The Effect of Fan Passion and Official League Sponsorship on Brand Metrics: A Longitudinal Study of Official NFL Sponsors and ROO

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Abstract

We examine the role of official NFL sponsorships in five primary categories to determine the relative effects of an official sponsorship on each element of the BAV brand equity model, Differentiation, Relevance, Esteem, and Knowledge among NFL fans versus non-fans over the 2008-2010 time period. Importantly, we compare the effects against primary competitors within each category targeting the same NFL fan audience. Results show the benefits of sponsorships over and above the brands' national campaigns. Category specific results show the importance of longitudinal participation and analysis including competitors and fans of the property versus non-fans otherwise exposed to the brand's marketing strategy.

1 Introduction

Prior research [1] on sponsorship effectiveness has (a) relied upon media equivalency models focused on brand awareness and recognition, (b) focused on snapshots of single-period performance, and (c) operated in deference to competitors' actions targeting the same audience segments. Official league and team sponsors in major categories are virtually all mature national brands. The goals for these sponsors are not awareness or recognition. Rather, they seek to activate the brand in the minds of fans in hopes of transferring that passion to their brands—thereby enhancing brand image and ultimately brand usage.

An important issue is whether or not the sponsoring brand advances against the leading brand (or chief competitors) among fans of the property. Competitors also maintain sponsorship strategies targeting sports fans. For instance, Sprint may be the official sponsor of the NFL, but the other wireless brands sponsor other leagues (NBA, MLB, etc.) and properties (AT&T Center in San Antonio, the Verizon Center in Washington, D.C.). The overlap between league fans—particularly between the NFL as the most popular league and other major leagues—suggests multiple routes to the same market.

Relatedly, chief competitors may choose to not spend the official sponsorship fees in favor of aligning its brand with the sport through other means. An important issue is whether competitors are achieving comparable gains among the same target market of fans without acquiring property rights. The issue of ambush marketing is an old question, but, again, one addressed on the basis of brand recall snapshots [2] rather than more suitable brand objectives considered over the course of the sponsorship contract. While academics and media [3] decry the fact that consumers confuse official sponsors, they are missing the more important point of consumer engagement that transfers the fan passion for the property to the brand. From the brand's perspective, the issue has more to do with whether or not an official sponsorship supplies inventory and access to fans otherwise unattainable and central to the brand strategy and its success vis-à-vis competitors.

We address three key questions in this research. What is the process by which sponsors transfer fan passion to their brands? How can we model and measure the process? What are the longitudinal effects over the course of a sponsorship contract on key brand metrics among fans of the property relative to competition?

2 Background

The importance of achieving objectives relative to the brand components briefly defined below is well-established: [4]

1. brand knowledge: an intimate understanding of the brand by the consumer
2. brand esteem: how well regarded the brand is by the consumer
3. brand relevance: how appropriate the brand is to the consumer
4. brand differentiation: the brand's point of difference that makes it distinct from competitors

Ideally, sponsorships engage fans in a way that gives them a more thorough understanding of the brand. When Dunkin' Donuts engages Red Sox fans with the "What are you drinking?" campaign featuring team players, fans learn more about the brand's iced coffee products and closely associate the brand with the team. Along with tickets distributed to fans "Caught Cold" drinking a Dunkin' Donut iced coffee, fans' esteem for the brand builds and the brand is more relevant among Red Sox fans. These effects taken together should serve to differentiate the brand from competitors among Red Sox fans.

Others in the Boston area who are not baseball fans in general, or Red Sox fans in particular, can serve as a control group to compare the effects of the sponsorship. All else equal, non-fans are exposed to Dunkin' Donuts national and regional campaigns not associated with the sports property. They just aren't attending games, watching games on TV, listening to games on the radio, visiting the team website, and are otherwise inattentive and unengaged with the sponsorship. Due to involvement processes, even when exposed, non-fans are unlikely to attend to such sponsorship-related exposure. [5]

Accordingly, we expect that a comparison of brand attitudes among non-fans with fans of a property should result in more favorable perceptions of sponsors (compared to non-sponsors) among fans. However, we do not conduct this study in a vacuum. To continue with the Dunkin' Donuts allegory, the brand already maintains sponsorships with the remaining major league teams in Boston. But, what about in Dallas, where it is the official sponsor of the Dallas Cowboys and competitors sponsor other prominent franchises such as the Texas Rangers and Dallas Mavericks? Sponsors in these situations should also monitor competitive inroads in achieving the same brand objectives with the same target audience. Such results would reveal, in part, the value of the rights fees versus other competing brand investment opportunities and provide insights into competitors' strategies.

3 The Study

The timing of our study is important. Brand values deteriorated to historical lows following the market collapse in September 2008, corresponding with the kickoff of the NFL season. Corporate sponsors in the banking and credit card industries were particularly challenged as to the value of sponsorship investments when also receiving government bail-out money. Overall, a negative media and consumer attitude prevailed against corporate sponsors. [6] Consequently, this study provides an opportunity to evaluate the value of these official sponsorships in overcoming such attitudes.

Drawing from a national brand assessment panel of 16,000 consumers representative of the national population, data were collected over the course of three years (quarterly, 2008-2010) regarding official sponsors (*)of the National Football League, along with their chief competitors, in the banking (Bank of America*, Chase, Citibank), beer (Coors Light*, Bud Light, Miller Lite), credit card (VISA*, Discover, MasterCard), pizza (Papa John's*, Pizza Hut, Domino's), and telecommunications (Sprint*, AT&T, Verizon) categories. Each of the official sponsors was at least in the fourth year of their sponsorships at the beginning of the study and all remain as official sponsors.

NFL fans were identified as those indicating higher usage (occasional or frequently watching or attending NFL games) or preference (one preferred or one of several preferred to watch/attend) for the NFL, compared to non-fans indicating lower usage (have watched/attended, but don't anymore or never watched or attended) or lower preference (only watch/attend if no convenient alternative or would never watch/attend).

The initial model was estimated using multivariate analysis of variance (MANOVA) with the time period (12 quarters beginning in the third quarter of 2008 and ending in the second quarter of 2011), fan vs. non-fan, and sponsor vs. non-sponsor as the factors. The dependent variables included the focal objective of brand differentiation (summed factor score of brand attributes: distinctive, unique, different) and brand measures employing 7-point scales:

a. brand knowledge ("Never heard of—Extremely familiar"),
b. brand esteem ("Extremely low regard—Extremely high regard"), and
c. brand relevance ("Not at all relevant—Extremely relevant).

4 Analysis & Results

The initial MANOVA (N = 119,885) analyzed the effects of time (12 quarters), sponsorship (5 official vs. 15 non-sponsors), and fan affinity (30.6% fan vs.69.4% non-fan) on brand knowledge, esteem, relevance, and differentiation. The results revealed the expected significant three-way interaction between time, sponsorship, and fan affinity (Wilks Lambda = .999, $F_{44, 458456}$, p < .0001). The interaction effects were significant (p ≤ .02) for all four dependent variables (relevance, knowledge, esteem, differentiation). Considering all official sponsors (vs. non-sponsors) collectively, the strongest effects were for brand relevance. Figure 1 illustrates that over time brand relevance increased among NFL fans (vs. non-fans) for sponsors (vs. non-sponsors).

A second MANOVA (N = 31,864) was run to examine the specific quarters (Q4) corresponding with the NFL season in 2008, 2009, and 2010. While the other quarters are important (and mirror Figure 1), the brand activation for the sponsorship is principally during the season (September-December) when effects should be most pronounced. In this analysis, we included the five market categories (banking, credit cards, beer, restaurants, and telecommunications) as a factor to determine if the effects were category-specific—and therefore not generalizable to each of the official sponsors. No interaction materialized, confirming that the effects hold between all of the official sponsors versus non-sponsors.

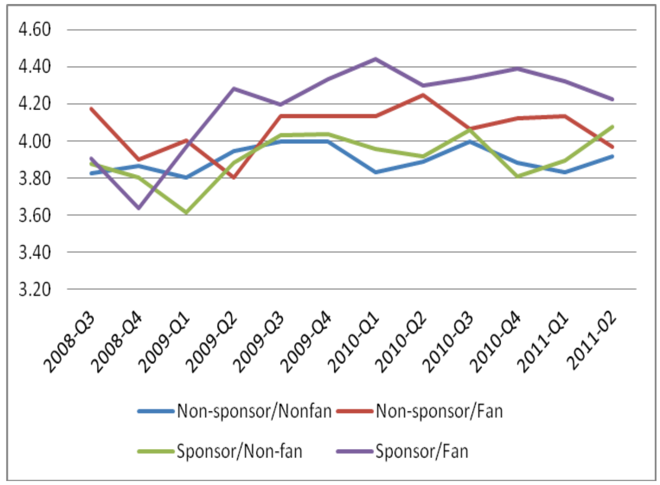
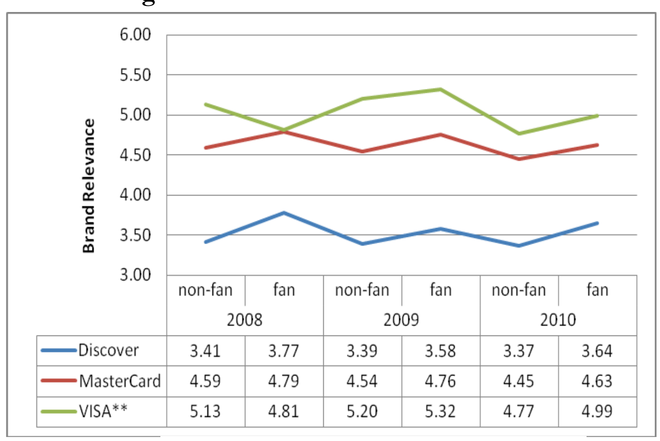


Figure 1 Brand Relevance 2008-2010

Similar to the first model, the effects experienced during the three NFL seasons reveal a favorable pattern for NFL sponsors (vs. non-sponsors) among fans (vs. non-fans). The three-way interaction is significant (Wilks Lambda = .999, $F_{8, 63698}$, p < .001), driven by the significant effects for brand relevance (p < .001), knowledge (p < .003), and esteem (p < .007). The effect on brand differentiation lags behind, not showing a significant uptick until the 2010 season for sponsors among NFL fans (p < .10). Figures 2a-d illustrate the pattern of results for all official sponsors compared to non-sponsors between fans and non-fans (p.4).

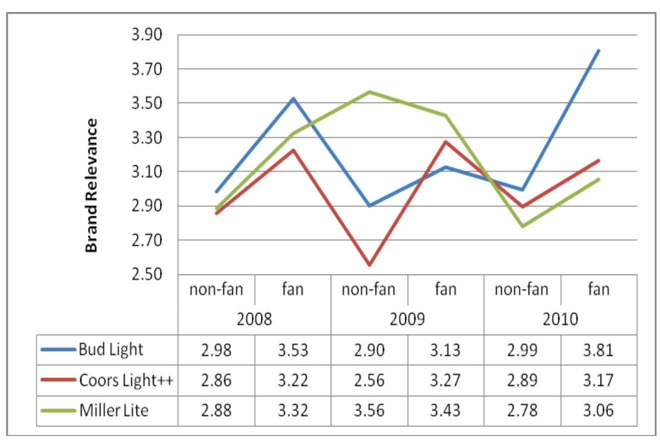


	2008 non-fan	2008 fan	2009 non-fan	2009 fan	2010 non-fan	2010 fan
Discover	3.41	3.77	3.39	3.58	3.37	3.64
MasterCard	4.59	4.79	4.54	4.76	4.45	4.63
VISA**	5.13	4.81	5.20	5.32	4.77	4.99

Figure 3 Credit Card Market

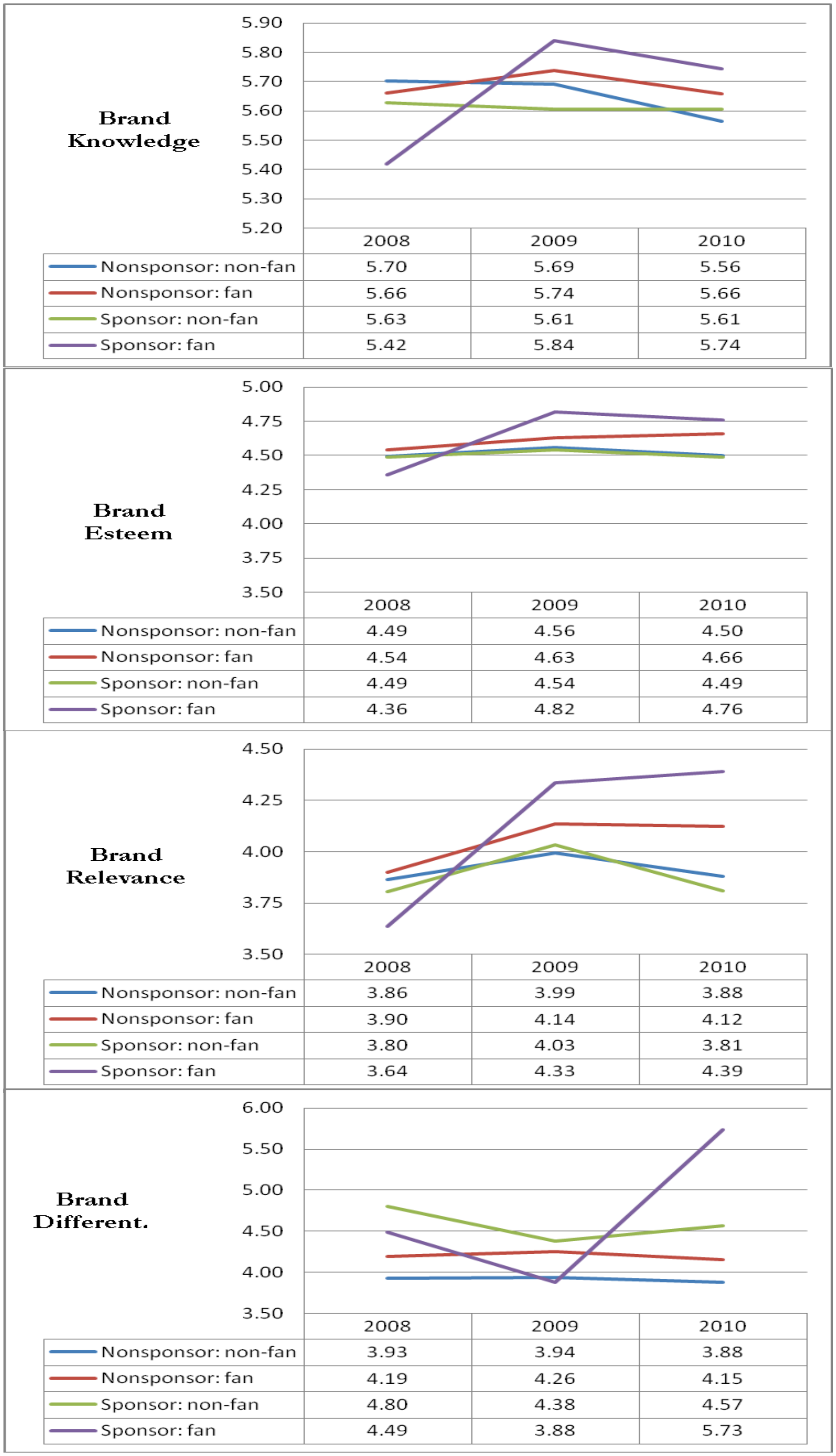
What of the value of the rights fees versus competitive strategies aimed at the same audience? We provide two illustrative examples focused on the credit card and beer markets considering brand relevance. Similar to the overall results of our study, official sponsor VISA recovers well from 2008, enhancing its position among NFL fans (vs. non-fans) and vis-à-vis MasterCard and Discover. Figure 3 depicts the results.

In contrast, consider the beer market. If considered in isolation, official sponsor Coors Light enhances its position among NFL fans (vs. non-fans) each year. Brand managers should be pleased with the results. But, what we find is that competitors Miller Lite (2009) and Bud Light (2010) take turns over the same time span to push ahead of Coors Light among NFL fans. Such results provide a diagnostic tool to assess the value of the sponsorship relative to intelligence gathered regarding competitors actions aimed at this fan group.



	2008 non-fan	2008 fan	2009 non-fan	2009 fan	2010 non-fan	2010 fan
Bud Light	2.98	3.53	2.90	3.13	2.99	3.81
Coors Light++	2.86	3.22	2.56	3.27	2.89	3.17
Miller Lite	2.88	3.32	3.56	3.43	2.78	3.06

Figure 4 Beer Market



Brand Knowledge

	2008	2009	2010
Nonsponsor: non-fan	5.70	5.69	5.56
Nonsponsor: fan	5.66	5.74	5.66
Sponsor: non-fan	5.63	5.61	5.61
Sponsor: fan	5.42	5.84	5.74

Brand Esteem

	2008	2009	2010
Nonsponsor: non-fan	4.49	4.56	4.50
Nonsponsor: fan	4.54	4.63	4.66
Sponsor: non-fan	4.49	4.54	4.49
Sponsor: fan	4.36	4.82	4.76

Brand Relevance

	2008	2009	2010
Nonsponsor: non-fan	3.86	3.99	3.88
Nonsponsor: fan	3.90	4.14	4.12
Sponsor: non-fan	3.80	4.03	3.81
Sponsor: fan	3.64	4.33	4.39

Brand Different.

	2008	2009	2010
Nonsponsor: non-fan	3.93	3.94	3.88
Nonsponsor: fan	4.19	4.26	4.15
Sponsor: non-fan	4.80	4.38	4.57
Sponsor: fan	4.49	3.88	5.73

Figures 2a-d

5 Discussion

This research addresses three key questions, which we discuss in turn.

What is the process by which sponsors transfer fan passion to their brands? Fans of a property gain intimate knowledge of brands through sponsorship engagement, thereby making the brand relevant and one which they hold in high esteem. The result is a brand differentiated from competitors. The results of this study show that the official sponsorship of the NFL provides a significant lift among NFL fans compared to non-fans. Using non-fans in a nationally-representative sample such as found in this study provides a control group that is otherwise exposed to the brand's national campaigns. The significantly higher perceptions among NFL fans on these four brand metrics for official sponsors (compared to non-sponsors) provides evidence that the sponsorship is effectively engaging fans and transforming attitudes critical to purchase behavior.

How can we model and measure the process? We measured both usage and preference for the property, giving us a gauge of the consumption level of media and events associated with the property. Additional analysis including purchase data demonstrates the relationships shown in Figure 5. Brands routinely track key metrics such as those included in this study. The issue comes in calculating the incremental effect of the sponsorship—which requires comparison between fans and non-fans and keeping all else equal (viz., with a representative sample of the population). Frequently properties and brands survey fan attitudes to assess brand position, but do so without comparison to non-fans and to competitors. In fact, properties often carefully guard against revealing such data (if collected at all).

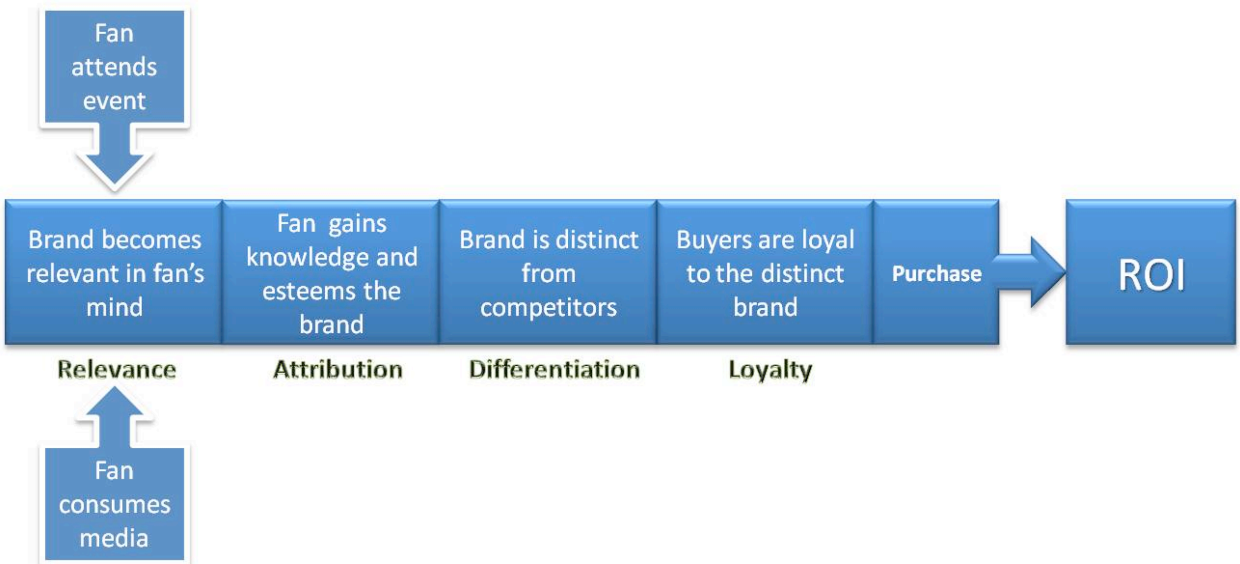


Figure 5 Transfer of Fan Passion to Brand

What are the longitudinal effects over the course of a sponsorship contract on key brand metrics among fans of the property relative to competition? An important contribution of this research is the comparison of brand metrics over time relative to competitors targeting the audience provided by the property. A review of Figures 2-4 suggest that the official NFL sponsorship is paying off across the five categories studied. In particular, although much maligned in popular media, sponsorships such as this appear crucial to helping tarnished brands recover following the market crash in 2008. Of some concern for brands such as Coors Light (Figure 4), competitors may be capitalizing on the same audience—and more effectively—without being an official league sponsor. In our view, this may say less about the opportunity afforded by the rights acquired in the sponsorship than the activation of these rights by the sponsor. Alternatively, competitive intelligence may uncover equally effective ways of achieving brand relevance leading to differentiation among fans of the property.

The results lead to the following important takeaways:

1. Passionate fans—those who watch or attend and prefer the NFL as an entertainment alternative—have more positive attitudes toward the official sponsors of the NFL than do less passionate fans. That is, brand measures

for brand relevancy, brand knowledge, brand esteem, and brand personality metrics improve among NFL fans compared to non-fans.

    a. Relevancy drives trial; consumers who consider a brand relevant will try it. Sponsors encourage this effect by offering trials of the brand during the experience. Sponsors who activate more touchpoints and offer a fan the brand experience can build relevance even faster while also building the other components of brand equity.
    b. Esteem leads to preference (high regard) and loyalty. A brand for whom a consumer has high esteem is a leader that offers quality. We find that esteem is also the key pillar to identify a fan of a team or a league (viz., they highly esteem the league). This esteem rubs off on the sponsoring brand, thereby helping reduce churn through increased loyalty. Consumers are often willing to forgive transgressions or setbacks of an esteemed brand compared to less-esteemed.
    c. Knowledge is about saliency, how well a consumer feels they really know a brand. If the consumer is coming to "know" a brand more through its NFL relationship they are picking up many of the NFL's positive brand attributes. Of course, this works both ways (e.g., when leagues are in trouble).

2. Over time, the official sponsors of the NFL improve their brand positioning vis-à-vis competitors and compared to the first period (or market lows, as seen here) of the sponsorship contract. Consequently, the findings emphasize the importance of continuing longer term contracts to build the effects and benefits of the sponsorship linkage.
3. Comparing non-fans (who are otherwise exposed to the mass media campaigns of brands) and fans of the NFL, additional brand usage data shows increases for sponsors' brands compared to non-sponsors. This drives not only the consumer funnel but also the brand equity of the sponsor brand.

Overall, we define and demonstrate a model for transferring fan passion to sponsors and are able to calculate the gains in brand-related behaviors. These gains can be tied to improvements in brand equity and firm value over time.

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