


Chapter 5

Effect of Brand Familiarity on Sponsor Recall: Evidence from Swimming Competitions

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ABSTRACT

The aim of this study was to examine the effect of brand familiarity on sponsor recall. 196 respondents in China and Singapore were exposed to video clips from the 14th FINA World Championships held in Shanghai, China in 2011, and the 28th South East Asian (SEA) Games held in Singapore in 2015. It was found that respondents were more likely to recall familiar brands. The findings provided empirical evidence that commercial organisations should first consider the level of brand familiarity in the target market before embarking on sports sponsorship. This is because sports sponsorship is more effective when the brand is familiar with the target spectators. In addition, this study suggests that it may be more effective for commercial organisations that are not established internationally to consider sponsoring events that targets spectators from regions that they are already operating in. This will allow their sponsorship to be more effective.

DOI: 10.4018/978-1-7998-7707-3.ch005

EFFECT OF BRAND FAMILIARITY ON SPONSOR RECALL: EVIDENCE FROM SWIMMING COMPETITIONS

Sports sponsorship revenue has been growing particularly in the Asia Pacific region. According to industry estimates, sponsorship revenue in the region is expected to reach US\$12.2 billion in 2015 (Digital Market Asia, 2014). In part, this is due to the region holding a larger number of international sporting events including mega sporting events like the Beijing 2008 Olympics and the Delhi 2010 Commonwealth Games. In the near future, the region will again play host to the biggest sporting event in the world, the Tokyo 2020 Olympics.

Companies embark on sports sponsorship for various reasons. While these include communicating with the target consumers and driving revenue, sports sponsorship is more than a marketing communication tool as it allows companies to be involved in their community and enhance employee morale (Fullerton, 2010; Mullin, Hardy, & Sutton, 2007; Walliser, 2003). Given the large amount of monetary investment in sports sponsorship, however, it is reasonable to assume that for many companies, the primary aim is to derive some form of economic return from sponsorship.

Companies are interested to know if spectators are able to associate their brands with the sponsored sports event. This is reflected in the large number of studies spanning many different sports to investigate the effectiveness of sponsorship in terms of sponsor recall. In general, these studies have concluded that sports sponsorship can be effective as respondents are able to recall the sponsors. These studies have also established that sponsor recall is determined by several factors including brand familiarity (Breuer & Rumpf, 2011; Leng, Quah, & Zainuddin, 2010). Recalling sponsors involves a substantial degree of mental construction (Johar & Pham, 1999). When respondents are familiar with a brand, they require less cognitive resources to process the brands and hence, are more likely to recall them (Acar, 2007; Lang, 2000). This raises an interesting question for commercial organisations sponsoring international sporting events.

Many commercial organisations utilise the sponsorship of an international sporting event to raise awareness for their brands in multiple, global markets. When the sponsors are established international brands, the level of brand familiarity across markets may not differ significantly. However, there are also sponsors that may not be established internationally. As such, according to the literature, it is expected that the effectiveness of sponsorship can be different across markets. In particular, with the growing number of international sporting events held in the Asia Pacific region, commercial organisations from the region has been increasingly sponsoring such events even when they do not have an established international presence. These include recent entrants in the sportswear business like 361°, ANTA and Li-Ning from the People's Republic of China.

The aim of this study is to examine the effect of brand familiarity on sponsor recall. This study is part of a larger study examining sponsorship effectiveness in swimming competitions (Leng, 2017). It will provide empirical evidence on sponsorship effectiveness in international swimming events and provide industry practitioners, especially for brands that are not established internationally, directions for their sponsorship strategies.

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