity and value proposition have been specified, implementation begins. Objectives for communication need to be set, and execution planned and implemented. The starting point for all this is a brand position statement – the cornerstone of the communications program. A brand position can be defined as follows: “Brand position is the part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands”. The four salient characteristics of a brand position as reflected by the phrases are “part”, “target audience”, actively communicated”, and “demonstrates advantage”. (Aaker, 1996).

One key point to consider when positioning a brand is whether it is similar or not with existing brands on the market. If differences are apparent, the marketer has several choices. First, the brand can be positioned as a “differentiated” product. This way, the brand’s superiority to competitors in respect of the common characteristics can be stressed. (Sujan and Bettman, 1989; Dickson and Ginter, 1987). Another approach, also involving differentiation, is to create a separate submarket or niche for the new brand. This strategy strives to gain advantage from setting the brand apart from the general market and thus seeking a more individual status. (Sujan and Bettman, 1989; Srivastava et. al, 1984).

The existence of a brand position allows the brand identity and value proposition to be developed freely, with texture and depth. They need not be limited to short, concise statements, because the brand position takes that role. The brand position can be shifted according to current needs without interfering with the integrity of the brand; thus, a brand could respond to competition and trends without changing the essence of the brand. (Aaker, 1996). Positioning is thus like the image, but it is adjusted according to the target audiences needs, lifestyle and image. The best strategy of positioning in the communication process is achieved when the message is made simple and easy to understand while still kept appealing. Furthermore, positioning should make the recipient appreciate the offered image. (Kapferer, 1997).

## *Theoretical framework*

As Rossiter and Percy (1987) argue, the positioning process involves identifying the brand's and the organization's strong points and further deciding which advantages are the most important. Aaker (1996) states that the advantages should be derived from the brand's core identity, value proposition, and the leverage points within the identity structure; these points are not necessarily a part of the core identity or brand essence, but can instead be a particular feature that provides distinction from the competition. Finally, these advantages need to be communicated to the target audience.

### 5. Brand image and identity

Aaker (1996) argued that the difference in brand image and brand identity lies in who defines them. Image is the current picture of a brand that consumers build up from the marketing communication given forth by the brand's owner, the publicity it has gained and the associations that consumers link to the brand. Image, in that sense, is dependent on who is on the receiving end. Brand identity, however, is defined by the owner of the brand and represents the future, or the strategic view, of a brand. Brand identity encompasses more than just products or services; it affects the way employees relate to the company they work for and gives their work a purpose. (Aaker, 1996; Storbacka et al., 2001).

#### 5.1. Brand image

As described earlier, brand image is the final user's, or consumer's, interpretation of what the brand stands for. Brand image can be argued to be the mix of the brand identity along with the associations that the consumer links the brand with. A consumer's image of a brand can also be affected by the presence of other similar brands on the market; the image would thus be affected by the perceived differences among the brands. (Aaker, 1996, Biel, 1997). As the brand image is the final view of how the brand identity is perceived by the consumer, as close a connection as possible should be sought between the two. Therefore, communication towards the customer should seek the maximization of this link. Marketers should also realize that building a positive image without a well-defined brand identity is not possible. A strong focus should thus be set on the formulation of an identity that encompasses all levels of communication. (Biel, 1997). Research has also shown that consumers characterize brands in such a manner as if the brand was a person. Therefore, when building a brand's image, the brand's personality should be well defined.

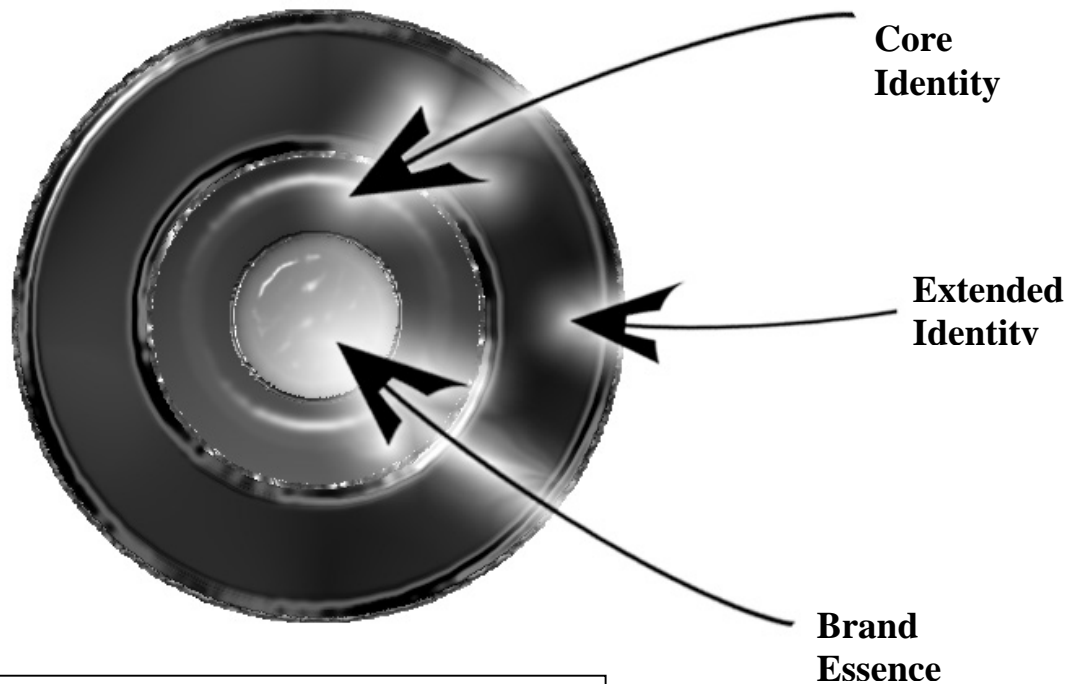
A major component of the brand image is the set of brand advantages the brand provides the consumer. The advantages can be separated into three groups, depending on what benefits they offer. The three categories are functional

### *Theoretical framework*

advantages, experience-related advantages and symbolic advantages. The functional advantages are often related to motivations like the need for security and avoiding problems. (Park et al., 1986). The experience advantages are related to consumers perceive the brand. They include experience-based needs like variation, sensory pleasure and cognitive stimulation. (Storbacka et al., 2001). The symbolic advantages satisfy consumers' needs for social acceptance by expressing their personality and self-esteem. These advantages are prevalent in higher-class brands that wish to communicate a notion of exclusivity and prestige to the surroundings. Symbolic advantages can thus be argued to be especially important for brands that are meant to be shown and used in social events. (Zeithaml, 1988). The brand associations can be both product and non product-related attributes, functional, experience and symbolic advantages, and the total brand attitudes. These associations can vary according to their strength and uniqueness value. (Keller, 1993).

#### **5.2. The brand identity structure**

Aaker (1996) suggested, as portrayed in Figure 2.4, that the brand identity consists of a core identity surrounded by an extended identity. In addition, Aaker and Joachimsthaler (2000) stated that a third element, the brand essence, needs to be considered.



**Figure 2.4:**  
**The brand identity structure**  
(Aaker, 1996, Aaker and Joachimsthaler,  
2000)

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### **5.2.1. The core identity**

The core identity represents the timeless soul of the brand. It is the center that remains when one peels away the layers of an onion or the leaves of an artichoke. The identity contains the deepest meaning of a brand, something that never changes. Aaker (1996) gave such examples of core identities, like Michelin, who produce advanced-technology tires for the driver who is knowledgeable about tires and Johnson & Johnson, who provide trust and quality in over-the-counter medicines.

The core identity, which is central to both the meaning and the success of the brand, contains the associations that are most likely to remain constant as the brand migrates to new markets and products. The core identity should be more resistant to change than elements of the extended identity. The brand position and thus the communication strategies may change, and so might the extended identity, but the core identity is more timeless. Ultimately, the core identity follows from the answers to such questions: (Aaker, 1996).

- What is the soul of the brand?
- What are the fundamental beliefs and values that drive the brand?

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- What are the competencies of the organization behind the brand?
- What does the organization behind the brand stand for?

Aaker (1996) argued that if the values and culture of the organization are right, the brand identity is established with no further complications. Many brands benefit or would benefit from a close correspondence between the values of the organization and the core identity.

The core identity should include elements that are both unique and valuable. The core identity should contribute to the value proposition and to the brand's basis for credibility. A slogan can be used to capture at least a part of the core identity; however, this is rarely and adequate method of conveying the whole of the core identity. (Aaker, 1996).

### *5.2.2. The brand essence*

The core identity usually has two to four dimensions that compactly summarize the brand vision. It is often useful, however, to elaborate even further on the core of the brand by creating a brand essence, a single thought that captures the soul of the brand. It is not always feasible to create a brand essence, but it can often be a powerful communications tool. (Aaker and Joachimsthaler, 2000).

The brand essence does not merely string the key core identity elements together, as that would provide little extra value, but instead creates a slightly altered perspective that captures most of what the brand stands for. The brand essence can be seen as a hub around which the core identity revolves. The brand essence should have several characteristics: it should resonate with customers and drive the value proposition. It should be ownable and provide differentiation from competitors that lasts over time. Moreover, it should energize and inspire employees and partners of the organization. (Aaker and Joachimsthaler, 2000).

Strong brand essence statements usually have multiple interpretations that give them extra depth (Aaker and Joachimsthaler, 2000). For instance, L'Oréal's "Because you're worth it" (or "Parce que vous le valez bien" in French) (L'Oréal) could communicate the idea that despite the cosmetic industry's glamorous image, they feel that every person is entitled to enjoy the experience of feeling beautiful and glamorous, and that the company commits to the customers' satisfaction and gives them credit for their patronage.

Brand essence is not the same as a tagline or slogan. Whereas slogans are chosen for the purpose of sounding good, brand essence's meaning lies in its timelessness; making a good slogan out of it is second in value. Furthermore, a

## *Theoretical framework*

brand essence should be relevant across markets, something that a simple slogan can rarely achieve. (Aaker and Joachimsthaler, 2000).

### **5.2.3. *The extended identity***

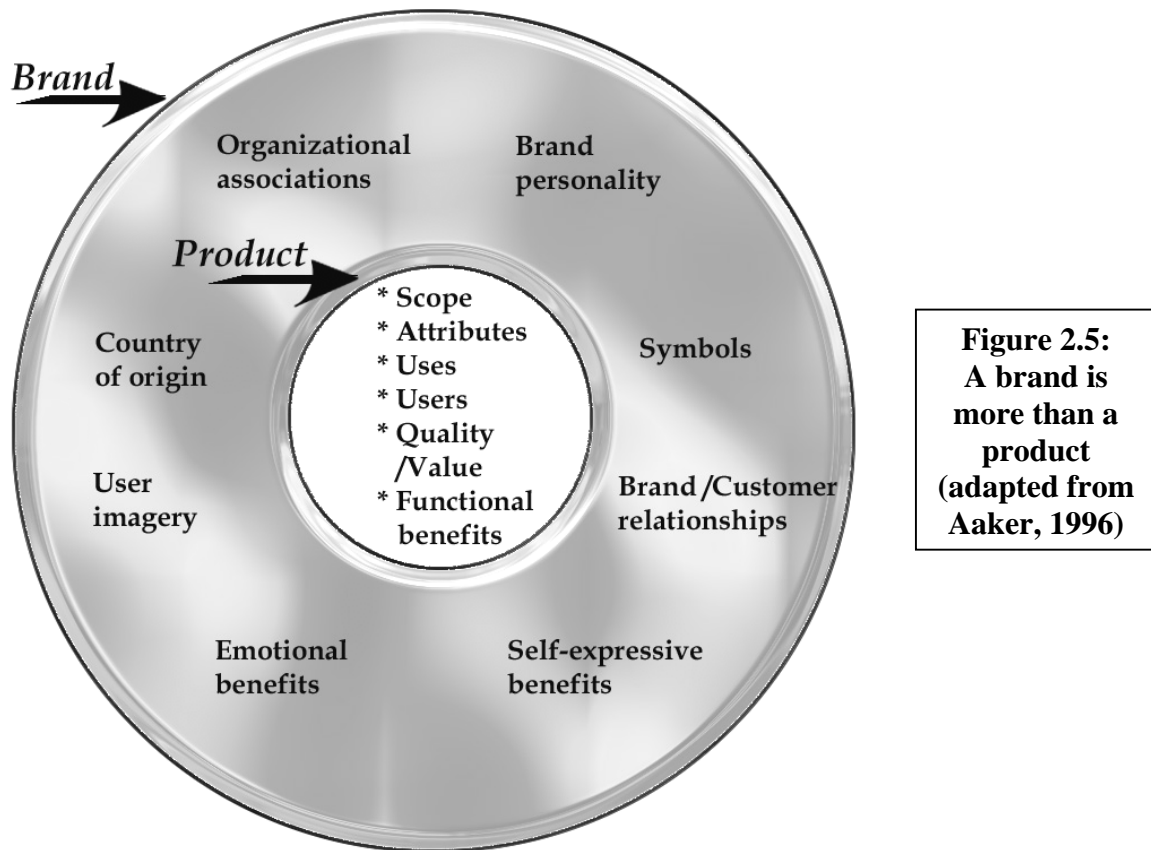
The extended identity includes elements that provide texture and completeness. It fills in the picture and adds details that help give a better image of what the brand stands for. Important elements of the brand's marketing program that have become or should become visible associations can be included. The extended identity includes elements that each have a role to play as a driver of brand identity, but do not carry the same weight as the core identity. (Aaker, 1996).

### **5.3. Brand identity elements**

Brand identity, like a person's identity, acts as a "guiding star". It defines a brand's direction, purpose and meaning, and in essence sets the standard for how marketers want their brand to be perceived by the public. (Aaker, 1996). A strong brand should have a rich, clear brand identity. In contrast to brand image (the brand's current associations), the brand identity is aspirational and may imply that the image needs to be changed or augmented. In a fundamental sense, the brand identity represents what the organization wants the brand to stand for. (Aaker and Joachimsthaler, 2000).

As competition increases, the need for durable brands becomes more imminent. Brand identity, in essence, gives a brand a durable core that protects it from competitors. Brand identity sets focus on the permanence, value and personality of a brand. In order to become or remain unique, a brand must be true to its identity. Furthermore, the identity concept is necessary for three reasons: it makes the brand resistant, sends agreeable signals and is ideally realistic. The identity strives to attach consumers to the brand by making the brand consistent and reliable, and as such a permanent part of consumers' lives. (Murphy, 1997, Kapferer, 1997).





**Figure 2.5:**  
A brand is more than a product  
(adapted from Aaker, 1996)

Aaker (1996) stated that brand identity has a unique set of associations that brand strategists can create or maintain. The associations symbolize what the brand stands for and imply a promise from the organization to the customers. Brand identity provides direction, meaning and purpose for the brand. Figure 2.5 presents the elements of brand identity and the value proposition created by them grouped into tangible (product-based) and intangible (“brand”) elements.

Aaker (1996) has divided brand identity into twelve dimensions grouped around four perspectives: brand-as-product, brand-as-organization, brand-as-person, and brand-as-symbol. These perspectives help brand strategists see how different approaches to brand development contribute to the brand identity (Aaker, 1996).

### 5.3.1. Brand as a product

Brand-as-product overlaps *product scope* (i.e. what products are related to the brand), *product attributes*, *quality /value*, *uses*, *users* and *country of origin*. Brand-as-product involves finding out functions and features of the product. Purchase decisions are often based upon product attributes, and the quality and features of a product are often the attributes that determine the likelihood of continued use or repurchase. Product features are thus a core element of brand

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identity. Customers can also see advantages in using the brand or knowing that a specific person uses the same brand. A brand can bring up associations that are of great value to the customer, or it can originate from a country that adds positively to the brand's image. The *country of origin*, however, can have a different effect for different product classes. As Aaker (1996) pointed out, French cosmetics, for instance, are rated higher than French electronics.

Perceived quality may not be the same as actual quality, because the understanding of what quality is differs across different customer segments. However, the level of quality perceived by the customer must be at least the same as expected, otherwise the quality claim has no substance. It is also imperative to maintain that level of quality, because the impression of diminished or inferior quality might be very expensive or even impossible to erase. Even if changes occur in the brand's quality, customers might not believe the claims or be bothered to verify them, if previous experience has proved the brand's quality questionable. (Aaker, 1996).

The perception of quality from a customer's viewpoint might differ heavily from that of a marketer. Due to lack of time or interest, people might focus seemingly irrelevant aspects of quality. It is the producer's and marketer's task to respond to those imperfections in perception by performing well in those areas, or in some cases, by educating the customer on the correct measures of quality. (Aaker, 1996).

### **5.3.2. Brand as an organization**

Brand-as-organization reflects the *organizational* or *corporate attributes* and *positions the brand as local or global*. This perspective focuses on the organization's attributes, as opposed to only paying attention to product-related details. Some attributes, such as innovativeness, may be considered a product-related if the focus is set on a particular product, but organizational, if the same innovativeness transcends the whole organization. Organizational attributes are more enduring and more resistant to competition than product-based attributes and are also harder to copy by the competition. Moreover, as organizational attributes, such as pursuit for quality or innovativeness are rather hard to quantify, competition can not easily judge if they are closing the gap between their competitors in this respect. Organizational attributes can be reflected by creating associations to the brand. (Aaker, 1996).

### **5.3.3. Brand as a person /brand personality**

Brand-as-person reflects the brand's *personality* and *brand-customer relationships*. The brand can be seen as a person, which means that its attributes can be regarded as person's characteristics would. Brand personality

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plays an important role in defining the brand image and identity, as it generates part of the appeal of a brand by giving it “a character”. (Keller, 1993). Brand personality includes such attributes as gender, age, and economic status and general personality traits such warmth, compassion, and sentimentality. It can help consumers express themselves by consuming and as such, drive sales. (Aaker, 1996). A brand personality can create a stronger brand in several ways. First, it can help create a self-expressive vehicle that allows the customer to express his or her own personality. Second, the brand personality can be a basis for the relationship between the customer and the brand, e.g. Mercedes would be upscale, respected person, or Levi’s would be a rugged outdoor companion. Third, a brand personality can help communicate a product attribute and thus add to a functional benefit. The Michelin man’s strong, energetic personality leads the customer to think that Michelin tires share those traits as well. (Aaker, 1996).

The features of a brand’s personality can be affected with direct or indirect contact with the consumers. Figures that are close to the brand can be used to directly affect the brand imagery, such as the company chairman. Sponsoring well-known figures in e.g. sports can also be considered a direct way of affecting the brand personality, as the brand could thus be associated with the person’s attributes. David Beckham recently signed a £60 Million contract with Gillette, making him the most expensive face in Britain of all time. Only recently, after signing the contract, did Beckham’s sexual escapades with his assistant come to publicity, but this did not bother Gillette, as they stated that the incident made the football star seem “less perfect” and more like anyone else, making him more human and easier to relate to. (M&M, 12/2004; McCracken, 1989). Perceptions of brand personality can be affected indirectly with the use of product attributes, symbols, logos, brand name, price, or distribution channels (Batra et al., 1993; Kotler, 2000).

Brands can be seen as having a central role in all transactions between people, as they carry meanings similar to those present in a relationship. Just as people can define themselves partly through the people they spend time with, they can define themselves through consumption. Brands offer people the chance of affecting both their self-image as the image they give to other people, thus affecting all aspects of life. The value of a brand lies in the associations people link with it, and ultimately the brand identity. It is thus imperative that companies manage their brands consistently and strive to give out a coherent message in the manner that suits each audience. (Kapferer, 1997; Aaker, 1996; Herbold, 2001).

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### **5.3.4. Brand as a symbol**

Brand-as-symbol reflects the *visual imagery/metaphor* and *brand heritage*. A strong symbol can provide cohesion and structure to an identity and make it easier to gain recognition and recall. Its presence can be a key component in the development of a brand; however, the absence of a symbol may strongly restrict a brand's growth. Examples of strong visual imagery could include the golden arches of McDonalds, Nike's swoosh or the Coca-Cola logo and its distinctively shaped bottle. Symbols give more value if they are connected to a functional attribute. Michael Jordan's leaping abilities could be argued to convey the performance capabilities of Nike, while the Duracell bunny gives the impression of long-lasting battery life. A meaningful heritage can sometimes fuel a brand, giving it more depth and purpose. Old or pioneering companies or organizations can claim benefits from heritage, as they can state that they do things "as they have always been done" or "they were the ones who started this". (Aaker, 1996)

Combined, these four dimensions have a goal to help marketing strategists consider different elements and patterns that can help clarify, enrich and differentiate an identity. Moreover, they create a value proposition for the brand which is divided into three distinct parts.

### **5.3.5. The value proposition**

The brand identity system includes the value proposition, which is created by the brand identity. Aaker (1996) argues that brands can propose three types of benefits: functional, emotional and self-expressive. Functional benefits derive from the brand's tangible attributes, which can give the brand an advantage over the competitors' products (Aaker and Joachimsthaler, 2000).

Emotional benefits relate to the ability of a brand to make the buyer or user of a brand feel something during the purchase process or use experience. Emotional benefits add richness and depth to owning and using a brand. Links to positive memories, such as a happy childhood or another joyful phase in life, can raise the value of brands to which the user would otherwise have no commitment. The result can be a different use experience and a stronger brand. (Aaker and Joachimsthaler, 2000).

Self-expressive benefits exist when a brand provides a vehicle for making a statement of his or her self-image. Brands offer the possibility of expressing multiple facets of one's personality by giving the impression of a certain quality which is embedded in a particular brand's value proposition. One can thus give a certain image to one's peers by using certain brands. (Aaker and Joachimsthaler, 2000).

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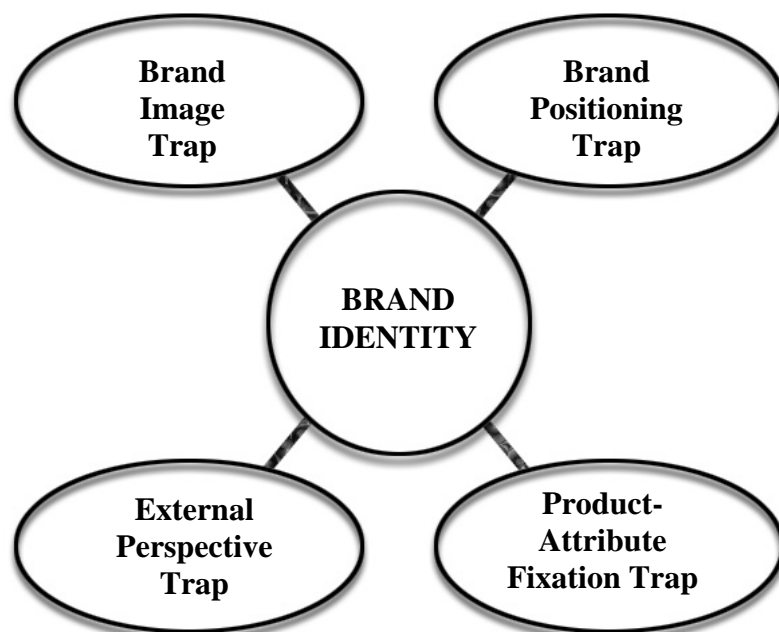
Although the brand identity, and especially the brand essence, are meant to stay unchanged through time, a company should still not settle down to enjoy the success of its brands. Selame (2000) argues that brands and even their identities should undergo continuous evaluation and, in some cases, revitalization to keep them up to date and to increase their value over time. Failure to develop a brand can lead to a stagnant image and ultimately the demise of a brand. Aaker (1996) presents four brand identity traps that may restrict marketers from developing their brands to the fullest potential.

### **5.4. Brand identity traps**

Figure 2.6 portrays four common brand identity traps introduced by Aaker (1996). It demonstrates approaches that are excessively limiting or tactical in nature and can lead to ineffective and dysfunctional brand strategies.

#### **5.4.1. *The brand image trap***

The first of the four traps is the brand image trap, which leads the company to focus too heavily on the current perception of the brand, failing to look beyond the brand image to examine it as but one component of the brand identity, and thus allowing the brand image to *become* the brand identity. The brand image trap is also detrimental in the sense that it allows customers to dictate what the brand is. Brand image also tends to a passive attribute and tied to the past, whereas brand identity should be active and set on the future and finding new, favorable associations for the brand. Moreover, while brand image is tactical, brand identity should be strategic, reflecting the brand's enduring qualities; like any identity, the brand identity should be persistent over time. (Aaker, 1996).



**Figure 2.6:**  
**Brand Identity**  
**Traps**  
(Aaker, 1996)

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#### **5.4.2. *The brand position trap***

The second trap is the brand position trap. A brand position is the part of brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands. The brand position trap occurs when the brand's attempt to find its brand identity ends up being a search for a brand position, which can lead to the goal becoming only an appealing advertising slogan. The trap inhibits the building of a fully developed brand identity, because a tendency to communicate only through product attributes may arise while designing a catchy phrase. This might lead the company to forsake symbols, organizational ties and other aspects that build up towards a fuller, better defined brand. (Aaker, 1996).

#### **5.4.3. *The external perspective trap***

The third trap is the external perspective trap. This trap occurs when a company sets focus on the external perception of the brand and fails to acknowledge the importance of committing people within the organization to the brand. If people are not committed and do not know what the brand stands for, their motivation to work for the company that produces it might be lacking – they do not know what the value of their work is, apart from the profit that the company makes. Being able to state what their brand stands for stems from strong brand identity. (Aaker, 1996).

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### *5.4.4. The product-attribute fixation trap*

The fourth trap is the product-attribute fixation trap. This trap is the most common of the four traps; it occurs when the management of the brand focuses only on its product attributes. A brand is not only a product; and the failure to realize that creates the product-attribute fixation trap. A product has limited amount of variables, namely attributes, price, quality and uses. However, a brand is comprised of numerous other factors as well, most of which are intangible. People might speak of product characteristics when comparing brands because it seems more rational, but the intangible characteristics still appeal to people's emotions and behavior. Product-based brand characteristics can be dangerous to companies, because they are easy to copy, often fail to differentiate two brands from one another, assume rational customers, limit brand extension strategies and reduce strategic flexibility. (Aaker, 1996).

The four traps illustrate how brand identity can be confined by needlessly adhering to its components. In particular, the focus of a brand is too often restricted to product attributes, existing brand images, brand position, and the brand's external role of influencing customers. Companies that fall into the traps are wasting an opportunity to build their brand to a higher level and create strong brand-customer relationships.

## 6. Summary of the theoretical framework

Events are temporary occurrences, either planned or unplanned. They are passing occurrences, and every event is a unique blend of duration, setting, management, and people. Some events can be characterized as "special events".

Events can be used by companies for marketing purposes to attach the goodwill generated by the event to the marketed brand. Sponsorship was traditionally done to "give back to the community", but nowadays sponsors want measurable results. Sponsorship is a very flexible communications tool that can be used to achieve both marketing and corporate communications objectives. Marketing communication's objectives are awareness building, and to a certain extent, image building; corporate communication's objectives are to promote corporate image and increase goodwill towards the company. Moreover, the effects of sponsorship can be measured in terms of increase in sales.

Event sponsorship's main difference to traditional media marketing is that enables the brand to meet the consumer face-to-face. This can expose totally new aspects of the brand to the consumer and make the brand more cohesive in his or her mind. Event sponsorship also includes the element of time, as events

### *Theoretical framework*

are always time-bound occurrences. Therefore, the marketer has to be aware of the special demands of the medium.

Event sponsorship can be divided into three distinct phases: before, during and after the event. These phases offer different opportunities and challenges for the marketer to communicate the brand's identity.

Aaker (1996) argues that the core brand statement, the brand identity, can be divided into four elements: brand as a product, brand as a person, brand as an organization and brand as a symbol. Event sponsorship gives sponsors the opportunity of bringing their products to the reach of the consumer and promoting the aspects that otherwise are left partly to guesswork in media marketing, such as the tangible aspects of the branded product. These brand identity elements can provide extra leverage against the competition for the brand and help position the brand favorably by generating an enhanced value proposition.

Although event sponsorship can be a very powerful communication tool, it incorporates a risk of losing perspective and focusing too much on one aspect of the brand's identity at the expense of the others. Aaker (1996) presents four brand identity traps – the brand image trap, brand positioning trap, external perspective trap and product-attribute fixation trap – which can lead the marketer away from a balanced brand identity. These traps apply to event sponsorship as well and should be taken into account to gain the maximum benefit from the medium.



## *Theoretical framework*



### **III Methodology**

*This chapter will describe the methods used to conduct the study and the motivations behind the choices. The main focus will be on the chosen methods and approaches, but a brief overview of other methods will be presented as well.*

#### **1. Theoretical approach**

Silverman (2001) has pointed out that scientific research is often characterized by a specific viewpoint that affects the outcome of the study. He pointed out that any phenomenon can be seen in a totally different light depending on the theoretical background that it is looked upon from and the researcher's assumptions. However, as Silverman (2001) argued, none of these differing views are more real than the others. The main guiding point in a study will normally be the research question, which will inevitably be theoretically informed (Silverman, 2001). Depending on the needs of the study, the theories can be borrowed from other researchers or generated through experimentation. Our research was initially purely driven by branding theory, but as our study inspects brand-building with the use of a very specific instrument, event sponsorship, we later on in our study, having conducted the interviews, realized that our approach was insufficient. As we noticed that the different phases of an event project stood out very clearly in our respondents' answers, we saw the need to include the "timeframe" into the research question.

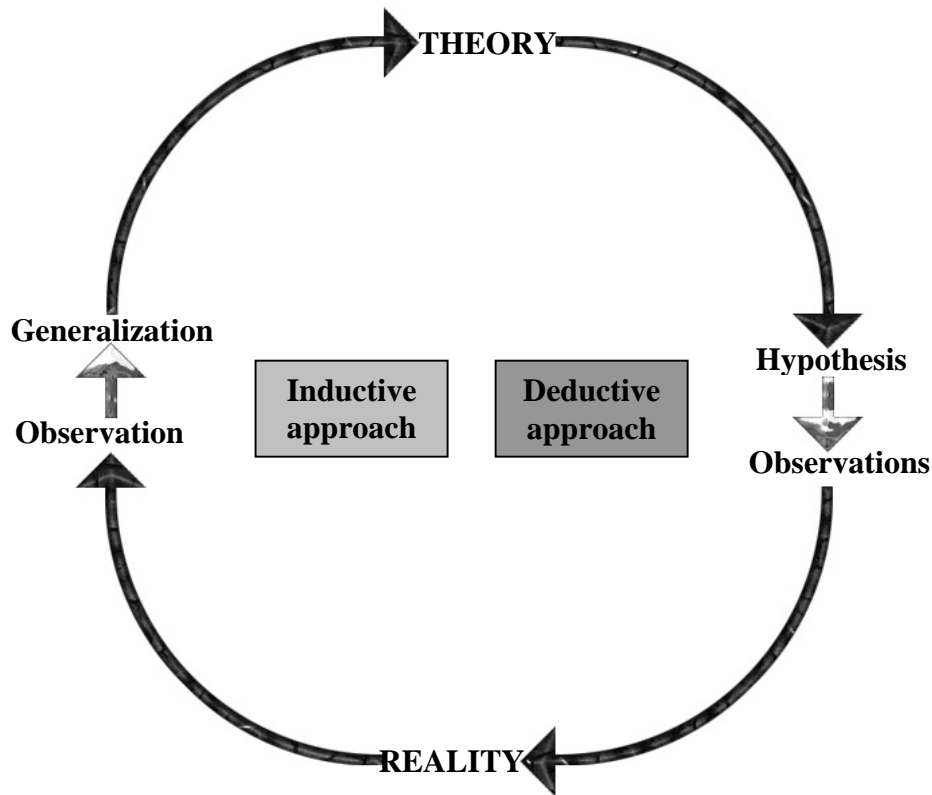
#### **1.1. Design approach**

From an experimental design perspective, theory is a large body of interconnected propositions about how some portion of a certain phenomenon operates. Theory underpins the development of hypotheses about relationships. As such, hypotheses are smaller versions of theories. Experimental research is primarily a hypothesis-testing method and can thus be called a deductive method. Researchers derive a hypothesis from theory, design an experiment, and gather data to test the hypothesis. There are situations when researchers will use causal design procedures to generate hypotheses in order to create new theories or extend existing theories about a phenomenon; these are referred to as inductive research. (Hair et al., 2003) Figure 3.1, presented by Wiedersheim-Paul and Eriksson (1991) shows the routes that deductive and inductive research take.

Our study is based on both theories and hypotheses founded by other people as well material gathered by ourselves, making it a mixture of both the inductive and deductive approach. This design approach is referred to as "abductive"

## Methodology

(Dubois & Gadde, 2002), which implies that the researcher tries to extend the existing theory and alternates between the empirical and theoretical level.



**Figure 3.1:**  
Inductive and deductive research mode  
(Wiedersheim-Paul and Eriksson, 1991)

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### 1.2. Research approach

The choice of the research approach will affect the outcome and character of the research. A determined approach will affect the following research process and it therefore sets the guidelines for the following research approaches. Research can be classified according to the character of the wanted knowledge, the field of research, or the research plan. (Patel and Davidsson, 1994) Kinnear and Taylor (1996) divided the research approaches into three categories, depending on what type of knowledge is sought: exploratory, conclusive, and performance monitoring. Figure 3.2 presents the main categories and the tasks involved with them.

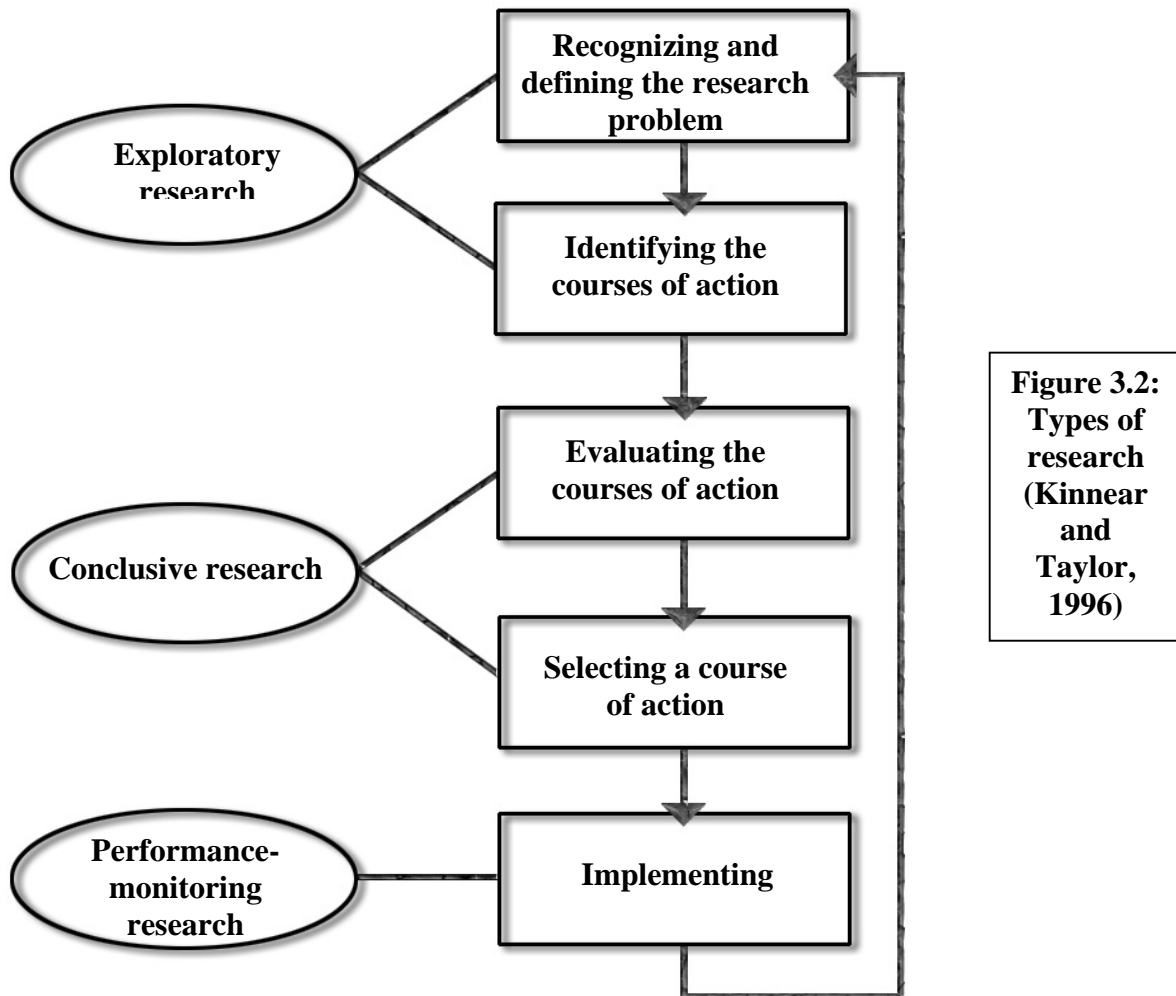
The figure depicts the course of our study rather well. The initial part of our study could be characterized as exploratory, as our research problem was not clear enough to allow implementation. Kinnear and Taylor (1996) describe

## *Methodology*

exploratory research as the stage where the research problem is identified, recognized, and defined. We studied our chosen subject with the aid of books and preliminary discussions with marketing professionals, e.g. Mark (10.5.2004). This phase of our study helped us understand what we were looking into and helped us find the information relevant to us.

Having found our main point of interest we were able to pursue our topic by conducting interviews with our respondents. Our purpose was thereafter to describe the respondents' usage of event sponsorship with help from the literature we had chosen to support our material. The latter stage of our study would be regarded as conclusive by Kinnear and Taylor (1996), who state that the conclusive research approach is designed to provide information for the evaluation of alternative courses of action, which require defined goals and information needs. Moreover, conclusive research is often characterized by a formal research procedure, which involves clearly defined research objectives and information needs. Conclusive research is divided into two divisions: descriptive and causal. (Kinnear and Taylor, 1996).

Our study could be described more as descriptive, as we were aiming to describe how consumer product companies use event sponsorship to position their brands. However, we can argue that the study has a causal element, i.e. it sought to explain cause-effect relationships, too, as we also try to explain the differences in the respondents' opinions and attitudes towards event sponsorship.



**Figure 3.2:**  
**Types of research**  
**(Kinnear and Taylor, 1996)**

Kinnear and Taylor complete their model (figure 3.2) with performance-monitoring research, which tries to make assumptions about the future, i.e. forecast and identify potential problems or opportunities. This type of approach plays a minor role in our thesis, but we still try incorporate an evaluation of the respondents' opinions and actions, not only a description.

## 2. Selection of the case brands

Yin (1994) argues that there are five types of research strategies: archival analysis, case study, experiment, history, and survey. There are different factors that influence the strategy selection, for instance, the structure of the research question or the level of concentration on current versus historical events.

Case studies are in-depth investigations of a given social unit, an individual, group, institution, or community, resulting in a complete, well-organized

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picture of that unit. The purpose of case and field study research is to intensively study the background, current status, and environmental interactions of the social unit in focus. (Isaac & Michael, 1971).

This thesis carries out case studies of six brands from four consumer product companies; L'Oréal Paris and Maybelline from L'Oréal, Bertolli and Knorr from Unilever, Tropicana from Valio and Frezza from Paulig. These brands are well-known and hold strong positions in the Finnish market. Moreover, they feature the type goods that are purchased frequently, such as make-up (L'Oréal Paris and Maybelline), olive oil (Bertolli), soups and sauces (Knorr), juice (Tropicana) and coffee drinks (Paulig). Therefore, consumers face decisions on whether or not to purchase these brands often, which means that the number of purchase decisions to be affected is very large. These brands were interesting for us because of their status on the Finnish market. Another thing that makes consumer product brands interesting in the context of event-based marketing communication is the lack of commitment that consumers can be argued to have towards those brands. Herbold (2001) distinguished brands between their "interest level", and claims that depending on the level of commitment that a consumer feels towards a purchase, he or she is willing to spend more time and effort to do research on different brands prior to purchase. He stated, too, that low-interest brand categories require forced viewing, such as television commercials, to gain people's attention. The problem with the growing number of television channels, however, is that viewers' attention is dispersed and people have the option of changing channels during commercial breaks. While this is not a problem for brands with moderate to high interest levels, low-interest brands suffer from this. One way of gaining forced exposure for low-interest brands is for them to sponsor events that are broadcasted live, or any events that feature an audience that matches their target consumer segment. (Herbold, 2001). It can thus be argued that the growth of investment in event sponsorship will grow especially in the "low-interest" category of brands, including most consumer goods.

Six managers (five female, one male) from various organizational levels were interviewed to investigate consumer product companies' attitude towards and usage of event sponsorship. Moreover, two advertising agency executives who arrange event opportunities for their clients professionally were interviewed to gain a more general view of how event sponsorship can be used. The use of event sponsorship was studied from a brand-building viewpoint, i.e. how the companies use event sponsorship for the purpose of marketing communication and communicating brand identity. Moreover, attention was paid to how the companies operated prior to and after the event, not only during the event.

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The empirical investigation was initially focused around certain companies, but early on in the study it became evident that this was an inadequate way of separating the interviews from each other, as there were distinct differences between different brands. Therefore, the interviews are presented by brand.

The interviews were conducted according to certain guidelines that can be seen in appendix 1.

In addition to the consumer product company case studies, we contacted an advertising agency that provides event sponsorship-related services, G2. Two managers from that agency were interviewed to gain more practical and up-to-date information than literature can offer.

The consumer product company managers to contact were chosen on the basis of their fields of responsibility. A prerequisite for selection was personal responsibility for a brand's or brand category's marketing. Moreover, we wished that the person would have some opinions concerning the use of event sponsorship in marketing communication and brand development. Initially we considered doing case studies of companies, but early on in our studies we noticed that our respondents had rather different opinions regardless of the company they worked for. Therefore, we regarded each interview as an individual case, as in one case (Knorr and Bertolli), a single manager had responsibility over two brands. The reason for this might be that all the companies featured in this study are "houses of brands", as introduced by Aaker (1996), meaning that the brands do not feature the name of the parent company at all, but instead are marketed as independent brands.

When we were commencing our empirical study, we contacted numerous companies by first acquiring the names of the appropriate people and then sending them e-mail, followed by a telephone call. This approach gave no results. Eventually, we were granted interviews by help of our personal contacts. In essence, our sampling method could be called what Hair et al. (2003) refer to as a "convenience sample", which basically means that the sample is built up of whatever the researcher could get hold of. Initially we aspired for a "judgment sample", which is a sample built up of respondents that the researchers deem suitable for the study (Hair et al., 2003). The benefit of our method of choice was that due to the personal contact, the respondents can be argued to be more honest. However, the very low response rate can result in a loss of generalizability and potentially inferior validity and reliability, as the sample remained rather small in size.



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### 3. Empirical Approach

When choosing the method of research, the researcher has two rough-cut options: quantitative or qualitative methods. The choice, however, needs not be limited to one, but a mixture of the two can be employed. (Hair et al, 2003; Kinnear and Taylor, 1996).

Quantitative methods, as the name implies, seek to quantify research data. The data, which is reduced to a basically numeric form, can then be processed and analyzed into statistics. The quantitative method is usually associated with conclusive research and its purpose is to measure a problem as accurately as possible. (Kinnear and Taylor, 1996).

For the purposes of our study, the quantitative method was not suitable. First of all, the information we were looking for was rather broad. Moreover, we had only established the “broad picture” of what we wanted to ask from our respondents by the time we started the interviews.

According to Silverman (2001), there are four major methods used by qualitative researchers: observation, analyzing texts and documents, interviews, and recording and transcribing. As he has stated, these methods can be used in both quantitative and qualitative research, but the methods take a whole new form according to the methodology in which they are used.

The qualitative method allows the researcher to meet the respondents to give a picture of reality (Chisnall, 1997). In most cases, qualitative data can be collected within relatively short periods of time, but it is difficult to summarize or quantify the data structures into meaningful forms or numbers. However, data analysis is normally restricted to very subjective content, interpretive, or semiotic procedures. (Hair et al, 2003).

The nonstructured format of the questions and the small sample size tend to severely limit the researcher’s ability to generalize the qualitative data to larger segments of subjects. Nevertheless, qualitative data has important uses in understanding and resolving business problems and opportunities, especially in the areas of initial discovery and preliminary explanation of marketplace or consumer behavior and decision processes. For example, qualitative data can be invaluable in providing decision makers and researchers with initial ideas about specific problems or opportunities; theories, models, or constructs; or the designing of new, specific scale measurements. (Hair et al, 2003).

Hair et al. (2003) argue that qualitative research methods are appropriate when building theories and models to explain marketplace behaviors or relationships

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between two or more marketing constructs. This, along with the fact that the qualitative method offers more timely and economical data collection, convinced us to choose the approach. We felt that the qualitative research method gave us more freedom to alter our study if necessary, as our research method, in-depth interviewing, inadvertently gives more information than planned and gives the researcher more room to interpret the results.

### **3.1. In-depth interviews**

The study for this thesis was made by interviewing people in expert positions, using the in-depth interviewing technique. This form of research is rather loosely structured; still, some rules apply to it. Kotler et al. (1999) argued that a common mistake is to omit questions that should be answered, or include questions that need not be answered. Moreover, another pitfall is to pay too little attention to the wording and sequence of the questions. “Warming up” the respondent is also important; therefore, the questions should be progressive in the sense that the hardest and most personal questions are left for end, leaving the interviewer time to gain the trust of the respondent. Still, the questions should follow a logical order. (Kotler et al., 1999). The way we initially structured the questions was done as suggested by Kotler et al. (1999), but in the actual interview situation, the setting of the interview and the respondent affected that order.

The questions that we posed to the respondents were based on the literature we read. Although we strove to conduct the interviews in a uniform manner, they were affected by willingness of the interviewee to cooperate and the experience we had gained from previous interviews. Therefore, the length of the interviews varied from half an hour to a full hour. Moreover, although we tried to remain neutral towards the respondents’ answers and not affect them in any way, the manner in which the questions were presented might have affected the answers. Therefore, other researchers would not necessarily be presented with the same answers by the respondents.

During the interviews, the both of us took notes in writing. Immediately afterwards, we transcribed the interviews while all the information was still fresh in our minds and eliminated discrepancies with the help of the double notes.

As Kinnear and Taylor (1996) stated, in-depth interviews are unstructured and seek access beneath the surface of the respondents simple answers. This requires skill and experience, which we gained from the interviews we conducted; it can thus be argued that as a result of that experience, the last

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interviews were conducted in a slightly different manner than the first ones, but still by using the same basic questions.

### 4. Analytical approach

As the study was qualitative and performed by conducting in-depth interviews, the results were all in non-numeric form. After each interview, we compared notes, or conducted a debriefing analysis, as Hair et al. (2003) suggested. Later on, we also prepared the data for analysis by looking for significant differences along with significant similarities (Hair et al, 2003). Gustavsson (2004) had stated that the key to conducting qualitative research by interview is to look for the same answers; if the respondents start repeating themselves, the topic has been “saturated”. Having accomplished this, we broke the interviews down to their major points and compared them with each other. Using this technique, content analysis, allowed us to group our respondents’ answers to recurring themes. When analyzing the responses, we paid close attention to the intensity of the comments, the context in which they were given, their wording, their specificity, and the “big picture”, i.e. the general message the respondent gave out. (Hair et al., 2003). Having grouped the answers, we were able to reflect upon them in comparison with the literature we had gathered and the research question and draw our own conclusions.

### 5. Limitations

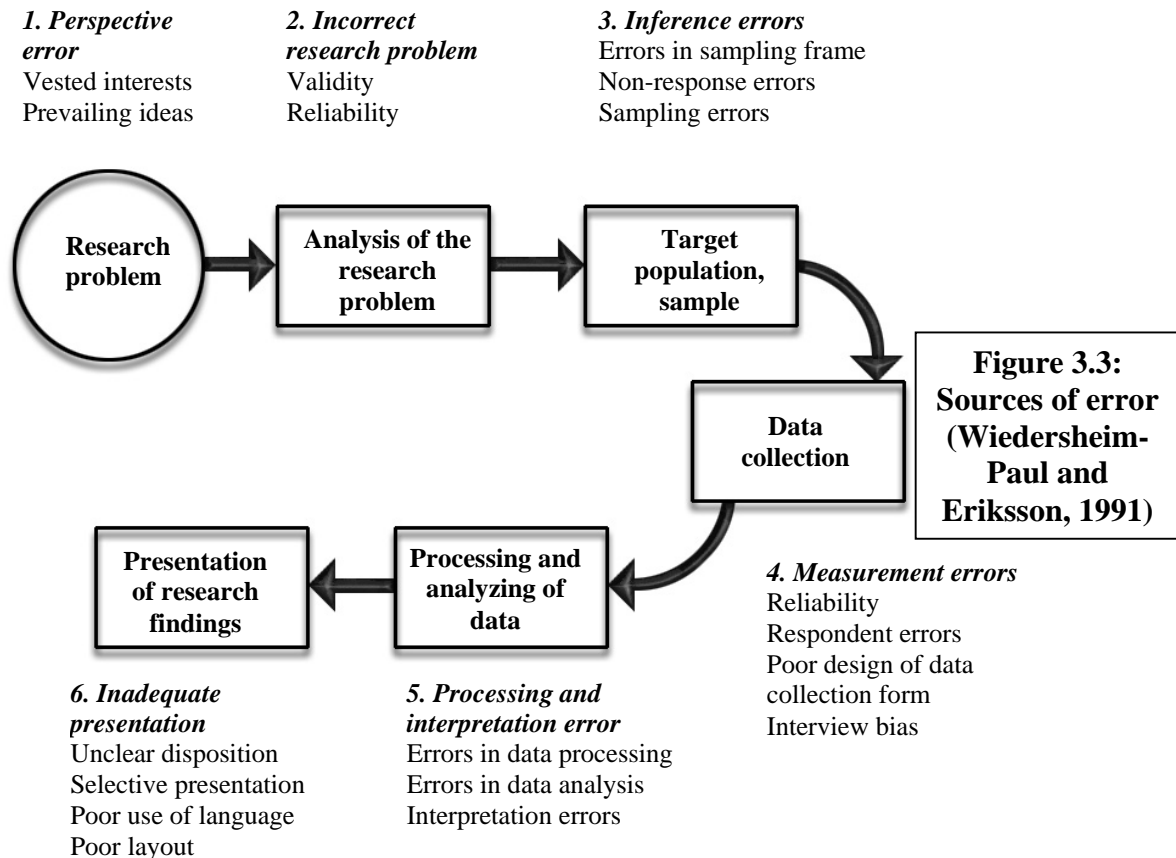
Limitations define the area to which a study applies. As Hair et al. (2003) argued, it is the responsibility of the researcher to inform the client of those limitations. As the title implies, the focus of this study was on the use of event sponsorship in brand building, which eliminated the need to pay any special attention to other forms of event-based marketing communication. The scope of this study was further limited to companies that produce and market consumer products. Moreover, the companies included in the study had to operate in Finland, as the empirical study was to be conducted in the country. The nationality of the company made no special difference, as the aim of the study was to find out how consumer product companies use event sponsorship in Finland with no special emphasis on the country of origin.

### 6. Quality improvements

To look upon quality in research in an objective manner, consideration must be taken on some key factors. The main points of inspection are sources of error, validity and reliability, criticism towards sources, and finally the ethics. (Silverman, 2001; Kinnear and Taylor, 1996).

### 6.1. Sources of error

Various kinds of errors may occur during the research process. Serious misinterpretation of results may result from those errors, which should thus therefore not be neglected. Wiedersheim-Paul and Eriksson (1991) have presented the various sources of error that are portrayed in figure 3.6.



In the early stages of the research, it is common that problems occur in relation to perspective and setting the research problem. Unless the problem at hand is studied and interpreted in the correct fashion, the study will have no scientific value. Therefore, it is important that enough time is spent in the beginning of the project to set the right question; otherwise, the answers found will be wrong by default. To find the right questions, the researcher sometimes has to challenge the prevailing views over the topic. (Wiedersheim-Paul and Eriksson, 1991).

Vested interest relates to the researcher having an interest in viewing reality in a certain manner. Improper reference occurs when the researcher applies results gained from a small sample to the whole population without paying attention to

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the sampling frame: the sampling frame may be poorly built up. Measurement errors may occur for many reasons, e.g. due to mistakes made by the researcher. Non-response errors occur when the respondents refuse to join the sample or are unavailable for some reason. Respondent error, in turn, occurs when the respondent fails to answer a question correctly, willingly or unwillingly. Unclear questions either in a questionnaire or in an interview can affect the outcome negatively; the interviewer can also affect the outcome by leading the respondent to certain answers. (Wiedersheim-Paul and Eriksson, 1991).

Errors in analysis and processing can take place when processing the raw data. Finally, when presenting the findings, the effect of the presentation may be affected by many factors. Unclear disposition of the findings can make the results hard to understand, while selective presentation can distort the message given out by the findings. The effect of the presentation can also be diluted by poor command of language or terminology that is too technical, laden with industry jargon, or colloquial. Finally, a poor layout can diminish the value of the report by making it look unprofessional. (Wiedersheim-Paul and Eriksson, 1991).

We are aware of the problems related to the aforementioned sources of error. However, we have tried to minimize their effect, especially by focusing on the correct formulation of the research question. The largest sources of error are arguably related to the sampling, as we draw from a small study population even a smaller sample. The generalizability of our results is hence questionable; however, we seek to increase the relevancy of the study by applying it to a strictly limited population. Furthermore, we feel that being aware of the sources of error makes one less vulnerable to them.

### **6.2. Validity and reliability**

The terms validity and reliability are used to measure the quality of research. The resources available to the researchers affect the quality of study greatly; moreover, the research methods used must valid and reliable to gain results of scientific value. Validity and reliability are sometimes ambiguous in the sense that they overlap each other; this may cause some confusion as to their meaning. (Kinnear and Taylor, 1996).

#### **6.2.1. Validity**

Validity measures the suitability of the research methods to the purpose. It refers basically to whether the researcher knows what he or she is doing; are the right tools of measurement used for the right purposes? Wiedersheim-Paul and Eriksson (1991) divided validity into two categories: internal and external

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validation. Internal validity refers to the conformity of the models used in the research and their measurable definitions. Internal validity can thus be judged without gathering empirical data. This we tried to achieve by presenting only literature and models that were used in the analysis. External validity refers to the extent to which specific research results could be generalized to other research situations. This, we think, is harder to measure, but we tried to perform well in this respect too, by interviewing experts in event sponsorship and people who have direct responsibility over the use of it. External validity does not correlate directly to internal validity. (Wiedersheim-Paul and Eriksson, 1991). Kinnear and Taylor (1996) added that high validity can also be achieved through avoiding systematic or random errors.

### **6.2.2. Reliability**

Reliability refers to the stability and consistency of results derived from research, i.e. would the results be the same if another researcher performed the same study, or if the study were conducted at a later date or with a different sample? Reliability is essentially concerned with the consistency, accuracy, and predictability of the research findings. (Wiedersheim-Paul and Eriksson, 1991). We tried to achieve the best reliability by consistently asking the questions from all respondents and keeping the interview settings as similar as possible. However, we cannot be certain that all respondents answered truthfully to our questions, or spoke their whole minds. To minimize the risk of such, we used probing questions to follow up on the respondents' answers and gain "deeper" responses.

Had the interviews been conducted by other people, the results might have been slightly different. Moreover, in no way are we able to be sure that the interviews were not biased on our part. However, as there were two of us present at each interview, we were able to make a synthesis of our personal interpretations of the interviews, or a debriefing analysis (Hair et al., 2003), which made them more reliable than if we had conducted them alone.

## 7. Summary of the research process

The thesis process began with a general interest in sponsorship and brand building. Although the research question was influenced by literature around the subject, it also set a focus on the literature that would further be needed for the thesis. An abductive approach was chosen, as we felt a need to mix existing theories and our own research. Furthermore, the research approach came out as conclusive, as the necessary theories were rather clear to us. The choice of the qualitative research method was also clear to us, as it provided a chance to gather richly detailed data. Moreover, we feel that a quantitative study would have required a preliminary round of interviews to build a good questionnaire.

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Interviews were conducted using the in-depth interview technique as proposed by Kinnear and Taylor (1996) and Hair et al. (2003), among others. The persons that were interviewed were Katriina Kojo (Frezza /Paulig), Jukka Nieminen (Bertolli and Knorr /Unilever), Heidi Toivola (Maybelline /L'Oréal), Kati Harki (Tropicana /Valio), Milla Hyryläinen and Kristiina Mark (L'Oréal Paris /L'Oréal) and furthermore Samu Hirvas and Jarno Lindblom (G2).

Debriefing analysis was conducted after each interview, as Hair et al. (2003) have suggested. Interviews were conducted until a point of “saturation” was reached, as Gustavsson (2004) had advised. Analysis of the interviews was then done by content analysis (Hair et al, 2003), and further on by judging the results by the theoretical framework and the research question.

We are aware that along the course of the study, there were numerous opportunities for sources of error. However, we feel that being aware of those sources reduces the risks set by them.

Finally, we tried to keep the thesis reader-friendly by focusing on the language, transitions, and layout of the paper. We feel that although master's theses are rarely literary treats nor very popular reads, they should not be done in bad writing.

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## **IV Empirical part**

*This chapter presents the findings of our primary research. First, the companies that our respondents represented will be presented, followed by a short description of every interview we conducted. The reason that the interviews are separated from each other and not grouped together is because distinct differences could be noticed within certain companies, as different brands had different marketing strategies. The interviews shed light onto how event sponsorship is used for the marketing communication of different brands and how those activities are related to the event process “lifecycle”.*

### **1. Company presentations**

#### **1.1. L’Oréal**

L’Oréal is the world leader in cosmetics, founded in 1907. Based in France, it operates in every county on the planet and employs 50,000 people. The group had sales of roughly 14 billion euros in 2003. L’Oréal owns numerous brands, many of which are market leaders. The brands owned by L’Oréal presented in this thesis are L’Oréal Paris and Maybelline. Our study included interviews with four representatives of the company, each of who hold responsibility for different brands. Although the brands are all owned by L’Oréal, distinct differences could be noted between the interviews in terms of attitude and usage of event sponsorship. ([www.loreal.com](http://www.loreal.com))

Three interviews were conducted at L’Oréal Finland. Milla Hyryläinen works as a Marketing Director at L’Oréal Finland. She is responsible for the L’Oréal Paris brand, which includes hair care, skin care, hair color, hair styling, and cosmetics products. Kristiina Mark works for the L’Oréal Paris make-up brand in Finland as well as a Business Manager. Her responsibilities include the planning and implementing of marketing procedures for the brand and holds responsibility for the brand’s sales and marketing budget. Although her marketing budget is partly controlled by L’Oréal’s headquarters in France, she has roughly 20% of her budget allotted for events and promotions. Heidi Toivola is the Business Manager for the Maybelline brand at L’Oréal Finland. Her responsibilities include the planning of all sales and marketing activities of all products under the Maybelline brand.

#### **1.2. Paulig**

Oy Gustav Paulig Ab is Finland’s leading coffee producer that has operated since 1876. The company has a staff of 216 and a turnover of 118 million euros. The company owns the market leader coffee brand in Finland, Juhla Mokka, and has a line of other coffees, too. In addition to the coffees, Paulig

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produces hot chocolate concentrates, coffee filters, and Frezza-brand ready-to-drink espresso and milk drinks. This thesis features the Frezza brand. ([www.paulig.fi](http://www.paulig.fi))

Katriina Kojo is the brand manager for the Frezza brand at Paulig. The brand is a newcomer to the Finnish market – it was also the first ready-to-drink coffee drink available. The initial product idea was conceived in 1998 and the brand's launch plan was finished in 2001.

### **1.3. Unilever**

Unilever is one of the world's leading consumer product companies. It operates in 88 countries and employs 290,000 people globally. Unilever has operated since 1930 and has a yearly turnover of roughly 55 billion euros. The company owns approximately household name brands. Unilever does not promote its corporate brand name, but markets its brands separately. This thesis features two of Unilever's brands, Bertolli-brand olive oils and Knorr-brand soups and sauces. ([www.unilever.com](http://www.unilever.com))

Jukka Nieminen works as a Category Sales Manager Unilever Bestfoods' "Savoury" branch, and is responsible for marketing and sales operations related to Knorr brand soups and sauces and Bertolli brand olive oils.

### **1.4. Valio**

Valio is Finland's leading producer of dairy products, in operation since 1905. It produces and markets a host of different dairy products, including milk, yoghurt, and cheese. The company employs approximately 4,300 people and has an annual turnover of 1,6 billion euros. Valio is the license holder for Tropicana juices in Finland. The brand is owned by PepsiCo and the juice products are imported from France, but Valio handles the brand's sales and marketing operations in Finland. ([www.valio.fi](http://www.valio.fi))

Kati Harki works as the brand manager for the Tropicana brand, which is a high-end juice brand owned by PepsiCo. The brand has been managed and represented in Finland by Valio, Finland's largest food product company, since 1996, although Tropicana's active marketing did not really start until the year 2002.

## **2. Expert opinions**

### **2.1. G2**

We interviewed two directors in G2 to get an up-to-date view on what is happening and what are the current trends on the field of marketing. G2 is a

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Helsinki-based marketing communication agency that belongs to the Grey group, which is the leading marketing communications corporation in Finland. The company specializes in brand identity and design, point-of-sale materials and promotions, events, sponsorship and PR. G2 offers its customers more powerful brand communication by producing experiences for consumers. ([www.g2helsinki.fi](http://www.g2helsinki.fi)) By doing this we got the latest “news” that cannot be found in the books yet. They gave also insight on marketing in the broader sense, while the other interviewees explained how they manage just one or a few brands. These two different ways of viewing the market made this study even more fruitful and gave the authors possibility to evaluate how professionals observe the market from “different sides of the table”.

Samu Hirvas and Jarno Lindblom of G2 are seen as experts to whose opinions and views the other interviews are reflected. By doing this the authors were able to create a multidimensional approach to the research problem. Samu Hirvas works as an Account Director for G2. His responsibilities include managing projects and cultivating relations with customers. Jarno Lindblom works as the Planning Director for G2 Helsinki. He bears the ultimate artistic responsibility for G2’s projects and operates one step below the managing director, Satu Heikintalo.

### 3. The interviews

The interviews feature two distinct parts: first, the consumer product brand marketing professionals and second, the event sponsorship and promotion experts from the G2 communication agency. The G2 interviews are not a part of the case study, but instead are used to support the literature and give up-to-date information on event sponsorship in general.

#### **3.1. Brand interviews**

##### ***3.1.1. Bertolli and Knorr /Unilever***

Nieminen stated that event sponsorship does not play a big part in the marketing mix of the Knorr and Bertolli brands and is essentially not a part of the marketing strategy, although for some of Unilever’s brands it is a significant marketing communications tool. Unilever invests in event sponsorship on a corporate level, too, if good opportunities appear.

Although event sponsorship is not an essential tool for Nieminen, he states that 10% of his marketing is reserved for “ad-hoc” procedures, which include event sponsorship. If he considers an event to be a lucrative opportunity and a good fit for the brand, he embraces it. When choosing which events to sponsor, Nieminen always sets the most weight on the target audience and the number of

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contacts that can be gained through the event. “If the event can be seen as an opportunity to develop the brand, we will sponsor it”, stated Nieminen. The opportunity to distribute samples always makes the event more interesting for the company, as taste can be argued to be the most important attribute for food brands. Nieminen considers event sponsorship to be potentially dangerous for a brand, as being seen in the “wrong type” of event can give consumers the wrong kind of message. However, he argues that a strong brand is less vulnerable to such conflicting messages.

Unlike many others, Nieminen does not see media attention relevant concerning the choice of event. “If an event gathers a large crowd with little or no help from the media, it is a much better scenario than if despite large media hype the event is not a success”. Furthermore, Nieminen argued that media in itself is a brand and that publicity in the “wrong kind” of media can actually be detrimental for the brand.

On location, Nieminen states that the aim is to maximize both visibility and the number of physical contacts with customers. Nieminen postulates that his aim when investing in event sponsorship is to create as many “brand experiences” as possible. This can be achieved by combining the visual and tangible contact with the customers. Nieminen stated that the largest benefit from event sponsorship is gained when the right type of message is given out to the largest crowd possible.

As event sponsorship is not an essential part of the Knorr and Bertolli brands’ marketing strategy, the effects gained from it are not studied. However, the number of contacts can easily be calculated, so that can be used to calculate the price of a contact. As Nieminen argued, the price of a gross contact must be comparable with other forms of marketing, otherwise it is not a lucrative option. Moreover, he postulated that if events are used primarily to boost image, the measurement of effects is extremely hard, if not impossible.

#### **3.1.2. *Frezza /Paulig***

Kojo displayed a positive attitude towards event sponsorship, and she felt that it offered a good way of reaching the target audience and creating “commotion”.

The conceptual and planning phase of the Frezza launch took the whole sales chain into consideration: maximization of visibility was assured by cooperating with retail stores. Brand awareness was built through outdoor advertisement, advertising on supermarket trolleys, and movie theater advertising. The Frezza brand was placed under the Paulig “umbrella”, i.e. was made an endorsed brand, which made the brand more credible in the public’s opinion. All these

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measures added towards consumers' awareness of the brand. However, the physical product was not brought to the consumers immediately.

As the target group of Frezza was "young adults who are adventurous pleasure seekers" and do not necessarily drink coffee, the physical launch of Frezza began in places where those people could typically be found. Frezza sponsored events such as VIP-galas, a fashion fair, and other select events. The brand was taken outside of the capital by sponsoring a tour done by Kiss FM, the popular radio station that caters to the group as the preferred target market of Frezza. Frezza also sponsored events at skiing centers, which can also be seen to often host opinion leaders. These events provided Frezza an opportunity to give out samples of the product to their target market, and subsequently gain media attention.

The campaign was continued by first bringing Frezza to restaurants, bars and cafés, and only then to the retail market.

As the product launch was done in three phases, the effect of the event sponsorship measures could not be separated from the overall results. Kojo stated, however, that "the greatest surprise regarding the results of the campaign was that the stock ran out due to vast sales that were not budgeted".

#### ***3.1.3. L'Oréal Paris /L'Oréal Finland***

Opinions regarding event sponsorship were rather polarized within the L'Oréal Paris brand. Hyryläinen proved to have a rather negative attitude towards event sponsorship. In her opinion, the whole process ties too much manpower and the results are not always as good as they should be. In her opinion "the event only functions as a medium of communication." Furthermore, she argues that "the measurement of the effects of the sponsorship is also very hard, which in some cases makes it hard to justify investments in sponsorship." Mark, however, considers event sponsorship to be an effective marketing channel at best, but ineffective without lots of extra effort. In essence, she argues that using traditional media requires far less work than event sponsorship. She postulates that without "content" event sponsorship does not offer much value. Producing the content, she continues, takes a lot of time, and subsequently money.

Budgetary cycles, too, are different for sponsors and those who want to be sponsored. For example, L'Oréal was provided an opportunity to sponsor a TV-series based on a modeling competition starting in August 2004. As the proposition was made in May 2004, it was impossible for the company to sponsor the program.

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Mark argues that a brand that has already lost its luster in the eyes of the consumers can be “revitalized” through event sponsorship. “Linking a product the favorable association produced by the event give the product more credibility and boost the sales of a product that is already losing sales” (Mark, 19.7.2004). Mark states that as her brand launches numerous new products yearly, it is rarely cost-effective to invest much in media marketing after the product launch, as the new product loses its novelty value quickly. This, she says, is typical for make-up products.

Hyryläinen stated that type of audience that they aim for weighs heavily in the choice of the event. Moreover, she postulated that the events’ content should be created for a specific audience. L’Oréal Paris has sponsored one major event, Fashion Night, on a yearly basis, and additional smaller events if permitted by the budget. Fashion Night unites the main actors in the fashion industry in Finland and is an ideal environment to promote L’Oréal Paris make-up, which can be seen to have a direct link to the industry.

L’Oréal has been the main sponsor for Fashion Night, which makes their investment larger but also gives the company a greater opportunity to benefit from the event. Fashion Night has other sponsors and partners too, e.g. the department store Stockmann, MTV3 for television and KissFM for radio. As the event involves a large investment for L’Oréal, it is important to gain results from it. A key ingredient to this is cooperation with the partners. However, as Mark stated, this does not necessary always happen. This year’s Fashion Night featured a problem concerning the media partner, as the organizer of the event, Fashion Night Ry, decided to use the services of their own production company instead of the one use in previous years. As a result, MTV3, which is perhaps Finland’s number one commercial television channel, refused to broadcast the event and gave the event to its subsidiary, SubTV. As an effect, the number of viewers of the Fashion Night documentary dropped to 60,000 from the previous year’s 600,000. Moreover, the target audience of SubTV is younger than MTV3’s, so the viewers were also less relevant for the purposes of L’Oréal. “This is a typical example of what can go wrong with event sponsorship”, states Mark. “Media marketing is much more predictable, and can be expected give certain results”.

As another example of an occasion where goals had not been met, Hyryläinen told us about an event named L’Oréal Naisten Pyörähdys, where 6,000 contacts had been promised but only 2,000 showed up. The event is an exercise-related event aimed for women who mostly belong to L’Oréal’s target group.

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Although Fashion Night has been the main sponsored event of L'Oréal, the brand still invests in smaller events if the event provides a good “fit” for the brand and caters to the right audience. Mark stressed the importance of employing the right people for these events, as they give a face to the brand and have a direct effect on how people view the brand. Visibility is also an issue at the event site, and it increased e.g. through the use of banners. At the Fashion Night event, L'Oréal as the main sponsor has had the opportunity of including interviews of their key personnel into the televised documentary. These interviews have always been places in front of large L'Oréal banners. Moreover, L'Oréal always includes an interactive element, such as make-up stands, to the event. Professional stylists show how to use products or how to use them in a new way. Another way of benefiting from the actual event is to maximize visibility on the event grounds, which is done e.g. with banners, stands and in the case of L'Oréal Naisten Pyörähdys, sponsoring the company's own team dressed in L'Oréal t-shirts.

Making people take an active role towards the brand is considered important for L'Oréal, and people are activated through e.g. competitions. Competitions give L'Oréal the contact information of people who are interested in the brand, who can be contacted for later reference.

Measurement of effects of event sponsorship is essential but very difficult. One way is to compare the number of contacts to the planned amount or to hand out coupons and count the returned amount. The performance determines the future cooperation e.g. bad results result in withdrawal. L'Oréal Naisten Pyörähdys is an example of this too: since the number of contacts was not as promised, L'Oréal did not participate the following year. In the example of Fashion Night, too, L'Oréal lost a very significant number of contacts due a change in arrangements from organizer's side. Another way of benefiting from sponsorship after the event is to contact the people who entered competition. However, these people are interviewed on different products, e.g. a person who entered a competition at an event that featured a lipstick might asked about attitude towards and usage of a mascara.

Hyryläinen agreed that her attitude towards event sponsorship might be slightly outdated, and that as markets grow more and more segmented, events can reach those niche markets. This, however, would require a more relaxed budget and less control from the Paris headquarters.

#### **3.1.4. *Maybelline /L'Oréal Finland***

Toivola has a positive attitude towards event sponsorship in general. She argues that “events are important, but could be more important” for her brand. L'Oréal

### *Empirical part*

headquarters in Paris control the marketing budget, which means that Toivola's hands are somewhat tied as to which media she invests in. Numbers show the importance of events: they claim only 5% of the marketing budget, but gain 15 % of all visibility for Maybelline.

In-store events are sometimes advertised in magazines or newspapers that have the same target group as the product. However, if magazines are used, they should be published just before the event in order to gather the attention of the target audience. The main target group of Maybelline is girls from 15 to 25 years of age.

Coupons that grant reduced prices in certain stores are handed out in events. These coupons are counted after the campaign to find out the number of actions. Maybelline products are given out as prizes in different contests during the event and visibility is gained through banners.

At the follow-up stage coupons from stores are counted. Large department stores do not give out sales figures from the competition, but yearly statistics provide that information from the whole country, although not from individual stores. This makes the market shares somewhat hard to estimate. Company headquarters coordinate image surveys every two years and L'Oréal Finland coordinates usage and attitude research every second year.

#### **3.1.5. Tropicana /Valio**

Valio's policy in choosing which parties to sponsor is largely affected by themes of wellbeing, joy and society. The sponsored event or other party must not be in contradiction with the company's value, responsibility for well-being, and it must support the company's corporate image and business operations. Harki stated that however strict the regulations set by Valio, Tropicana's main marketing channel is through event sponsorship, with a 40-50% share of the total marketing budget. She argued that as Tropicana's brand awareness is still low in Finland, the best way of increasing the brand's credibility in the consumers' eyes is to promote it through events. This attitude is partly fueled by Tropicana's premium pricing; the brand's juices are the among the most expensive available, and up to seven to eight times more expensive than the budget brands. She argues that image marketing alone is insufficient to convince people to purchase the more expensive brand – they must have tangible evidence of its superiority. Image marketing, however, is used to promote the brand with 10% of the marketing budget invested in television and 20-30% in print media.



## *Empirical part*

As Tropicana is a premium juice brand that is much more expensive than the competition, it tends to sponsor more upscale events. Significant events include Pori Jazz, Tall Ships' race and the Gastro-food fair, all of these events that are visited by a select audience that is both quality-conscious and not very price-sensitive.

Harki states that Tropicana's event sponsorship investments are always tied to other campaigns, such as price campaigns in supermarkets.

To maximize the effect of event sponsorship at the event grounds, Tropicana always insists on being the only juice brand that sponsors the event. As Harki argues, this increases the attention gained by the brand. Harki stated that visibility in itself is not important for her and subsequently no banners with Tropicana logos are placed on location. Harki argues that visibility is important only for brands that have a high recognition rate, such as e.g. Mercedes-Benz or Audi. Tropicana stands are placed at places on the event grounds where the flow rate of people is the highest. As consumers at events make contact with the Tropicana brand at the stand, the importance of human contact is very pronounced. Harki postulates that she puts great weight on the selection of event personnel and tries to maintain the same people from event to event, as this decreases the need for training and helps the event personnel focus on making a positive impression on the customers. To further increase sales in grocery stores, coupons that entitle to a reduced price are handed out at events, too.

The effect of event sponsorship is measured by the number of contacts gained, which is calculated by the number of samples given out. The change in sales during a specific campaign is measured as well. Furthermore, Valio contracts biannually a national "juice survey" that measures the sales and recognition of different juice brands. Although Tropicana uses coupons as catalysts for sales, they are not used to collect consumer information or perform follow-ups for campaigns.

### **3.2. Expert interviews**

#### **3.2.1. G2**

According to Lindblom, companies have to find "the right tool for the right place". As an example, TV feeds on emotions and the effect of tests in magazines depend on reasoning. He also claims that "attitudes towards the brand and image of the brand change slowly". Companies are interested in event sponsorship as a part of their marketing mix, because it is a good tool for changing the brand image. People relate the brand with the atmosphere of the event. However, if the event or other sponsors present are not credible,

### *Empirical part*

sponsorship might have a negative impact on the brand image. Hirvas, on his part, argues that TV and print media have to be used to build brand awareness before going “out on the field”, e.g. investing in event sponsorship. He refers to the AIDA-model, which explains the decision making process the human mind goes through when considering making purchases. When participating in an event, one has to remember that every encounter with a brand leaves an impression, either positive or negative. Hence, the personnel used in the event is the key to a successful outcome. Hirvas points out that “in sponsorship, quality is more important than quantity”.

When choosing the event, the brand’s goals have to be identified in order to find the right marketing channels. Nowadays companies are using integrated marketing communication, where different marketing channels support each other. Hence, event sponsorship has to be tailored to fit the needs of other types of marketing communication. Lindblom argues that the event must have a media plan ready in order to be interesting. This plan tells which media is going to cover the event and how much publicity can be gained from outside the event. This is important because visibility must be gained in the correct media to get the maximum effect. Choosing the right type of event is crucial to gain access to the right audience and largest possible number of contacts. Moreover, the content produced for the event by the sponsor and the way it is marketed to the audience is important for getting satisfying results from the sponsorship investment. Much in line with Lindblom, Hirvas postulates that the exploitation of the event sponsorship agreement must be planned across the event process. It is crucial to acknowledge how to get the most benefit from event sponsorship before, during, and after the event. Things that should be considered during the planning period are the core identity of the brand, the number of marketing channels used in the campaign, and the possible risks. Deciding on the number and type of marketing channels at early stages helps to integrate them and send out complementary messages on different channels. Risk assessment reveals if there are some aspects in the event that can damage the brand image. Such aspects can be for instance doping scandal in a sports event or totally wrong partners in an event. Other questions that should be asked during the planning phase are: “at what point of the product lifecycle is the brand?”; “does the brand get sole rights for sponsorship?”; and “are the partners credible?”. It is very important that competing brands do not sponsor the same events. Furthermore, the right partners can give access to the right genre.

During the event it is important to find a good spot for a stand or a banner to gain the best possible visibility. Lindblom argues that money can buy visibility, i.e. companies can purchase almost any spot in the event for right amount of money. Consumers can try or touch the products at company stands, which is

### *Empirical part*

particularly good for companies that are trying to reach outside of their core business, as e.g. Nokia does when selling its game telephone N-Gage. Hirvas argues that the purpose of a sponsor being present in an event is to connect the product to the event's atmosphere and to give brand-related experiences to potential customers. He postulates that event sponsorship gives companies a possibility for providing consumers an opportunity to experience their products. Food companies, for instance, can give samples of food products, hair product companies can do quick hairdos and make-up artists could demonstrate how to use the products. Showing completely new uses for products is possible as well.

Doing follow-ups is very difficult when investing in event sponsorship. However, in the termination phase, the main thing is to count the number of contacts procured during the event. One way of doing this is to measuring the brand's visibility across different media and counting how many advertorials were made. Moreover, interviews should be made on the spot during the event. Hits in print media can be compared with the cost of traditional print advertisements. In the termination phase it is essential to find out what people saw during the event, what they experienced, and did they act, or buy the product. Companies should also make image surveys annually. Image surveys, however, do not show which type of marketing has had the impact on the image.

#### 4. Comments on the empirical part

As one can see from the responses, working for the same company does not necessary predetermine the attitude or usage of event sponsorship. Our respondents each had their views, which affect their use of event sponsorship. However, one can surmise that the type of products that the brand offers affect the marketer's opinions concerning event sponsorship, as seemingly some products are more suitable for the medium than others. Still, as event sponsorship was generally not considered a strategic marketing communication tool, there were no apparent corporate event sponsorship strategies. Therefore, the use of event sponsorship was very much determined by chance, personal contacts or the size of an auxiliary budget. Due to the scattered answers, the respondents' answers will be analyzed separately, brand by brand. This approach is further justified by the surveyed companies' role as "houses of brands" (Aaker, 1996), which partly implies that all brands owned by the companies are treated as separate entities, and that no company-wide rules concerning the use of marketing channels are established.

*Empirical part*

## **V Analysis**

*This chapter will analyze the results of the interviews in relation with the study questions and the literature. The findings of the study will be presented in a manner that suits the purpose of the thesis. As stated earlier, the aim of this study is to find out how consumer product companies use event sponsorship to communicate their brand identity and thus favorably affect their brand image. Moreover, the study paid close attention to how the event project lifecycle affects the timing of all procedures related to the event sponsorship investment. The respondent companies' and brands' actions will be applied to relevant models to see how well they relate to the theoretical framework presented earlier in this thesis. Moreover, the two advertising executives that we interviewed, Hirvas and Lindblom, will be used as additional reference points for the analysis. We feel that they offer a relevant and contemporary view on how event sponsorship is generally used by companies and how it "should" be used, and therefore offer additional value to the analysis.*

### **1. Attitudes towards event sponsorship**

As postulated by Jiffer and Roos (1999), event sponsorship offers the marketer an opportunity to bring forth the brand in an environment that provides positive associations. In essence, when sponsoring an event, a company uses the event as a marketing channel that adds value to the message through the addition of goodwill. This can be seen as an effort to positively influence how consumers perceive the brand image. (Jiffer and Roos, 1999).

While studying the use of event sponsorship in respondent companies, we encountered very different attitudes towards it. Harki (8.6.2004), for instance, stated that half of her marketing budget is invested in event sponsorship. The reason for this, she postulated, is that Tropicana is rather unknown in Finland and as it claims superior quality over competing juice brands, the basic awareness of the difference in quality needs to be built in person with the potential consumers. Hirvas (6.9.2004), an advertising executive who works with event sponsorship as a part of an integrated marketing on a daily basis, disagrees with this view and thinks that basic knowledge of the brand needs to be built through other channels, such as television or print media, before event sponsorship becomes a lucrative option. This opinion is shared by Wragg (1994), who argued that "a weak brand will be left unnoticed in an event". Somewhat similar to Harki (8.6.2004), Kojo (10.6.2004) stated that the initial interest towards her brand, Frezza, was largely built through the sponsorship of exclusive events that brought forth media attention.

## *Analysis*

At the other end of the attitude spectrum Hyryläinen (5.8.2004) gave an impression of a rather negative opinion towards event sponsorship. She argued that it is an unpredictable media and often fails to deliver on the promises made to the sponsor. Moreover, she argues that “the event only functions as a medium of communication”, meaning that being a sponsor for an event does not mean anything unless good “content” is built for it. This opinion is shared by Lindblom (8.9.2004) and Hirvas (6.9.2004), who argued that the opportunity to present “content” to the audience is the advantage that event sponsorship has over “traditional” media. Hyryläinen (2004) argued that the measurement of the effects of event sponsorship are also very hard to measure, and therefore investments made in it are often hard to justify.

The other respondents had rather moderate opinions concerning event sponsorship, stating that it is used in some cases, but not in large amounts and not as a strategic brand building tool. Nieminen (14.9.2004), for instance, stated that his brands have an “ad hoc” budget for opportunities that arise, but event sponsorship is not a strictly budgeted activity for him. Toivola (24.6.2004) stated that she would be interested in increasing the amount of investment in event sponsorship, but as her budget is strictly dictated by the French headquarters, her options are limited. Mark (19.7.2004) stated that her brand invests in one major event, Fashion Night, annually, but otherwise investment in event sponsorship is not cost-effective or involves too much work, just as Hyryläinen (5.8.2004) argued, as well.

As a whole, event sponsorship divided opinions even within companies, as the respondents from L’Oréal (Hyryläinen, 5.8.2004; Mark, 19.7.2004 and Toivola, 24.6.2004) show in their answers. The recurring theme related to all respondents’ attitudes was that if investments in event sponsorship are made, the event must cater to the needs of their brand’s target audience and “look” like the brand. Just as Jiffer and Roos (1999) argued, the value of event sponsorship lies in the creation of goodwill through the event and the commercial gains acquired through this activity. All respondents agreed to event sponsorship being a potentially effective and useful marketing tool, as the medium can at best offer inexpensive and high-quality contacts; however, the issues of excessive time consumption and unpredictability were also linked with event sponsorship, which greatly decreases the appeal of the medium for many respondents.

Hirvas (6.9.2004), Lindblom (8.9.2004), and Hyryläinen (5.8.2004) state that the most important aspect when sponsoring an event is creating a brand experience. It is much easier to create such an experience with food brands than for instance cosmetics, because the experience is generated by showing how to

## *Analysis*

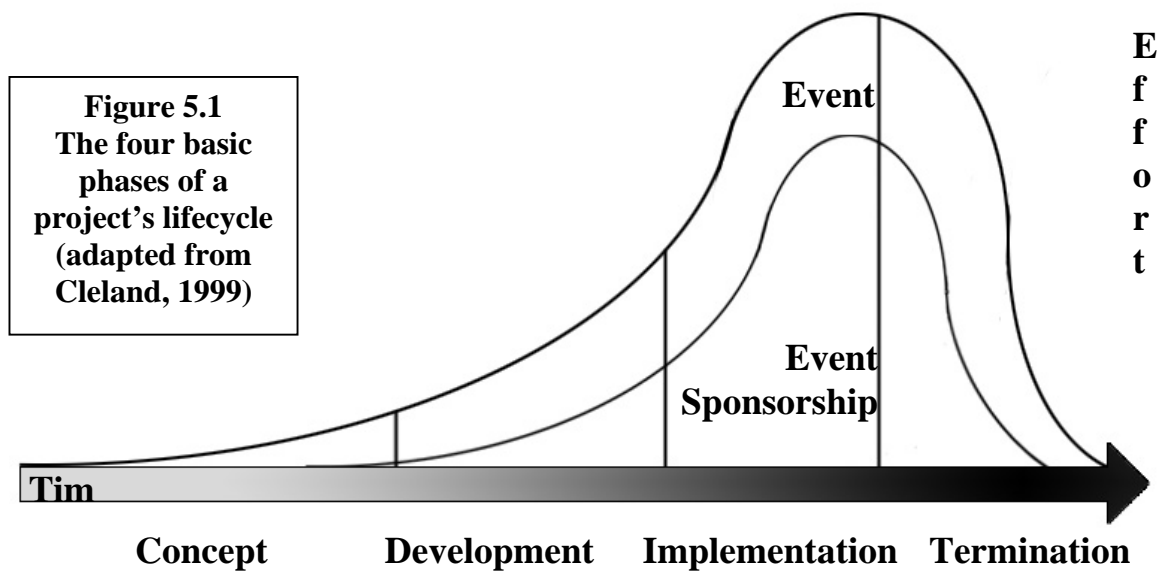
use the product. The atmosphere in the event enhances the brand experience along with the skilled personnel (Hirvas, 6.9.2004; Lindblom, 8.9.2004; Hyryläinen 5.8.2004). Presenting cosmetics ties a lot of manpower and time because a company has to show how to use the product and only experienced make up artists can really give the best impression of the brand. Food brands can be presented simply by giving out samples to people visiting the event. Hence, Harki (8.6.2004), Nieminen (14.9.2004) and Kojo (10.6.2004), representatives of food brands, were much more enthusiastic about event sponsorship than people working with cosmetics or hair care products. If hair care products, for instance, are given out and people use it at home after the event, the association with the atmosphere in the event does not necessarily exist anymore. It is important that customers use the product or get the brand experience on spot during the event. The respondents had a general consensus as to that positive brand experiences in a good atmosphere create also brand loyalty, because seeing the brand in a store can establish a positive feeling and make buying decisions easier to make.

### 2. Relation of event sponsorship to the event project lifecycle

Event sponsorship follows an activity curve much similar to the basic project lifecycle curve presented by Cleland (1999), among others. The event sponsorship agreement can be seen to have a distinct conceptual phase, during which prospective events are searched for; a planning phase, when appropriate means of exploiting the event to the best effect are devised; the execution phase, when the event takes place and the event sponsorship agreement is consumed; and finally the termination phase, when the results of event sponsorship can be measured. However, although the process of event sponsorship follows an activity curve similar to the actual event's, the curves do not necessarily match in terms of time and activity, but more likely the event sponsorship curve is situated "inside" the event lifecycle curve, as potential sponsors are contacted after the event concept has been established and the planning process has already begun. This is due to the fact that the sponsor usually "buys media space" from the event and thus shares the goodwill created by the event instead of involving itself more profoundly in the event. Therefore, the amount of activity the sponsor uses for event sponsorship does not need to be equal to the level of activity exhibited by the event organizer. However, as events are always strictly time-bound occurrences, the sponsor must arrange the sponsorship activities around the actual event. Figure 5.1. displays an example of how an event's lifecycle could go together with the activity related to a sponsorship agreement. The model is only one example of how the event and the event sponsorship process could relate to each other in terms of time and effort, depending on the degree that the sponsor is involved in the event. If an event is well established, or if the sponsor has a continuous agreement with the

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event organizer, the scenario is naturally different, as the collaboration of the event organizer and the sponsor will most likely start from day 1.



As event sponsorship can be argued to be very time-bound in nature, we felt that the analysis of our respondents' interviews should be divided according to the different phases of the event sponsorship effort: concept and development, implementation, and termination. This division, in our opinion, will bring structure to the analysis and make it easier for the reader to follow the event sponsorship process, as the analysis will be divided three chronologically distinct phases: before, during and after the event.

### 3. Event sponsorship process before the event

#### 3.1. Concept phase

Cleland (1999) stated that the conceptual phase of a project's lifecycle involves the recognition of opportunities and stakeholders. When applied to the context of event sponsorship, the conceptual phase can be argued to involve the recognition of the target market and their needs. Moreover, it can include the selection of suitable events to carry the brand's message to the right audience. Hirvas (6.9.2004) argues that people are the most important aspect when talking about event sponsorship. If the audience is from a totally wrong segment, the brand has no chance of succeeding in the event. The audience in each event must be researched to be sure that the breakdown of people is right for the brand. The most common way of doing this is by investigating demographics such as sex, age, region, social group, disposable income, and occupation. (Wragg, 1994). A company can choose to reach either a narrow or



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a wide audience, depending on what they want from the promotion (Jiffer & Roos, 1999).

The importance of addressing the brand's target market with the correct type of event was a recurring theme throughout the interviews. This point has been underlined by Wragg (1994) who postulated that "a company has to plan carefully what kind of event it should sponsor and how to do it". Jiffer and Roos (1999), too, stated that the event needs to fit the brand perfectly, because a sponsor purchases the right to create an association with the event. The main points that were stated to affect the choice of event were "that the event is a good fit for the brand" (Nieminen, 14.9.2004; Kojo, 10.6.2004). In the best case consumers link the positive atmosphere at the event to the brand after the event. It depends on the brand what kind of people the main target group is and whether it should sponsor for example sporting events or cultural events (Wragg, 1994).

Hirvas (6.9.2004), too, argues that the event has to "look like the brand" and the people who visit the event should present the right segment for the brand. Lindblom (8.9.2004) argues that when choosing events, the main point of attention is the target audience, the secondary point is the number of contacts. Event sponsorship also allows companies to reach the right target market and to expose the product directly to the market (Walker Mack, 1999).

We found that the conceptual phase of event sponsorship has in addition to the previous issues three central points of consideration: risk acknowledgement, partnership and media attention. These three issues affect the feasibility of the sponsorship investment greatly and must therefore be carefully reviewed before engaging in a sponsorship agreement.

### ***3.1.1. Risk acknowledgement***

Risks, including everything that can turn against the brand, must be acknowledged when deciding whether or not to invest in event sponsorship and which event to sponsor. Examples of such a turn of events could include e.g. a doping scandal in sports. Mark (19.7.2004) stated that L'Oréal has suffered from two rather unfortunate incidents related to sponsorship in the last year, although only one of them was strictly event-related. First, an arctic explorer sponsored by the company, Dominic Arduin, was reported lost and dead after allegedly dropping into a crack in the ice on the North Pole. Another unfortunate incident took place in May 2004, when a boat that L'Oréal sponsored into a sailing race got stuck on a rock on its maiden voyage. The incident with the arctic explorer was not linked to the arctic explorer, but all press coverage related to the boat showed very large L'Oréal logos (HS,

## *Analysis*

19.5.2004). However, as Mark (19.7.2004) argues, there no “good” or “bad” publicity, only publicity.

### **3.1.2. Partnership**

Only rarely does a single brand or company sponsor an event. Other brands present at an event also affect the decision about sponsoring (Meenaghan, 1998). An unknown brand can be much more effective at an event if it is among well-known brands from the same genre. (Hirvas, 6.9.2004). Lindblom (8.9.2004) also argued that if a brand wants to promote itself as “youthful” and be credible in the eyes of young adults, it can partner with a brand like e.g. Diesel that has already established its position in that segment.

When assessing the possibility of sponsorship, getting sole sponsor rights should also be considered. Harki (8.6.2004) postulated that Tropicana always insists on being the only juice brand to sponsor an event, as otherwise the investment would have lower impact. An example of sole sponsorship could be a beverage company having sole right to sell drinks on a rock festival (Hirvas, 6.9.2004).

### **3.1.3. Media attention**

The amount of free publicity in form of media exposure must be estimated already at the planning phase (Hirvas, 6.9.2004). According to Lindblom (8.9.2004) every event needs to have a media plan in order to consider sponsoring them. This includes planning how different media are to mention sponsors in their stories about the event. These “hits” in e.g. newspaper articles are far more valuable than same size advertisements (Hirvas, 6.9.2004). That is due to the fact that people tend to trust independent press more than the sponsors own advertisements (Meenaghan, 1998). Most of the respondents agreed to this approach, saying that a major concern for them when considering sponsorship is the amount of publicity they expect to gain through the investment. The only respondent who explicitly stated that media attention was not a concern was Nieminen (14.9.2004), who argued that media itself can be considered a brand, and visibility in the wrong media can even be considered detrimental for the brand.

## **3.2. Development phase**

Cleland (1999) stated that the planning phase of a project the “actual” planning process and the core activities start during the development period. In event sponsorship, the development phase involves creating a message to convey through the event and deciding what “content” to deliver to the audience. Moreover, it can involve the integration of the message given through event sponsorship with other marketing campaigns. Based on the discussions with

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Hirvas (6.9.2004) and Lindblom (8.9.2004), we can argue that two main points of consideration permeate the development process: integrated marketing and the consideration of value for money, i.e. what can be communicated through event sponsorship better than through other channels?

### ***3.2.1. Integrated marketing***

Sponsorship used to be a matter of charity or patronage, but currently professionals are talking about integrated marketing communication (Hirvas, 6.9.2004; Lindblom, 8.9.2004), which is linking different marketing channels. This kind of marketing aims towards the same type of effect on the brand as the AIDA-model stipulates. The model explains how the advertising message must first gain consumer's awareness then its interest, next its desire for the product, and finally action (purchase) will take place. (Smith and Swinyard, 1982; ft.com, 2001). Integrated marketing communication has to be designed so that different marketing actions support one another. Due to this reason stronger media, e.g. television or print media, should be used first and event sponsorship should support the message and bring the brand to just the right segment in an event (Hirvas, 6.9.2004). Mark (8.9.2004) argues that sales campaigns should be linked to events, as otherwise results gained from the sponsorship agreement might be less than satisfactory and moreover, the effects can be very hard to measure. Harki (8.6.2004) and Toivola (24.6.2004) agree to this idea and state that combining events and in-store campaigns enhances the effect of sponsorship and makes the effects easier to measure.

### ***3.2.2. Value for money vs. other channels***

An important point to consider when deciding on whether or not to invest in event sponsorship is the value that it offers in comparison with other marketing channels. Mark (19.7.2004) argues that event sponsorship agreements are normally rather inexpensive, but as they function only as channels for communication, the message delivered through the event needs to be created, as well. Hyryläinen (5.8.2004) sees this as an important point too and argues that the content, or message, displayed in the event needs to be created specifically for its audience. As a result, the price of event sponsorship might grow rather high and moreover, the amount of work involved in it greatly surpasses the workload related to a media campaign. As Wragg (1994) argues, one should also judge whether the cost for the sponsorship and the cost and effort of promoting the sponsorship will provide value for money. Event sponsorship ties up much manpower, since the preparations, planning, and functions during the event are very time consuming (Jiffer & Roos, 1999). Hence, the event sponsored must be selected very carefully. Lindblom (8.9.2004) argues that the main value that event sponsorship offers lies in the opportunity to produce "content", e.g. present products to the consumers,

## *Analysis*

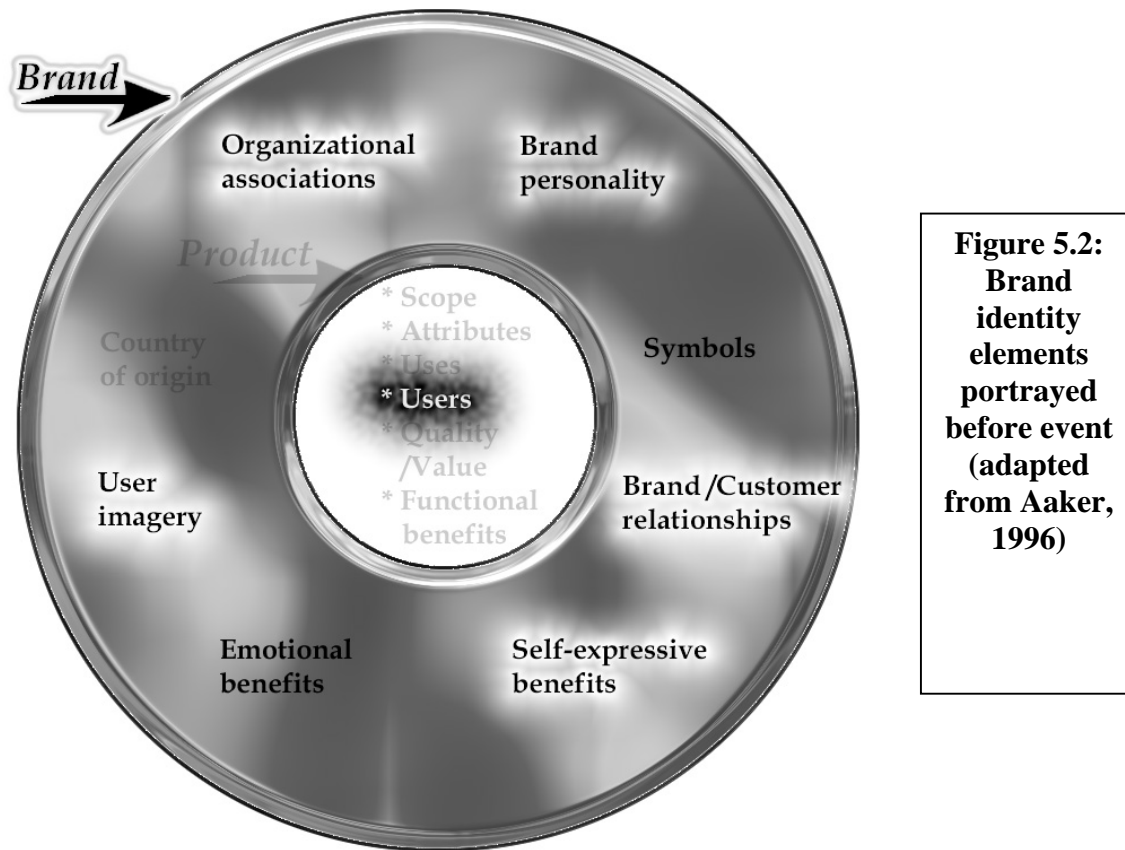
something that is impossible to achieve through advertising. Nieminen (14.9.2004) agrees to this and states that the opportunity to give out samples and provide “brand experiences” to consumers makes an event a lucrative opportunity. The number of contacts expected from the sponsorship agreement can be a determining factor in whether to sponsor an event. However, the information given on this detail can be lacking or inaccurate. Hyryläinen (5.8.2004) and Mark (19.7.2004) postulated that in some cases their decision to sponsor an event would have changed if correct information concerning the number of contacts to be gained through the event would have been given.

### **3.3. Recurring themes before the event**

As can be noted from the previous paragraphs, the main drivers for the choice of event are the type of event and the people it caters to. Moreover, the potential attention gained through free publicity and the opportunity to partner with a brand that gives credibility in the target audience were mentioned frequently. The “maturity” of the brand was also stated as issue that affects whether or not event sponsorship is a lucrative option for the brand.

When these motivators are observed through Aaker’s (1996) model that points out the tangible and intangible dimensions of brand identity, featured previously as Figure 2.2, one can see that the brand identity elements that are communicated at this point are mostly intangible. We modified the model to better highlight the elements of brand identity that the most focus is set upon. Figure 5.2 highlights our view of which parts of the model apply best to this scenario.

The *users* (or the consumers) can be seen to be portrayed through the choice of the sponsored event on the basis of its target audience. Not only can that be interpreted as an attempt to access the right consumer segment for the brand, but at best the brand can benefit from an additional feeling of goodwill created among the audience, i.e. the members of the audience might relate the other visitors to the brand and thus feel a positive connection towards it. This view was shared by all respondents, but e.g. Harki (8.6.2004) stated that they use events with a well-to-do crowd that can connect to each other through their sophisticated pastimes.



*Organizational associations* can be seen to be portrayed in the responses in many ways. First, the choice of event to sponsor can be seen to exhibit a certain organizational trait. Depending on the type of event, the brand can give an e.g. innovative, cultural, or environmentally aware image. Tropicana, for instance, tries to emphasize its “high-class” status by sponsoring events that are visited by affluent and culturally aware people, such as the Jazz festival “Pori Jazz” Harki (8.6.2004). Second, the choice of a sponsoring partner can give the audience the picture that the sponsor shares the partner’s attributes. L’Oréal, for instance, has partnered with many fashion and “women’s” magazines to gain a better connection to the readers of those magazines.

*Brand personality*, too, can be argued to be exhibited through the choice of event and especially the partnering brand. Consumers will most likely build parallels between the event and sponsoring brand, which then might affect how the brand is personified in their minds. However, events can be argued to most likely be less established in terms of personality in consumers’ minds than partnering brands, so prior to the actual event, the partnering brands are likely to affect consumer perception of the sponsor’s brand personality more than the event itself. Lindblom (8.9.2004) gave an example of “buying credibility” from youth by e.g. partnering with Diesel jeans.

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*Self-expressive benefits* and *brand /customer relationships* can be closely related to each other. Aaker (1996) stated that the use of certain brands can give consumers the opportunity to express their personality traits. The same idea can arguably be applied to events; certain types of events appeal to certain consumer types, and if a brand succeeds in sponsoring events that their customers visit, the customers can be argued to feel that the brand understands their needs. The sponsorship of the “right” type of events can also be seen to enhance the *brand /customer relationship*. As Aaker (1996) argues, a brand and a customer can build a relationship based on the “personality traits” of the brand. Appealing to the customers’ needs by supporting events that they prefer can be an effective way of building a relationship with the brand’s targeted consumers. L’Oréal’s commitment to the Fashion Night -event is a good example of this, as the event is well-established in the Finnish fashion industry and is a place “to see people and be seen”. Sponsorship of that event can therefore bring high-quality visibility and relate the brand to a self-expressive experience, as visiting the event or watching it on television is a statement in itself (Mark, 19.7.2004, Hyryläinen, 5.8.2004).

To a lesser extent, the choice of a certain event for sponsorship can evoke certain emotional benefits related to the brand, as some events may be personally very important for certain consumers. Linking the brand to those events can attach an emotional benefit to the brand in those customers’ minds. These benefits could be argued to be “user-specific”, as the emotional benefits derived from an event can be seen as a seemingly random and personal phenomenon.

Media attention related to events can bring *symbols* related to the brand to the consumers prior to the event. Media attention can be increased by choosing to sponsor events with a well-developed media plan. However, prior to the event the sponsor can be argued to have much less control over how the brand symbolism is communicated to the consumers in connection to the event. This attitude was postulated by e.g. Lindblom (8.9.2004), who stated that many companies demand a ready-made media plan from an event before they consider sponsoring it. Nieminen (14.9.2004) stood out from the crowd by stating that media attention is not significant to him, as the best brand experiences in any case can be given on location. This attitude can be seen to mark a difference between food brands and other brands, as food is more readily consumed on location.

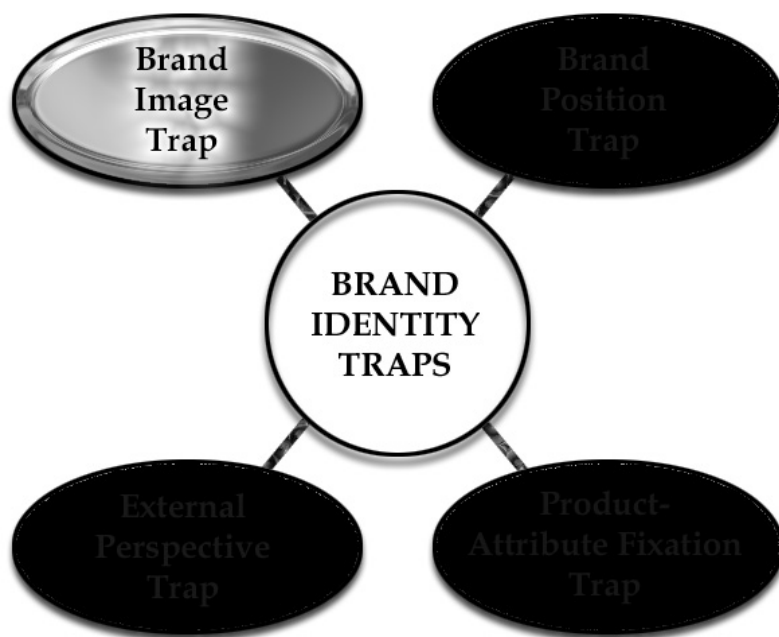
As one can see from the previous paragraphs, the concept and planning phases of event sponsorship offer a marketer a great number of opportunities for

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expressing brand identity and the brand's value proposition. Divided according to Aaker's (1996) four brand identity perspectives, one can see dimensions that belong to "brand as a product" (users), "brand as an organization" (organizational associations), "brand as a person" (brand personality and brand/customer relationships) and "brand as a symbol" (symbols). Moreover, intangible elements of the brand's value proposition can also be linked to the choice of event and the planning phase of event sponsorship, as the self-expressive and some of the emotional benefits can be communicated through them.

### 3.4. Potential pitfalls related to the concept and development phases

A model introduced by Aaker (1996) presents to the reader four "brand identity traps" that prevent brand strategists from creating their brands' identities to their fullest potential. The four traps, explained more at length in chapter 2.4.4 and presented in figure 2.5, are the brand image trap, brand position trap, external perspective trap, and product-attribute fixation trap. These traps can give insight into how brand identity is communicated to the consumer. To gain a wider perspective on how our respondent companies approach the concept and planning phases of event sponsorship, we will apply this model to their responses.



**Figure 5.3**  
Brand identity traps before event  
(adapted from Aaker, 1996)

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We think that the greatest potential problems related to the concept and planning phase of event sponsorship lie in the issues that Aaker (1996) relates to the "brand image trap". The choice of event can be seen to be driven by the desire to convey a certain image and create certain associations to the brand. The basis

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of the desired image should be identity-driven. Aaker (1996) argues that problems can occur if the sponsor confuses the brand image with the brand identity and does not identify the need for change in approach. Lindblom (8.9.2004) stated that the choice of event to sponsor should be driven by the needs of the brand's customers. However, as Aaker (1996) argues, a problem related to this approach is that decisions related to the development of the brand can be entirely *dictated* by the customers; e.g. if a brand has traditionally only sponsored sporting events and tries to appeal to alternate customer segments through the sponsorship of e.g. culture, its customers might "revolt" in response, or even worse, the brand managers could anticipate such a reaction and dismiss the ideas of change with no further consideration. In such a case the image given through event sponsorship is not necessarily what the brand's identity would necessitate, but instead only what the customers want it to be.

Event sponsorship offers an opportunity to be adventurous and inspired in marketing communication, but it also involves the risk of succumbing to customer-induced conformity to average measures. If event sponsorship is considered a strategic marketing tool, decisions related to it are more likely to be in line with the brand's marketing strategy. However, most of our respondents saw event sponsorship as an auxiliary, or even inconsequential form of marketing communication. This attitude can result in decisions to sponsor events that do not offer the brand maximal value, or to not produce the best possible content for the events.

#### 4. Event sponsorship process during the event

Cleland (1999) state that the implementation phase of projects involves the execution of pre-determined activities. In the context of event sponsorship, this means that the plans and the "content" produced for the event are taken to the event grounds and to the reach of the consumers.

Our interviews were to a great degree focused around the implementation phase of event sponsorship, so we gained the most material from the respondents from this part. Although the implementation normally involves the shortest period of time of all activity related to event sponsorship, it can bring forth a rapid increase in workload, as figure 5.1 exemplifies. Therefore, it offers many interesting points of consideration.

The brand identity perspectives that could best be expressed at the event grounds, according to most respondents, were "brand as a product", "brand as a person", and "brand as a symbol", as classified by Aaker (1996).



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### **4.1. Product-based brand identity communication**

Aaker (1996) postulates that the brand as a product-perspective includes such dimensions as product attributes, quality/value, uses, users, and country of origin. These dimensions relate to the tangible aspects of brands, which can be hard to communicate through traditional forms of marketing communication, such as television or print media.

As a whole, the respondents stated the brand as a product-perspective as the aspect of the brand identity that could best be brought forth with event sponsorship. Events were observed as opportunity to give the brands' target audiences an opportunity to experience the product and experience its benefits in practice. As this perspective received copious amounts of attention from the respondents, the different dimensions will be presented separately for the sake of clarity.

#### ***4.1.1. Product scope***

Product scope explains what the brand "does", i.e. what products it makes (Aaker, 1996). For unknown brands, event sponsorship can perhaps offer an opportunity to introduce their brand to consumers, who might have previously been utterly unaware of the brand and what products belong to it.

Kojo (10.6.2004) stated that the novelty of Frezza made it necessary to "explain" through practice how the product could be used and moreover, what the product was; events subsequently provided a good medium for this. One aspect of the product that was rather innovative was that it was designed to appeal to non-coffee drinkers. This fact could be brought out by promoting it through club-like events where coffee would normally not be served, but other energizing drinks instead. Being present at those events gave the brand the opportunity to present itself as an alternative to other energizing soft drinks. Furthermore, small-scale events were focused around restaurants and cafés in an effort to find uses for the product. This increased the versatility of the product and increased the appeal of the product to new audiences.

#### ***4.1.2. Product attributes***

Product attributes were perhaps the dimension that was most prominently displayed in the respondents' answers when asked about how event sponsorship benefits their brand building efforts. Harki (8.6.2004) postulated that Tropicana's high retail price compared to the competitors' brands coupled with low brand awareness has forced them to focus their marketing efforts on building ground-level knowledge of their brand. She stated that the best way to convince consumers of the brand's superiority was to get them to taste the product. Kojo (10.6.2004) further argued that as the Frezza brand introduced a

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totally new product segment to the Finnish market, events were essential for acquainting the target audience with the brand. Although at the time cold coffee drinks, such as iced lattes, were gaining popularity, the concept of a bottled coffee drink was still unheard of in Finland. Nieminen (14.9.2004) stated that for a food company, the most important product attribute is the taste. Events offer an excellent opportunity to bring this aspect to the attention of the consumer, so in that sense they offer a chance of making a positive difference for the brand image.

Event sponsorship was also seen as an opportunity to distribute product samples to the target segment. Toivola (24.6.2004) stated that Maybelline sponsors large-scale student events with products, which are given out as prizes from competitions, for instance. However, this type of sponsorship has limited benefits in respect to the display of product attributes, as only the winners have the opportunity of testing the products. Hyryläinen (5.8.2004) stated that L'Oréal Paris products have been given out to all participants at the events the brand has sponsored, giving everyone an opportunity to experiment the products.

When comparing the benefits that food brands and the other brands can gain from event sponsorship, we considered that food brands can give the consumer a brand experience easier than e.g. cosmetics brands, because the sampling of the product is often done instantaneously on spot, so that the consumer can link the product to the brand name, brand symbol and the event personnel, who then give a face to the brand. For cosmetics brands, such experiences take more time and might not draw people who are timid, so the total number of “complete brand experiences” stays lower than for food brands.

### **4.1.3. *Quality /value***

Another dimension from Aaker's (1996) brand identity model that we identified from the interviews was the quality /value ratio. Harki (8.6.2004) argued that her brand, Tropicana, needs to justify its high price to the consumers with a demonstration of superior quality. Events provide an excellent medium for this, as they allow people to experience the product and thus evaluate its quality and value for money. Nieminen (14.9.2004) stated that events increase the chance of consumers having good experiences with Knorr or Bertolli, providing the brands with a higher probability of reaching the consumers and proving their quality in practice, in a way that can not be achieved through television or print advertisement.

The quality /value dimension appeared to be important for brands that were priced above the average, including L'Oréal Paris. The brand's make-up

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products are priced 50% higher than the market average (Hyryläinen, 5.8.2004; Mark, 19.7.2004), which forces them prove themselves worth the extra investment. Events provide an opportunity to exhibit superior quality by offering e.g. the services of make-up artists to the audience, who can then experience the difference in person. This type of activity can give strong brand experiences and also exhibit product attributes very well; one can argue for instance that if an event guest is given a great hairdo at e.g. a L'Oréal stand, s/he will exhibit loyalty towards the brand in the future.

### **4.1.4. Users**

Something that all respondents agreed upon was that it is important for the people at the event to feel a connection with each other and feel that they are part of the same group. This way, they create a positive atmosphere that they can further relate to the sponsors. In a way, this can be seen as one of the key reasons for engaging in event sponsorship: to benefit from the goodwill created by the event and the visitors. E.g. Kojo (10.6.2004) stated that the audience at events where Frezza was initially presented was profiled to be “young adults” and “active people”, which is the target audience that the brand was after. As the brand was launched in “trendy” events, such as private VIP-parties, it also was given a slightly exclusive image, that would ideally increase its desirability. Mark (19.7.2004) stated that the L'Oréal Paris Make-up brand has been present at the Fashion Night-event as least partly because the event's audience “looked like” the brand, with all the major actors in the Finnish fashion world present. Nieminen postulated that the target audience of the event determines whether investing in it is feasible or not, much more so than e.g. the media attention received by the event.

Hirvas (6.9.2004) was on the same track with other respondents in respect to the product attribute dimension: events function well as a medium for presenting the different attributes and uses of products. Lindblom (8.9.2004) further postulates that more and more sponsors are willing to add “content” to the events they sponsor, as this gives the investment more value. As an example of this, he states that many sponsors want to bring their products available for the audience to touch and feel. He further argued that this approach can be especially beneficial to companies that want to expand their target market or introduce new products that fall outside the company's core business: one example of this is Nokia's N-Gage gaming console, which was a step aside from Nokia's line of mobile phones. As the new gaming device arguably did not benefit from all the credibility gained by Nokia's cell phones, events provided an opportunity for consumers to experiment the product and experience its functions.

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### **4.2. Brand personality communication**

Aaker (1996) states that the brand as a person-perspective reflects the brand's personality and brand-customer relationships. He argues that a brand can be seen as a person, which means that its attributes can be regarded as a person's would.

Event sponsorship offers a unique marketing medium in the sense that it gives excellent opportunity of expressing brand personality. As opposed to traditional media, such as television or print media, the event personnel has a direct contact with the audience. These people have the opportunity of appealing to all five senses of the people present at the event, while the traditional media suffers from restrictions in this sense.

This perspective of brand identity was very strongly present in the respondents' answers. All the people we interviewed felt that the event personnel play an elemental role in event sponsorship, as they convey in person the basic elements of brand personality. The sponsored event itself is very important for giving the right message regarding the brand personality.

Harki (8.6.2004) postulated that that Tropicana tries to employ the same event personnel for all events, as their experience allows them to answer all questions related to the brand and they can freely act out their personality. Hyryläinen (5.8.2004) and Mark (19.7.2004), too, stated that L'Oréal's brand personality is reflected through the event personnel and as such requires adequate attention. L'Oréal's event personnel is made up mostly of speakers and make-up artists, who must look like the brand.

Hirvas (6.9.2004) and Lindblom (8.9.2004) affirm that people, in their minds, are the most important asset in event sponsorship. They argue that event personnel are the most effective way of communicating the brand personality and can contribute very much towards the creation of a favorable impression of the brand.

### **4.3. Visual communication of the brand**

Aaker (1996) states that the brand as a symbol perspective reflects the brand's visual imagery and brand heritage. He argues that a strong symbol can bring cohesion and structure to an identity and make it easier to gain recognition and recall. A weak symbol, or lack of it altogether, can limit a brand's growth.

Our respondents had mixed opinions when it came to expressing the brand as a symbol-perspective through event sponsorship. Some stated visibility at the

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event and the number of contacts gained through it as very important, some put no weight on that aspect.

Harki (8.6.2004) stated that visibility through banners or other visual material at events is not important for Tropicana. She argued that as Tropicana has low brand awareness, visual imagery does not leave a lasting impression on the event visitors. In her opinion, brands with high awareness rates, such as Coca-Cola or Mercedes-Benz (Aaker, 1991, 1996; Kotler, 2000) benefit from visual imagery at events, but less known brands, such as Tropicana in Finland, should do more “groundwork”, such as arrange a tangible contact with consumers, e.g. arrange tastings.

Kojo (10.6.2004) postulated that visual imagery is an important part of event sponsorship for Frezza. Toivola (24.6.2004) shared that opinion, stating that Maybelline uses banners at events to increase visibility. Maybelline’s brand awareness, however, is very high when compared to Tropicana: Toivola (24.6.2004) stated that 90% of the target segment recognizes the brand.

Hyryläinen (5.8.2004) and Mark (19.7.2004) stated that visibility is important for L’Oréal Paris in the event. Furthermore, the number of contacts gained through the event is important. Mark (19.7.2004) stressed the number of contacts as well; her main event, Fashion Night, has received rather broad television coverage, which she considers more effective than television commercials. The effect of the television coverage, which has been a type of documentary, has been enhanced by placing all interviews conducted in the program in front of large L’Oréal banners. Moreover, the effect of the documentary as a marketing channel can be argued to be further increased by the high degree of relevance the event can be seen to have with the L’Oréal Paris brand, similar to what Roy and Cornwell (2004) have found in their studies.

Mark (19.7.2004) stated that L’Oréal Make-up products normally have a very limited lifecycle and that media investments give a good return on investment only in the product launch phase. Event sponsorship, she argues, can prolong the product lifecycle by invigorating its image. Bringing forth a product that otherwise would be “past its prime” in a new context, i.e. the event along with its atmosphere, can in “re-launch” the product. As Mark (19.7.2004) argues, the strength of the effect depends on the number of people who are in contact with the event; if the event is televised, the number of contacts grows, along with the effect.

Nieminen (14.9.2004) puts value on visibility at events. He underlined the number of contacts as being a measure of how successful the event was for the

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brand. Moreover, he postulated that being seen in a positive way that suits the brand is always important, as well. However, he did not put much value to media attention gained through event sponsorship; in his opinion, the opportunity of reaching the consumer in person is more valuable than gaining free media space. Nieminen (14.9.2004) also argued that media itself is branded, and visibility in the wrong media can even prove to be detrimental to the brand.

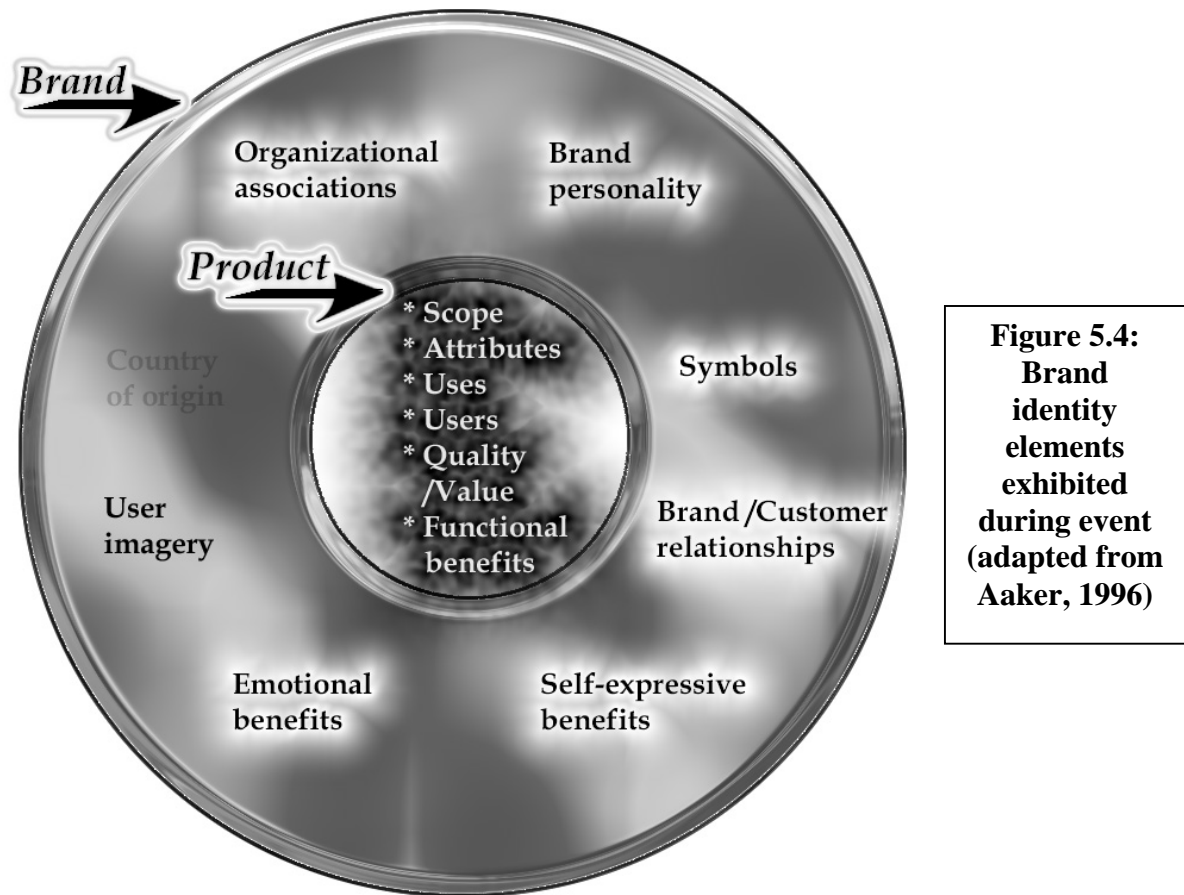
When commenting on issues related to the brand as a symbol-perspective, Lindblom (2004) commented that some sponsors want only visibility, not content, from their event sponsorship agreement. He argued that visibility in events can benefit even brands with low awareness, regarding that the brands sponsor events that can be tied directly to the type of event, e.g. sports apparel in sporting events. In regard to the question “how can visibility be maximized during the event?” Lindblom (14.9.2004) commented that “money has never failed to buy visibility”; sponsorship agreements, after all, involve purchasing a marketing channel for a company or a brand. However, he stated that when sponsoring cultural events, the approach to gaining visibility must be more subtle. Cultural institutions do not necessarily embrace sponsors as eagerly as e.g. sporting events in an effort to retain artistic integrity, which forces sponsors to take a more “gentle” approach.

### **4.4. Communication of organizational associations**

The brand as an organization-perspective (Aaker, 1996) can be argued to be expressed very much in the same manner during the event as in the concept and planning phase: the event that is sponsored by the brand and the partnering brands create organizational ties that will impact how the brand is viewed by consumers. Although this point was not explicitly discussed with the respondents, one can however argue that the manner in which the brand is presented at the event grounds can further affect how the organizational ties are regarded, e.g. how each sponsor is located on the grounds and how much visibility they are given.

### **4.5. Summary of recurring themes during the event**

As one can judge from the previous paragraphs, event sponsorship is generally viewed as a means of bringing products to the reach of the customer. Due to the opportunity of reaching the customer face-to-face, event sponsorship has a definite advantage to media marketing that focuses more on image.



When observed through Aaker’s (1996) brand identity model (featured previously in figure 2.3 and 5.2), one can see that the elements of brand identity that are presented at the event grounds are to a large degree “product-related”, i.e. are tangible elements. The highlighted elements include *product scope* and *attributes, uses, users, quality /value-ratio* and as the sum of these elements, the *functional elements*. Intangible elements of the brand identity, however, can be exhibited at the event grounds as well. These can be argued to include *organizational associations, brand personality, brand /customer relationships, brand symbols, emotional benefits*, and finally *self-expressive benefits*. Figure 5.4 presents the same model modified to illustrate our view of which brand identity elements are exhibited by our respondent companies at their sponsored events.

The tangible elements of brand identity are exhibited through the physical presentation of the brand’s products. This can be done through product samples, as in the case of Tropicana and L’Oréal, and by offering product-related services, e.g. make-up or hairstyling services in the case of L’Oréal. This gives the consumer an opportunity to experience the actual quality of the products and see for which different purposes they can be used. Moreover, the

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consumers can get an idea of who else is a potential user of the brand. These brand identity elements can together communicate the brand's *functional benefits* to the consumers.

As stated earlier, *organizational associations* can be created with event sponsorship by sponsoring certain types of events and partnering with certain types of brands. However, one can argue that such images that have been created in the concept and development phase can be affected on the event grounds by the manner in which the brand is presented on the grounds. E.g. ties with partnering brands could be made more apparent by sharing a space on the grounds with them or cooperating in a "sideshow". Mark (19.7.2004) stated that association with the event and the partnering brands can also help revitalize products that are at the end of their lifecycle, as their credibility is increased by visibility in the new context.

*Brand personality* was argued to be one of the brand identity elements that could be communicated well with the event personnel. As Hirvas (6.9.2004) stated, the personnel used in the event is the key to a successful outcome. The personnel that a company uses to represent itself gives a direct visual image of what the brand stands for, so it is crucial that the correct type of people are chosen. These people can be argued to affect the *brand /customer relationship* directly, as well; therefore, the event personnel have a very important position in event sponsorship.

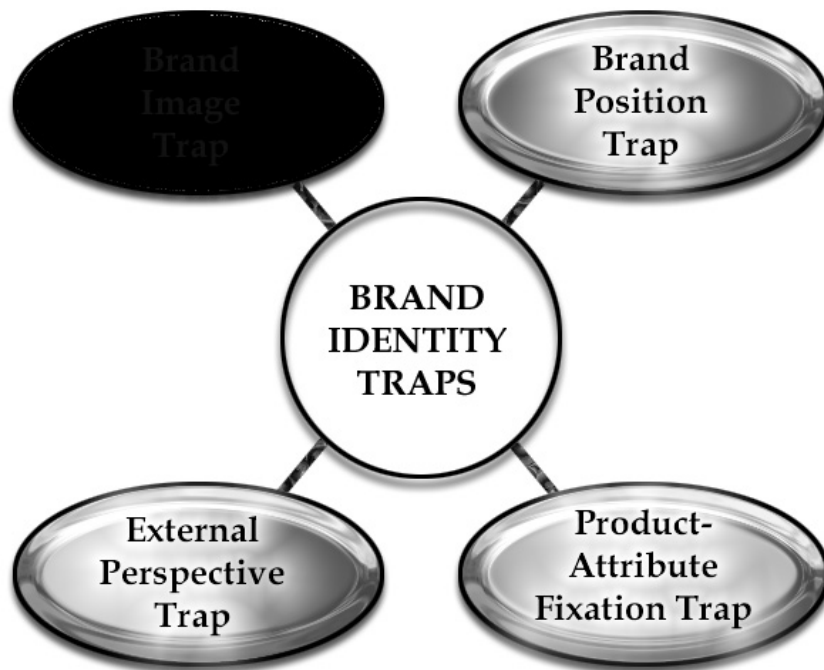
*Brand symbols* can be exhibited through visual imagery at the event grounds with the help of e.g. banners and other visual material. Moreover, event-related media exposure gives sponsors an opportunity to present brand imagery.

Finally, the sponsoring brand can present emotional and self-expressive benefits for the consumers if the event it sponsors and the content created for the event corresponds to the intangible value proposition otherwise given out by the brand.

### **4.6. Potential pitfalls related to the event phase**

Unlike the concept and development phase, the implementation phase of event sponsorship, when the brand meets the customer, involves more active contact between the brand and the consumer. Therefore, there is more potential for trouble. Figure 5.5 exhibits our view of the potential brand identity traps related to the implementation phase of event sponsorship.





**Figure 5.5:**  
Brand identity traps during event (adapted from Aaker, 1996)

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Lack of understanding of the potential benefits of event sponsorship can spring the “external perspective trap”, which implies a detachment of the core values of the brand. As event personnel is often hired for only for the duration of event and are outsourced, they might not feel attached to the brand or understand what it stands for. This problem can occur with and hurt any brand that engages in event sponsorship, as brand personality was closely associated with event personnel by all respondents.

As most of the respondents stated that the main benefit gained from event sponsorship lies in the opportunity to bring their products into contact with consumers, the potential for getting stuck in the “product-attribute fixation trap”. It is important for the marketers to understand that consumers do not base purchase decisions solely on tangible attributes, although they might claim to do so. Moreover, to be reap success from exhibiting product based attributes, the brand needs to make a relevant claim of superiority and prove it (Aaker, 1996). E.g. for a hair gel to prove that it does not make hair sticky might prove irrelevant, because people could expect that from *all* hair gels. Thus, the claim needs to be something that differentiates the brand from the competition.

Finally, the possibility of getting stuck in the “brand position trap” exists. As Aaker (1996) states, “a brand position is the part of brand identity and value proposition that is to be actively communicated to the target audience and that

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demonstrates an advantage over competing brands”. Like the previous example with the hair gel, this trap implies that the brand might give a shallow picture of itself, or communicate too little or the “wrong things” through event sponsorship. This trap, however, can be avoided if event sponsorship is treated as a marketing channel equal to other media and if the event personnel is well aware of what the brand stands for.

### 5. Event sponsorship process after the event

In the terminal phase in the event life-cycle, the most important task is to measure event sponsorship’s impact on the brand image. There is no universally accepted technique for measuring the value of event sponsorship or the return on sponsorship investment. A common way of evaluating effectiveness of sponsorship is to monitor media exposure. (Meenaghan, 1995)

#### **5.1. Measurement of the impact of event sponsorship**

The impact of event sponsorship should be evaluated before, during, and after the event (Tuori, 1995). This argument sounds trivial, but it is interesting to notice how often professionals forget the importance of proper measurement. Lindblom (8.9.2004) argues that brand’s goals need to be assessed in the planning phase. Hirvas (6.9.2004) goes even further and recommends that the impacts of sponsorship should be evaluated properly already at the planning stage. This includes evaluating how the sponsorship agreement can be used prior to, during, and after the event and what kind of impact one should expect from the sponsorship. Usually preliminary estimates (media plan) about e.g. number of audience and the media exposure of the event are available when planning sponsorship (Lindblom, 8.9.2004).

Hirvas (6.9.2004) argues that measurement of effects of event sponsorship is very difficult, but essential. However, in his opinion the most crucial questions to be answered are, if people have noticed the brand, what kind of feelings they got from the sponsorship, and did they act, i.e. buy the brand’s products. These questions reveal what the brand image is like and how it is perceived. (Tuori, 1995)

The easiest way of evaluating effectiveness of event sponsorship is counting the number of contacts at the event (Hyryläinen, 5.8.2004). Nevertheless, this number shows only the amount of people, but does not show people’s opinions about the brand. For this reason qualitative research and image surveys are needed in addition to the number of contacts.

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### **5.2. Evaluating media exposure**

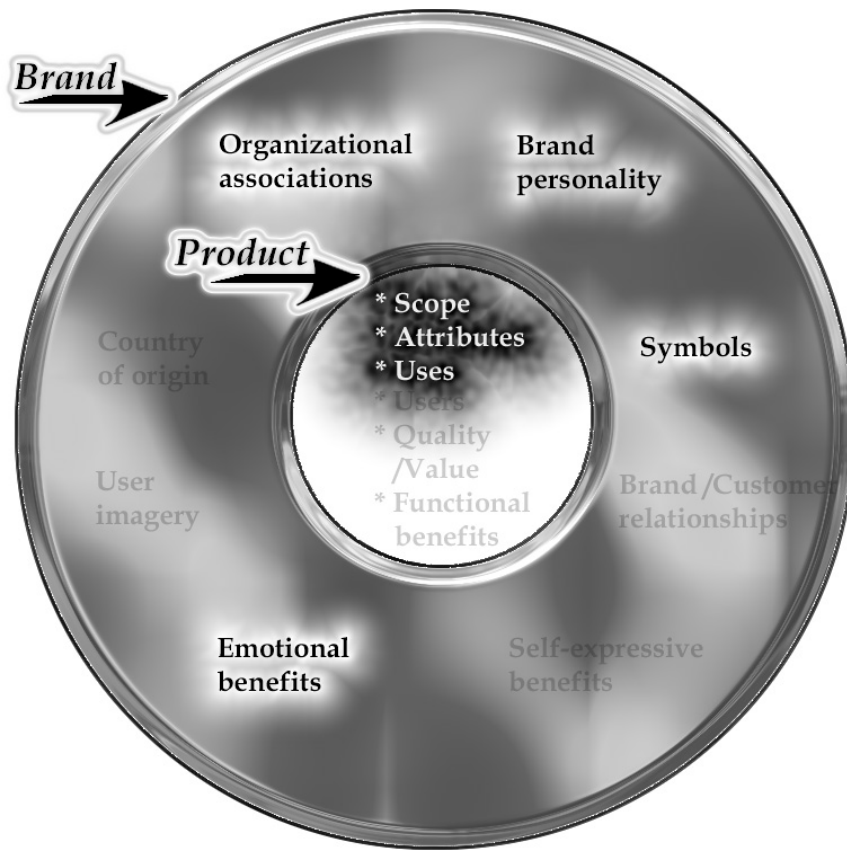
Monitoring media exposure is most often done by hiring a press cutting agency or another company that monitors broadcasts, provides transcripts whenever the sponsor is mentioned, and provides video tapes of television coverage (Wragg, 1994). Knowing the amount of minutes spent in television and radio, and the amount of articles that mention the name of the brand is a key in analyzing the impacts of event sponsorship (Lindblom, 8.9.2004). Some companies have a media monitoring division (Hirvas, 6.9.2004), but usually this function is outsourced to a company specialized in this function (Wragg, 1994).

Formulas have been developed to calculate the value of media exposure in contrast with newspaper advertisements of the same size. The task of press cutting agency is to count “hits” in different media. This result can be analyzed by the company that owns the brand, as shown the Volvo Tennis case. (Meenaghan, 1995).

### **5.3. Qualitative research**

In our opinion, a qualitative survey for people that have attended the event is the best way to investigate how the event has impacted peoples’ attitudes towards the brand. A product and a brand are separate concepts. Hence, when measuring the impact of event sponsorship, these two notions should be kept apart. A brand is often loaded with symbolic meanings which are many times beyond physical attributes of the product. Impact on the intangible (brand) and tangible (product) brand identity elements can be identified with these surveys. (Aaker, 1996; Kotler, 2000).

The intangible elements that should be investigated are organizational associations between the brand and the company, emotional benefits from the event, brand personality, and how well people recognize the brand symbol. Further, product scope, product attributes, and ways to use the product are the tangible identity elements that should be researched. (Aaker, 1996) Figure 5.6 highlights the brand identity elements that we find most relevant at the termination stage.



**Figure 5.6:**  
**Brand identity**  
**elements in the**  
**termination**  
**phase (adapted**  
**from Aaker,**  
**1996)**

Event sponsorship can be argued to affect the brand image directly. In the visitor's mind, the brand is connected to the context of a particular event and its atmosphere, which can have positive or adverse effect or no effect at all (Aaker, 1996). The most common way to research impact on brand image is to perform interviews after the event individually or in groups among people that have visited the event (Tuori, 1995). However, Lindblom (8.9.2004) postulates that interviews should be made also during the event, in order to find out what people think about the brand and how the brand fits to the event. Mark (19.7.2004) states that L'Oréal Paris makes surveys by placing phone calls to people who have entered their competitions. These surveys are often related to other products or launches than what the competition has been about.

In addition to follow-ups sponsors make image surveys in certain intervals. These surveys show possible changes in the brand image, but the cause of the change is usually difficult to identify (Lindblom, 8.9.2004). An example of an image survey is national juice survey made by Valio biannually. This survey is used to measure the recognition and sales of different juices, both own and rival brands (Harki, 8.6.2004). However, the changes in sales and attitudes can not be attributed solely to event sponsorship, but depend on many other things, as well.

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Hirvas (6.9.2004) points out possible negative effects of an event. He argues that a sponsor should analyze possible threats before entering an event in order to minimize the negative effects. These harmful happenings are not always visible at an event and should be investigated afterwards. Qualitative research is the best instrument to reveal negative as well as positive impacts on the brand image. Image surveys are good indicators of the overall state of the brand image, but customer interviews give a better picture of how some individual marketing act is influencing the image.

Some brand managers do not do any kind of follow ups after an event, but lean on image surveys made once or twice a year (Harki, 8.6.2004). However, according to Hirvas (6.9.2004) and Lindblom (8.9.2004) this is not sufficient because it does not give the opportunity to monitor a single marketing act. Furthermore, planning of upcoming sponsorships is easier if the impact of previous acts has been identified.

Different parts of the population have different views of the sponsorship (Meenaghan, 1995). Hence, the big picture is not always adequate and consequently companies are investigating how event sponsorship is affecting different segments. Target group has different physical and emotional involvement with the event and the sponsor (Eilander and Koenders, 1995), which makes this kind of research important. Different levels of proximity (Eilander and Koenders, 1995) represent all groups of people visiting an event. Therefore the model, presented previously in figure 2.2., is a useful tool when evaluating how event sponsorship influences the brand image.

### **5.4. Follow-up with coupons**

The easiest and most common way of doing follow ups about event sponsorship is coupons. There are basically two ways of using coupons in follow ups. A competition with a brief survey can be arranged (Tuori, 1995) or coupons can entitle to reductions of brand's products in certain stores (Toivola, 24.6.2004; Hyryläinen, 5.8.2004). In the case of a competition, the number of encounters can be simply counted. In the latter case the number of coupons dealt out in the event (number of contacts) can be easily compared to the number returned to stores (number of actions). (Toivola, 2004). In in-store events the change in sales is the best indicator of the effectiveness of the event.

### **5.5. Potential pitfalls related to the termination phase**

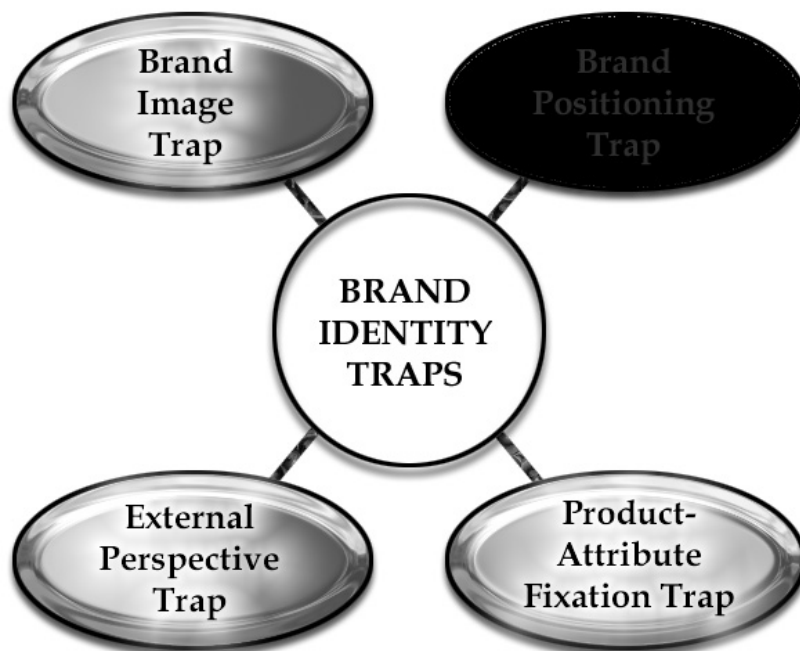
In the terminal stage a company has to evaluate if event sponsorship has been effective or not. It can be done by evaluating the marketing act with brand identity traps introduced by Aaker (1996). There are four common traps but we

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thought that only three of them are important at this phase; brand image trap, external perspective trap, and product-attribute fixation trap (Aaker, 1996). Figure 5.7 exhibits our interpretation of the model in this context.

### 5.5.1. Brand image trap

Investigating the brand image after the event is important, because the desired brand image should be identity driven. Customer interviews show if the brand image is in line with the brand identity set by the company. A company has to be certain that it does not allow the customers to dictate what the brand is and what it will be (Aaker, 1996). The interviews should be made during and after every event to get accurate information. Image surveys made once a year do not show which marketing act has had the impact on the brand image. (Lindblom, 8.9.2004).



**Figure 5.7:**  
Brand image traps in the termination phase (adapted from Aaker, 1996)

### 5.5.2. External perspective trap

Researching the external perspective trap shows if the personnel has been successful planning and executing sponsorship. This trap occurs if company focuses too much on the external perception and neglects committing people within the organization to the brand (Aaker, 1996). Hirvas (6.9.2004) points out that competent personnel is crucial to get the best outcome from an event. Customers can interpret if a person working for the company is not committed for the company and motivated. Furthermore, people working at an event have to be able to state what the brand stands for. (Aaker, 1996). Questions about the

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personnel and service received at the event should be included in the interviews to get even better results when sponsoring an event next time.

### ***5.5.3. Product-attribute fixation trap***

Product-attribute fixation trap takes place when management of the brand focuses too much on product attributes and ignores the meaning of the brand. The amount of product attributes is limited and the competition might have exactly the same ones. Therefore, intangible factors have to be considered already when planning event sponsorship. (Aaker, 1996). In our opinion, in the termination stage when interviewing people, it is important to get to know what they think about the product and how they feel about the brand. This knowledge is crucial because consumers make the decision to buy according to their feelings. If they remember the atmosphere from the event and associate it with the brand, it might be enough to make the purchase decision.

## **6. Summary of the analysis**

To sum up the meaning of event sponsorship to the case brands, a table (figure 5.8) was prepared to highlight the different benefits and threats that different brands face with event sponsorship. The table presents the findings in a very concise manner and features the highlights of the major findings for each brand. When considering the overall benefit gained from event sponsorship, the food brands seemed to have a clear advantage over the other brands, as they all reported the benefit of quickly produced high-quality brand experiences. However, this does not imply that other than food brands could not benefit from event sponsorship, merely that food brands appeared to gain the most value for their investment in event sponsorship.

What we found interesting was that within the same company, L'Oréal Finland, the attitudes, perceived benefits and use of event sponsorship varied greatly. This, however, supports our general view of the importance of event sponsorship in our case companies, as the medium was not seen to possess strategic significance.

## *Analysis*

<b>Brand</b>	<b>Benefits</b>	<b>Threats</b>
Bertolli	Ability to produce numerous high-quality brand experiences	Risks associated with potential failure of event
Frezza	Introduction of new product to a crowd of opinion leaders	Potentially adverse effect from sponsoring only VIP-events
Knorr	Ability to produce numerous high-quality brand experiences	Exposure in the “wrong” type of media
L’Oréal Paris	Re-vitalization of stagnant products. New uses for products exhibited. Increase in sales through event-related sales campaigns	Low number of contacts in comparison to expectations. Lower than expected results due to lack of coordination
Maybelline	Low-cost visibility	Hard to justify investment due to problem in measuring results
Tropicana	Ability to prove difference in quality compared to competitors, possibility of reaching the proper market segment in person	Hard to identify direct benefits of event sponsorship in terms of sales and change in brand image

**Figure 5.8: Highlighted benefits and threats of event sponsorship for case brands (source: the authors)**



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## **VI Conclusions**

*In this final chapter, we will summarize the findings of our study and try generalize the results of our research. The results of the analysis will be reflected upon the study question and the research problem.*

### **1. Introduction**

Event sponsorship was generally seen as a potentially effective way of reaching the targeted customer segments. However, opinions differed on whether or not the medium was suitable carrier for “young” or weak brands. The “expert” opinion and reigning view was that brand awareness should be first built with alternative marketing procedures and only then should event sponsorship be used to increase the impact of the message. Problems related to the medium focused mainly on two issues: the amount extra work related to it and its unpredictability.

As stated earlier, the main study question of this thesis was “How do companies use event sponsorship to position their brands at different stages of the event sponsorship process?” As this question is rather broad and somewhat vague, we added a research problem, “Which elements of brand identity can be expressed through event sponsorship?” The following paragraphs will try to answer the study question and the research problem in a direct manner based on the analysis of the study results.

### **2. Summary of general findings**

As discussed earlier, the event sponsorship process can be divided into four distinctive phases: conceptual, development, implementation and termination. By far the most important task in the conceptual phase is the identification of fitting opportunities for sponsorship, i.e. events that fit the brand’s identity and that serves the appropriate consumer segments. Moreover, we found that three central points of consideration were noteworthy too: risk acknowledgement, partnership and media attention. These three issues affect the feasibility of the sponsorship investment greatly and must therefore be carefully reviewed before engaging in a sponsorship agreement.

The development phase of event sponsorship involves the planning of content for the event. The content, or the activity presented to the consumers during the course of the event and produces brand experiences that can increase brand recognition in the future and gain stronger brand loyalty.

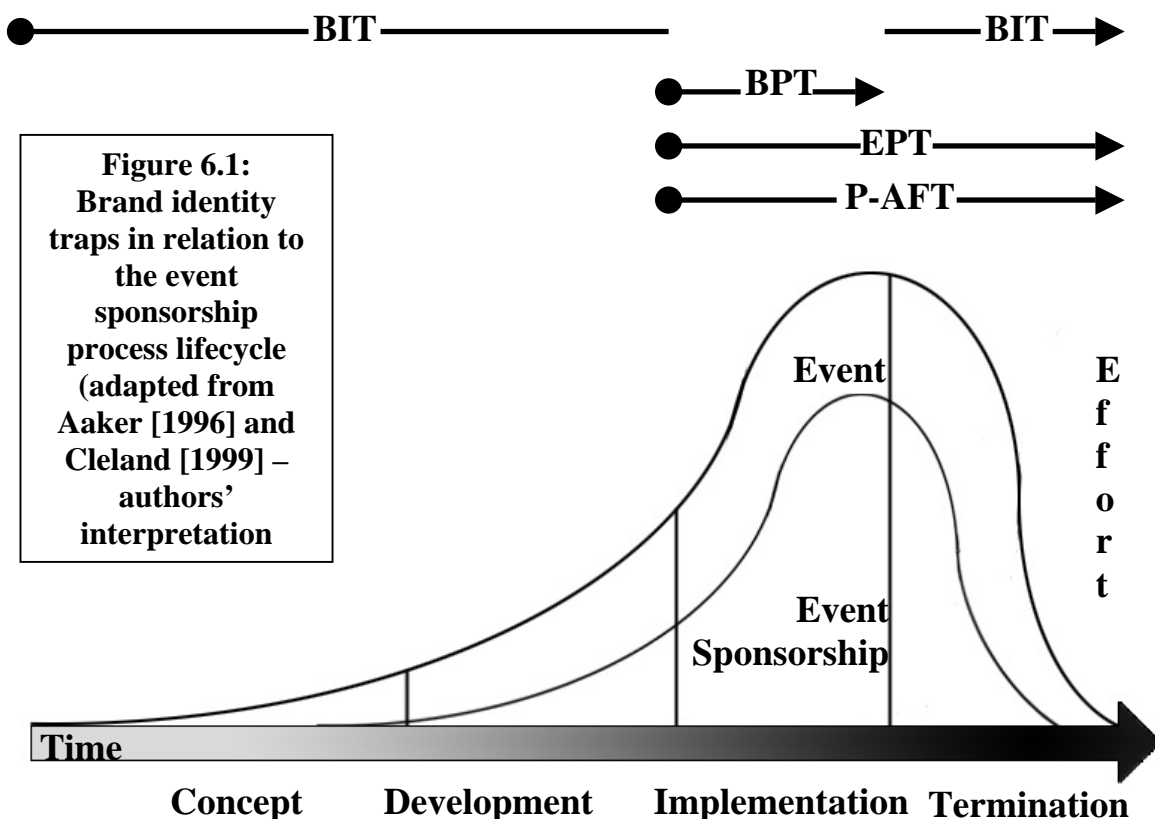
Two other issues that were seen as important points of consideration were the integration of marketing communication and the consideration of value for money. According to Lindblom (8.9.2004), intermedia communication can be

## *Conclusions*

most efficient when each channel has the same goal; therefore communication that is done through event sponsorship must be done in accordance with other marketing channels.

During the implementation phase, the most important benefit given by event sponsorship was the opportunity to bring the branded product to the reach of the consumer in person. With the combination of event personnel, the event's atmosphere and the product, the sponsor can create brand experiences that positively affect the consumer's opinion of the brand. We found that food brands have a great advantage in this regard, as they can easily prepare dishes in advance and distribute them to be consumed on spot, whereas e.g. cosmetics brands can either give out samples that are used elsewhere, which dilutes the brand experience, or offer the services of make-up or hair professionals, which takes more time and thus ultimately rules out many potential consumers.

The termination phase gives sponsors the opportunity of measuring the change in attitudes towards the brand and the effect on sales. The termination phase is also the time to review what has been learned through the whole process and what can be done to make the next sponsorship investment more successful.



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### 3. Propensity to fail at the different stages of event sponsorship

Just as different opportunities present themselves during the event sponsorship process, different pitfalls can be identified to be linked to the different phases. We noticed that propensity to fail correlates directly to the amount of effort required in each phase.

Before the event, in the conceptual and development phases, the amount of effort can be argued to be low. The risks involved in these phases can be seen to be related to the brand image trap (BIT) introduced by Aaker (1996). There is a low propensity to fail at this point because the sponsor can still end the sponsorship agreement without suffering any substantial damage.

During the event the propensity to fail is high, because the amount of effort involved is at the highest. By carrying out the plan poorly, the sponsor can waste the whole effort made in the previous phases. During the event, the number of variables is very high, which adds to the risk of failure. We think that of Aaker's (1996) brand identity traps, the brand positioning trap (BPT), external perspective trap (EPT) and product-attribute fixation trap (P-AFT) apply to the implementation phase.

As the event reaches its termination phase, the propensity to fail along with the level of effort involved descends. One can argue that the best results can be gained if measurement is done immediately after or during the event, whereas if measurement is done after a prolonged period of time, the risk of inaccurate results increases. Accurate results can be used for the planning of the next event sponsorship engagement. The brand identity traps involved in the final phase of the event sponsorship process are in our opinion the brand image trap, external perspective trap and product-attribute fixation trap.

### 4. Expression of brand identity elements at the different stages of event sponsorship

Discussions with our respondents led us to believe that the whole spectrum of brand identity elements as presented by Aaker (1996) in figure 2.5. can be expressed through event sponsorship. However, different stages in the event sponsorship process give an opportunity to communicate different elements. For example, the conceptual and development phases give a good opportunity to attach the brand to certain users, i.e. consumers, whereas the implementation phase is best used to portray the physical aspects of the brand and the brand personality. We feel that the sponsor must give all the stages of event sponsorship process equal attention; otherwise the benefits of the investment might not measure up to expectations.

## *Conclusions*

### 5. How is event sponsorship used to position brands?

As we expected, the main motivator for investing in event sponsorship was to gain access to the correct consumer segment and incorporate the goodwill created by the event into the brand image. As consumers may have emotional ties to events, sponsoring the right events can give an advantage that could not be gained through other media. Moreover, event sponsorship was stated to offer an opportunity to exhibit products in an appealing environment.

The main drivers for success in event sponsorship were stated to be selecting the right type of event and working with the “right” partners. One can argue that the target group to which the event appeals is always the main factor when selecting the event, but beyond that, the type of event and the partners are the most important. Working with different events and partners can give a different image of the brand, and in essence exhibit different elements of the brand identity, but the connection needs to be clear enough for the consumers to see. If not, the investment in event sponsorship can turn worthless.

At the time of the event, the most value was seen to be gained from the event personnel, the increased visibility of the brand and the opportunity to bring products to the consumer in a positive environment. The event personnel was seen to give a face to the brand and reflect the brand personality with their own personality. Using event personnel that is motivated and has high expertise was seen as key point in achieving good results from the investment in sponsorship, as they can improve the perceived quality of the brand. Moreover, expert personnel can exhibit the products’ different uses and functions to their full extent, thus enhancing the quality of brand experiences given to consumers.

The visibility can be increased on spot at the event grounds and through media exposure. Visibility in non-commercial media was seen as beneficial for the brand, because consumers tend to find non-commercial sources more reliable. Hence, the value of advertorials was seen to be much higher than commercials of equal size or duration.

### 6. Final conclusions

As companies’ investments in event sponsorship continue to grow, the need for further research increases, as well. Our study covered a small number of companies and can thus only be considered a snapshot of how consumer product companies use event sponsorship to gain an advantage over the competition. Still, our study shows that the benefits sought from event sponsorship are much in line with what literature states.

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Out of our sample, the group that seemed to gain the most apparent benefit from event sponsorship was the **food and drink brands**. The main reason for this is that they are able to produce **high-quality brand experiences** for a great number of event visitors, as they can hand out product samples very quickly and still exhibit brand personality through their event personnel. Moreover, the food products can easily be given out in such a way that they must be imbibed on location, whereas e.g. cosmetics samples are rarely used on location. Cosmetics brands can arguably produce more memorable brand experiences on location by offering the services of e.g. professional make-up artists or hair stylists, but as these services take much more time than giving out food samples, the benefit gained by food brands can be argued to be greater.

The most apparent flaw in our respondents' use of event sponsorship, as we noted, was the lack of proper measurement of effects. As large-scale event sponsorship can involve huge investments, the benefits gained through it should be very clear and apparent.

## 7. Recommendations

Based on our findings, we would have to recommend that food brands focus heavily on event sponsorship as a form of marketing communication. The apparent ease of producing brand experiences coupled with the opportunity to prove the product's taste advantage offers food brand marketers great opportunities to diversify their marketing mix and bring their brand closer to consumers. However, we think that event sponsorship is a suitable marketing channel for most consumer products and other types of products as well, as it offers the possibility of giving a "face" to the brand and positioning the brand as a one that is interested enough about the consumers to meet them face-to-face.





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## *Appendix*

### **Appendix 1**

#### **Questions for the interviews:**

1. What role does event sponsorship play in your marketing mix?
2. What share does event sponsorship receive from your marketing budget?
3. How does your company combine event sponsorship in the overall marketing strategy?
  - How do you seek maximum gain from the sponsorship agreement?
  - How do you see that event sponsorship affects your brand image?
4. How does your company maximize visibility on the event grounds? (product samples, exclusive sales deals, competitions, marketing surveys etc.)
5. How does your company do research on the effects of event sponsorship?