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This thesis was written as a part of the Master of Science in Economics and Business Administration at NHH. Neither the institution, the advisor or the sensors are - through the approval of this thesis - responsible for neither the theories and methods used, nor results and conclusions drawn in this work.

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The Effects of Socio
Sponsorships in Different
Levels of Reputation: The Role
of Communication Channel



# **Abstract**

By en engaging in socio sponsorships, companies can not only generate favorable consumer attitudes and enhance purchase intention, but in a long term perspective, they can build company image and strong stakeholder relationships. However, consumers' low awareness of and critical attributions towards the sponsorship activity still remain impediment in companies' attempt to benefit from the sponsorship, emphasizing a need for companies to communicate sponsorship more effectively to consumers. In order to fill a gap in sponsorship literature, this thesis examines how the choice of message channel might enhance trust and purchase intentions for low and high reputation sponsors in socio sponsorship, and whether the effects are mediated by persuasion knowledge, sincerity and fit.

The findings indicated that low reputation companies are better off communicating with advertisement, whilst high reputation companies proved to create more favorable consumer outcomes with PR. Socio sponsors want to balance commercial and altruistic motives because the support of a good cause might trigger skepticism make extrinsic motives more salient. As low reputation companies are perceived as less sincere, communication through third party sources might create a contrast effect that increases suspicion and perception of dishonest intentions. As such, low reputation companies are better off communicating through advertisement that is more transparent and direct in its form. Sponsors with a high brand reputation, however, will generate higher consumer outcomes by using third party communication. Consequently, sponsors ought to communicate through PR, historically known for generating sponsor trust and credibility (e.g. Ries & Ries; Yoon et al 2006). Moreover the study showed that a high reputation will have a positive effect on consumer's perception of sponsorship congruency. The findings are similar to what Roy & Cornwell (2004) found in their study on event sponsorships.

Foreword

First and foremost, I would like seize the opportunity to thank my advisor, Siv Skard, for introducing

me to the world of sponsorship by including me in her project with the goal of evaluating socio

sponsorship communication. Siv's encouragement, guidance and extensive feedback throughout this

process have been indispensable. I highly appreciated her commitment and enthusiasm, but also the

valuable input I received about statistical analyses. I truly admire her professionalism and passion for

sponsorship research that made the work much more awarding.

I am also very thankful for have been given the opportunity to write my thesis at the Department of

Strategy and Management at NHH. It's been inspiring to work in such an ambitious and academically

skilled environment. I am grateful to May-Britt Rød and Paal Fennell that gave me an office at my

disposal during the past semester.

Lastly, a special thanks to Jonas. Your support and patience have been invaluable. I would also like to

show my gratitude to fellow students, who gave me support and interesting feedback while writing

this thesis.

Marita Hagen,

20<sup>th</sup> of June 2011, Bergen.

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# 1.0 Introduction

### 1.1 Background

In a time of raising corporate governance and social responsiveness, many companies are taking on a desire to be perceived as socially responsible when both establishing and nurturing the support from key stakeholders. Therefore, corporate philanthropy is becoming progressively more important when planning and implementing efficient marketing strategies. Socially responsible programs, such as CSR (Corporate Social Responsibility), have become more relevant because of their direct effect on corporate reputation (Geue and Plewa 2010). As such, the knowledge about efficient execution of social initiatives has become vital. Moreover, a tougher business environment and increased competition call for companies to be more strategic in their marketing efforts. Corporate philanthropy might be an efficient way for companies to establish strong stakeholder relationships and to differentiate its business strategy compared to competitors. However, despite social programs' increasing popularity, little research has been conducted on consumer responses to those initiatives. Seeing that CSR literature refers to CSR as a broader term, there is a lack of empirical studies examining how sub disciplines of CSR, such as sponsorships, can be included in companies marketing strategies (Geue and Plewa 2010; d'Astous og Bitz 1995).

Sponsorship of sports, arts and causes has become a mainstream marketing communication tool (Cornwell et al. 2005). In their study, Cornwell et al. 2005 suggests that sponsorships need to be leveraged with additional funds in order to fully exploit their commercial potential. Choosing the right communication channel would prove to be an important part of sponsorship leveraging. As an overall goal, sponsorships usually aim to improve aspects of awareness, attitude and image or behavioral attention such as purchase intentions (Cornwell et al. 2005). Whereas sponsorships of sport and art tend be driven by a profit oriented motivation, sponsorships of social causes are often perceived as less persuasive and show altruistic motivation (Seitanidi and Ryan 2007). Due to its community orientation, social sponsorships are in many ways embracing the original ideas of sponsoring activity. Fundamental differences between commercial and philanthropic sponsorships should be considered when developing sponsorship communication strategies. Seitanidi and Ryan (2007) assume that consumers may be less accepting of a commercial message in socio

sponsorships than what seem to be the case for sport sponsorships. In an effort to reduce the risk of being seen as profit oriented while exploiting a good cause, sponsors of social causes seem to be more unwilling to communicate their sponsorships. Nonetheless, researchers (e.g. Cornwell et al. 2005) constantly insist on that sponsors of good causes must make their sponsorships known to the public in order to realize their commercial objectives. Therefore, more research on communication effects in a socio sponsorship context might be much needed.

This dissertation aims to be a contribution to the knowledge of how social sponsorships should be communicated by examining two different communication channels: PR and advertising. Research within a CSR context indicates that consumers' perception of a CSR initiative will depend on the channel through which it is communicated (Campbell and Kirmani 2000). Because both social sponsorships and CSR share aspects of altruism and social orientation, similar mechanisms in regards to their communication can be anticipated. Furthermore, Cameron and Bae (2006) call for a comprehensive understanding of how a good reputation may play a crucial role in benefitting corporations. Thus, establishing corporate reputations role in socio sponsorship communication will supplement the sponsorship literature on how to engage in good reputation management. A study conducted by Yoon et al. (2006) show that companies with a poor reputation engaging in CSR activities may experience a backfiring effect due to perceptions of exploitation. Similar effects of different levels reputation may be expected in social sponsorships and should be documented and considered when establishing sponsorship strategies. More specifically, an evaluation of the effects of reputation and means of communication on consumer outcomes should prove to be of great value to socio sponsorship literature.

### 1.2 Purpose

In order to make a significant contribution to the socio sponsorship literature, the main purpose with this dissertation is to make marketing suggestions on how to effectively communicate socio sponsorships discriminating for levels of brand reputation. CSR is believed to enhance corporate reputation (Simmons and Becker-Olsen 2006) but the level of brand reputation is also assumed to determine the success of a CSR initiative (e.g. Yoon et al. 2006). When studying the interaction effects between communication channel, brand

reputation and consumer outcomes, establishing potential mediating effects should be of high value. Persuasion knowledge, perceived sincerity and fit are expected to enhance consumer evaluations. This study contributes to the understanding of sponsorship communication channels by investigating the different effects on consumer outcomes among high and low reputation brands. This distinction has never been made in sponsorship research and will fill a gap in existing literature. This knowledge may help companies plan better strategies for corporate viability and reduce back-firing effects from engaging in social sponsorships.

Although widely popular, most company lack a clear goal of what they want to accomplish with their sponsorships. A Norwegian study showed that 59, 2 % of Norwegian companies tend to support social causes, but as much as 77, 3 % of the respondents confessed that they did not establish goals with the collaborations (Østmo 2010). There is an undisputable need for taking sponsorship seriously knowing the clear advantages that successful sponsorships may bring. Summed up, this thesis is a contribution to how managers can make strategic socio sponsorship planning possible, thus, the research question is as follows:

How can socio sponsors engage in effective leveraging of their sponsorships when adjusting for high and low reputation?

### 1.3 Structure

This master thesis begins with a review of the literature on sponsorships, determining the difference between socio sponsorships and other forms of social corporate involvement. The literature review then evaluates the role of communication channels and brand reputation in a socio sponsorship context. Secondly, the development of hypothesis and a description of the methodology employed follows. Then, a report of the findings and a follow-up discussion of the results provide an outlook on individual results applying the findings to socio sponsorship literature. Theoretical and managerial implication will be suggested from the outline of the discussion. At last, concluding remarks are presented with an outline of contributions to existing theory, limitations and future research.

# 2.0 Literature

## 2.1 Sponsorship

As global sponsorship spending grew 5, 2% to \$43, 2 billion in 2010 (IEG Sponsorship Report, January 2011) there has been an increasing interest among researchers and companies in revealing the effects of sponsorship. After a downturn following the recent financial crisis, the first half of 2011 marks the sponsorship industry's return to full health. In a North American context, the sport segment was the largest growing category, followed by entertainment, causes and then art (IEG Sponsorship Report, January 2011). Sponsorship is not a new phenomenon and can be traced back to the ancient Greek who sponsored their athletes during the Olympic Games. However, the notion of sponsorships being an important part of firm's marketing communication strategy is recent trend in the twentieth century.

The most commonly used definition for sponsorship describes sponsorship as "an investment, in cash or in kind, in activity in return for access to the exploitable commercial potential associated with that activity" (Meenaghan 1991). Consumers are by far the most studied stakeholder group in sponsorship literature. Research conducted in relations to North American and European sponsorships spendings indicate that firms' main sponsorship objectives are to increase consumer awareness and enhance corporate image (d'Astous and Bitz 1995; Cornwell et al. 2005), better purchase intentions, utilize services or to donate (Cornwell et al. 2005). Although sponsorship is becoming a major part of firm's marketing budget and surpassing traditional advertisement in annual growth rate, there is still little empirical research concerning how to effectively include sponsorships in firms' strategies. Although researchers conclude that sponsorships will have an impact on consumer awareness, few studies discuss how sponsorship influences consumer attitude and corporate image (d'Astous and Bitz 1995). CSR practitioners confirm that consumers favor socially responsible firms (Brown and Dacin, 1997; Webb and Mohr, 2000; Sen and Battacharya, 2001). Drawing parallels with sponsorships literature, it's documented that consumers are willing to pay a higher price for products produced by an ethical company or even switch brands in order to support companies that donate to charitable firms (Yoon et al. 2006; Pope 2010).

Both its nature and its goodwill aspect separate sponsorship from traditional advertisement. Where advertisement is regarded to be direct and persuasive in its form, sponsorship is indirect and requires an established link to a sponsored object in order to be leveraged (Crimmins and Horn 1996; Cornwell 1995). On the other hand, advertisement can be regarded as sponsorship's most prominent leverage (Cornwell et al. 2005). Because of its indirect form the term sponsorship-linked marketing has been used to describe how sponsorships are activated. Cornwell (1995) describe sponsorship-linked marketing as "the orchestration and implementation of marketing activities for the purpose of building and communicate an association to a sponsorship". Sponsorship shows clear philanthropic objectives by wanting to create goodwill (Keller 2008), however it should not be confused with pure philanthropy due to its clear and underlying commercial motives.

Attribution theory can be used to explain how consumers infer a motive for the sponsorship behavior (Rifon et al. 2004). Corporate social initiatives might enhance a company's image when consumers infer sincere motives, become ineffective when motives are unclear and even hurt the company's image when motives are regarded as dishonest (Yoon et al. 2006). Perceived sincerity might be affected by variables such as benefit salience of the cause, the supported cause or the message sender (Yoon et al. 2006). In fact, a high communicated benefit salience hurts the company, especially when the company itself is the source as opposed the sponsored entity (Yoon et al. 2006). Altruistic motives will provide the foundation for sincerity and enhanced costumer attitudes. Reversely, when the sponsor communicates clear commercial motives, negative consumer reactions may arise and damage the corporate image (Rifon et al. 2004). However, a study by Weeks at al. (2008) show that a low fit with the sponsored object might moderate these effects. Generally, companies want to reduce consumer perceptions of extrinsic motives in order to prevent thoughts about corporate exploitations and other negative outcomes (Dahl and Lavack 1995). In a sponsorship context consumers might perceive sponsorship activities as either being self-promoting or as a charitable donation (Rifon et al. 2004). Consumer motive attribution may be determined by previous experiences or individual traits, or even by company strategy and message characteristics (Rifon et al. 2004). On the other hand, consumers seem to grow increasingly conscious about the necessity for companies to be profitable, and therefore consumers are becoming more comfortable with the idea of companies having both altruistic and commercial motives (Rifon et al. 2004). According to theory on persuasion knowledge it's believed that a high level of elaboration activates resistance towards the sponsorship message (Petty and

Cacioppo 1981). A lack of fit between the sponsor and sponsor object is believed to increase consumer elaboration and the possibility to infer commercial motives and weaken beliefs in altruistic motives. On the other hand, sponsorship congruence will generate lower levels of elaboration, increase altruistic motives and minimize consumer skepticism (Rifon et al. 2004, Simmons and Becker-Olsen 2006). However, a study conducted by Speed and Thompson (2000) found a negative correlation between a high congruence and consumer responses in sport sponsorships explained by consumers inferring insincere motives. Similarly, d'Astous & Bitz (1995) demonstrated in their study on philanthropic sponsorships that a low congruence level between the sponsor and the entity would strengthen the genuinity of sponsors motives and intentions, and generate more positive consumer responses.

Traditionally corporate philanthropy was considered to be the most effective charity activity in order to reduce consumer suspicion because of its unconditional nature, however recently even charitable giving has shown to generate consumer distrust (Bae and Cameron 2006). Sponsorships communication increasingly resembles traditional advertisement in integrating ad elements (e.g. logos, brands, slogans etc.), as such; commercial motives might easily be linked to sponsors' motives (Weeks et al. 2008; Rifon et al. 2004). Consequently managers need to be cautious when communicating their sponsorships in order to balance commercial and good-indented motives.

# 2.2 Socio sponsorships

In times when consumers demand corporate social awareness to a much higher extent than before, researchers can now happily document that sponsors will in fact benefit from being socially responsible. Not only will they gain an enforced reputation, but it is documented that cause sponsorships will enhance corporate positioning and firm equity (Simmons and Becker-Olsen, 2006). Also, as mentioned, consumer are more likely to purchase a product from a company that is social responsible (Yoon et al. 2006; Pope 2010).

Social sponsorships is essentially the "sponsorship of social and environmental issues" (Geue and Plewa, 2010:230) and is characterized as a CSR initiative used to influence the perception of an organization held by its stakeholders, especially by consumers. However, positive consumer perception may be closely linked to a company's prior reputation and, when negative, an unfavorable perception can trigger consumer suspicion towards the social

initiative. A study have shown that consumers that perceive a company reputation as bad, may infer incompatible motives leading to suspicion of altruistic motivation (Bae and Cameron, 2006).

Companies use social awareness initiatives as a strategic tool in order communicate corporate character to, and maintain support of, consumers and other stakeholders (Geue and Plewa 2010). Socio sponsorship is regarded as a key element in order to be successful and might be measured by the level of relevancy and expectancy (Geue and Plewa 2010). Furthermore the authors found that when socio sponsors are driven by corporate values, strategy and a wish to please its stakeholders, the probability for being seen as a socially responsible is high.

CSR and socio sponsorship differ in objectives, challenges and activation techniques (Pope 2010). Whereas CSR is seen as being a corporate investment managed by corporate communication teams, socio sponsorship is seen a CSR sub discipline put in place to support grassroot causes, build brand trust and engage with consumers directly (Pope 2010). Compared to traditional channels which are used for CSR, the social media is used to empower mass involvement and the tone of voice is empowering rather than instructional (Pope 2010).

Socio sponsorship and CSR share the same philanthropic origin (Pope, 2010). Although they are referred to as separate contributions in the corporate community involvement literature, they embrace many of the same ideas (Pope, 2010) that perhaps should have been shared to a higher extent. Hence this dissertation will give examples of how both CSR and sponsorship literature may be integrated to get a fuller understanding of the mechanisms of socio sponsorship.

# 2.3 Corporate Community Involvement

As collaborations between the non-profit sector and profit-sectors have become more frequent, the term corporate community involvement (CCI) has emerged to describe the interaction between the two sectors rather than a one-way philanthropic donation (Seitanidi and Ryan, 2007). The term CCI includes corporate philanthropy, sponsorship and cause-related marketing, and more recently added, corporate partnerships (Seitanidi and Ryan, 2007). Geue and Plewa (2010) say that sponsorship and cause-related marketing can be

regarded as CSR initiatives used to influence the latent perception of the organization held by stakeholders. Thus, adopting the latter notion of CSR, the concept can be used as an umbrella term that encompasses various forms of corporate support of social issues. For instance, social sponsorship is an effective medium through which a firm can communicate its corporate social responsibility to key stakeholders (Geue and Plewa 2010).

Charitable donations are linked to in cash or in kind offerings from a business to a non-profit organization (Cutlip 1994) where the underlying motive is altruistic through one way donations without expecting economic or non-economic returns (Seitanidi and Ryan 2007). Beneficiation, however describes individuals' contributions that are driven by self interest (Seitanidi, 1999), but contrarily to patronage, beneficiation is not linked to any form of ownership (Skaltsa, 1992). Moreover patronage can usually be regarded as an altruistic form of support where an indirect award is expected (Skaltsa, 1992). Although fundamentally different, patronage and sponsorships have been described as the same term (Meenaghan 1984). Sponsorships have a nature of reaching several stakeholders, and thus, an ability to create goodwill (Crimmins and Horn 1996). Nevertheless, sponsorships are symmetrical in their ability to clearly map out benefits for both parties (Seitanidi and Ryan 2007). As sponsorships have become more commercially oriented, the demand for measuring and quantifying its actual effects has become noticeable (Meenaghan 1991; Quester and Thompson 2000). In fact, the separation from patronage becomes an important part of commercializing sponsorship as both their motives and recipients are different (Meenaghan 1984). Cornwell (1995) introduced the term sponsorship-linked marketing to the sponsor literature. In order for companies to fully exploit commercial opportunities they have to invest money to leverage sponsorships. Types of leveraging might be traditional advertisement, events, merchandise, promotions and so forth. Due to increasing focus on the sponsorships outcomes, especially the economic benefits, these sponsorships were for a long time called commercial sponsorships. On the other hand, the recent emergence of socio sponsorships clearly emphasizes the philanthropic origin of sponsorship, favoring other sponsor motives and choices of sponsor object than strictly commercial sponsorships (Seitanidi and Ryan 2007).

In socio sponsorships, the entity should always be a NGO, whereas in commercial sponsorships the entity could be an individual, a profit or NGO (Coutoupis 1996; Seitanidi 1999). Thus, the two forms differ in their legal status. More, social sponsorships aims, compared to commercial sponsorships, to support social issues. Wragg (1994) would even

call social sponsorship a hybrid between sponsorships and charitable donations. Coutoupis (1996:37) defines commercial sponsorship as "any kind of sponsorships action, with clearly defined commercial aims and especially the publicity/advertising through the mass media or sales promotion" and social sponsorship as "the financing and support of NGO's and/or activities of social context, from private businesses, with the exclusive compensation the credit of sponsors with social beneficence, comprising the transfer of resources from the private to the public-social sector" (Coutoupis, 1996:24). Thus, the symmetry in the compensation rewards for both the sponsor and the sponsee remain equally important for both extremes of sponsorships. Nevertheless, due to the clear commercial motives behind sponsorships, some practitioners have tended not to separate the two, creating even more confusion.

Considering socio sponsorships' overall goal, to be both profitable while supporting a good cause, sponsorship leveraging is regarded essential in order to reach out to the consumers. In order to fully reach its commercial potential, knowledge concerning leveraging mechanisms in socio sponsorship such as communication channels, becomes vital.

# 2.4 The value of a good reputation in socio sponsorships

In this section, theories that are important to illustrate the role of reputation in socio sponsorships will be discussed, including perceived fit and sincerity. A strong corporate reputation may bring several tangible and intangible benefits to corporate businesses such as favorable media coverage and strong stakeholder relationships (Bae and Cameron 2006). Fombrun et al. (2000:87) define corporate reputation as "a cognitive representation of a company's actions and results that crystallizes the firm's ability to deliver valued outcomes to its stakeholders". Studies show that reputation will enhance purchase intentions (Yoon et al. 1993), determine investor satisfaction and loyalty (Helm 2007) and build trust (Herger 2006). A good reputation can serve as a reservoir of goodwill that supports corporate activities. Ultimately, a strong reputation becomes an important criterion to differentiate between organizations. Indulging in philanthropic activities has for many companies been a way of positioning themselves as a response to a tougher business climate. Whereas some

practitioners questioned if philanthropy always leads to an enforced corporate reputation considering the perceived self-interested motives that may arise, recent studies show that a good reputation will reduce consumer suspicion (Bae and Cameron 2006). While in literature some researchers equate image and reputation (e.g. Bromley 1993), this study make a distinction between the two concepts. Rather, reputation can be seen as a synthesis of many images. Fombrun et al. (2000) conceptualize reputation as an aggregated perception and the evaluation held by many stakeholders

Corporate reputation encompasses various aspects such as product quality, investment value, people management and CSR (Sen and Battacharya 2001). Reputation might moderate the effectiveness of a CSR activity as consumers evaluate the companies according to pre-existing schemas (Sen and Battacharya 2001). Companies with good reputations are perceived as credible and are likely to succeed in their CSR investments, while low reputation companies' CSR marketing efforts receive low consumer support or might even backfire (Yoon et al. 2006).

On general terms, some companies seem to sacrifice ethical standards to huge short-term profits putting their local environment at risk. During the last decades many firms have suffered a loss of reputation. Considering the rise in humanly created disasters in the corporate environment indicates that many companies don't meet the public's demand for social responsibility. As corporate scandals such as the Exxon Valdez are becoming much too frequent, supporting social causes have become a valuable approach for companies in order to maintain, or even regain, a good reputation amongst its stakeholders. Especially industries with negative associations attached to them, such as the oil industry, seem to frequently use CSR activities in order to improve their image. Roy and Cornwell (2004) found that sponsors with high equity will influence the perceptions of congruency between the sponsor and the sponsored event. The authors justified this thought by explaining that high equity creates unique associations that consumers hold in memory. The study used the Persuasion Knowledge Model by Friestad and Wright (1994) and concluded that consumers, regardless of prior knowledge, utilized brand familiarity linked to high equity sponsors and then assimilated information about the sponsorship to create congruence. For low equity sponsors, however, only experts perceived less congruence than novices. Cameron (2004) showed that consumer responses linked to a bad reputation could vary only depending on past corporate reputation. CSR activities can be compared with naïve business theory (Yoon et al. 2006) that explains how consumers' value judgment of the company will create favorable or unfavorable consumer evaluations and is closely linked to attribution theory and persuasion correspondence bias. In short, those who are good do good things while those who are bad do bad things.

It's proven that firms that have a good reputation (e.g. measured by Fortune Reputation Index) show a greater ability to both sustain and retain on above average return on assets (Dowling 2001). A good corporate reputation brings several benefits to a company such as an improved image and a broader range of response mechanism if challenged by a crisis (Fombrun et al. 2000). However this is not the case when consumers attribute insincere motives behind the company's behavior. Companies' efforts might even backfire and damage a firm's image when their motives are perceived as dishonest (Yoon et al. 2006). Bae and Cameron (2006) found that consumers inferred corporate charitable giving as beneficial for both the company and the cause whenever the company had a good reputation. Contrarily, when the companies experienced a bad reputation, the charitable activities were regarded as being self-interested. In total, a bad reputation might create distrust when wanting to do god. Overall, a good reputation is always to be preferred to a bad one and will create operational, strategic and financial advantages (Dowling 2001). A high reputation firm might attract a talented work force, enjoy higher employee satisfaction and improve the firm's market position in addition to securing financial gains.

In sum, recent studies reveal that having a strong corporate reputation while doing good minimizes negative consumer thoughts about sponsors' motives. (Bae and Cameron 2006; Yoon et al. 2006). Cameron and Bae (2006) call for a comprehensive understanding of how a good reputation may play a crucial role in benefitting corporations. Thus this study, aims to supplement the sponsorship literature on how to engage in good reputation management.

### Sincerity

Theory on how sponsorship sincerity successfully affects consumer outcomes has been widely discussed in sponsorship literature (e.g. Speed and Thompson 2000; Yoon et al. 2006; Rifon et al. 2004). Nevertheless, researchers tend to confusingly use various terms such as credibility (Rifon et al. 2004; Carrillat et al. 2008), sincerity (Olsen at al. 2010; Speed and Thompsen 2000) or altruism (Dean 2002; Rifon et al. 2004) in order to describe the notion of sponsorship commitment.

Sponsorship credibility has overall been found to be positively correlated with significant consumer outcomes (Dean 2002; Rifon et al.; Speed and Thompson 2000; Olsen at al. 2010).

In general, sponsorship is compared to advertisement to be driven by less commercial motivation; however this effect has been proved to be significantly worsened when the sponsoring firms are viewed as insincere (Quester and Thompson 2000; Speed and Thompson 2000). Whereas sincerity is an acknowledged indictor for sponsorship success, few studies examine the basis of sincerity perceptions (e.g Rifon et al. 2004; Olson 2010). Olson (2010) found that fit and pre sponsorship attitudes were predictors of sincerity. In his study on credibility, Rifon et al. (2004) found that sponsor motives reflecting monetary gains will reduce the level of trustworthiness (Rifon et al. 2004). Furthermore, a higher level of congruency between the sponsor and the sponsored object will reportedly increase the perception of altruistic motives and sponsor credibility that in turn will generate favorable attitudes toward the sponsor (Rifon et al. 2004).

In sponsorship literature, the term fit has become much discussed subject. From a consumer perspective fit is often regarded as a perceived fit and is closely linked to a number of intangible associations (Aaker and Keller, 1990; Loken and Joiner, 1998; Drumwright and Braig, 2004; Simonin and Ruth, 1998). Hence the fit between a sponsor and a sponsored object is high when they are perceived as congruent based on their product, company or brand related associations. In fact, the firm's overall congruence with the sponsor object might reduce or increase the positive effects on the consumer. Sponsors that choose sponsor object with a high fit may experience positive effects such as enhanced brand equity, consumer attitudes and a clear positioning, whereas low-fit sponsorships may reverse these effects (Simmons and Becker-Olsen 2006; Speed and Thompson 2000; Rifon et al. 2004). Low perceived fit is in sum believed to have an unfortunate effect on sponsorships by increasing the consumer's cognitive elaboration, and thus, the possibility to infer negative thoughts, to retrieve persuasion knowledge and the possibility for making counter arguments (Simmons & Becker-Olsen, 2006; Rifon et al., 2004). In general, firm equity will increase with high fit, mediated by the sponsor's positioning and consumer attitudes. On the other hand it's believed that the negative effects of low fit sponsorships might be reduced by the use of efficient leveraging aimed at creating a fit or when making the sponsored object be the source messenger (Simmons and Becker-Olsen 2006). Communication from the sponsored object rather than the sponsor would yield higher perception of high fit. Created fit is believed to have similar effects as natural fit and higher effects than low fit, and that high levels of recall remain even one year after (Simmons and Becker-Olsen 2006). When companies experience a bad reputation, consumer might be suspicious towards sponsorship (Yoon et al. 2006).

Research indicates that consumers evaluate the company more favorably when the CSR activity is closely linked to the company's product, generating a lower level of consumer elaboration (Webb and Mohr, 1998; Sen and Battacharya, 2001). Roy and Cornwell's (2004) study that evaluated consumer responses among expert recipients or novices found that experts were more discriminating in their judgments concerning sponsorship congruence compared to novices whenever the sponsor has low brand equity. They also found that high brand equity sponsors were viewed as more appropriate matches to the sponsored events than their low brand equity counterparts.

In research on corporate philanthropy, credibility is not linked to the company's commercial operations, but on the company's motives when supporting a social cause (Alcañiz et al.2010). Consequently, company credibility in a philanthropic context describes to which extent the cooperation have the skills and experience necessary to establish a relationship with the social cause and its ability to express sincerity as a supporting partner (Newel and Goldsmith 2001).

Perceived sincerity shares many similarities to what in sponsorship literature is called motive attribution theory. Motive attribution explains how consumers infer motives for sponsorship behavior (Rifon, et al. 2004). In short, whenever the sponsor show clear altruistic motives, attitudes and credibility towards the sponsor enhance. Contrarily commercial motives are believed to lower consumers' perception of a company image and produce negative consumer outcomes (Rifon et al., 2004; Dahl & Lavack, 1995). However, this effect may be moderated by the sponsorship congruence, as congruent sponsorships are rated more favorably (Weeks et al. 2008).

According to theories of persuasion knowledge it's believed that a high level of elaboration activates resistance towards the sponsorship message (Petty and Cacioppo 1981). Sponsorship congruence will generate lower levels of elaboration that in turn will increase altruistic motives, minimize consumer skepticism and generate consumer appreciation (Rifon et al. 2004, Simmons and Becker-Olsen 2006). However, some studies have found a negative correlation between a high congruence and consumer responses (Speed and Thompson 2000; d'Astous & Bitz 1995) concluding that a low congruence level between the sponsor and the entity might, in fact, strengthen the genuinity of sponsors motives and intentions and generate more positive consumer responses.

Generally, companies want to reduce consumer perceptions of extrinsic motives in order to prevent thoughts about corporate exploitations and other negative outcomes (Dahl and Lavack 1995). In a sponsorship context consumers might perceive sponsorship activities as either being self-promoting or as a charitable donation (Rifon et al. 2004). Consumer motive attribution may be determined by previous experiences or individual traits, or even by company strategy and message characteristics (Rifon et al. 2004). On the other hand, consumers seem to grow increasingly conscious about the necessity for companies to be profitable, and therefore consumers are becoming more comfortable with the idea of companies having both altruistic and commercial motives (Rifon et al. 2004; Haley 1996). As sponsorships communication increasingly resembles traditional advertisement in integrating ad elements (e.g. logos, brands, slogans etc.), commercial motives are easily liked to sponsors' motives (Weeks et al. 2008; Rifon et al. 2004). Though, it's documented that perceivers become suspicious of the message whenever they have difficulty in inferring the motives behind the massage or they encounter multiple or incompatible motives (Yoon et al. 2006).

## 2. 5 The role of corporate communication in socio sponsorships

As sponsorships are viewed as static marketing strategies, establishing efficient communication channels, what is known to be sponsorship leveraging, are of high value in order to reach their full potential. One of the most important factors for achieving satisfactory consumer responses is to establish a link and an association between the sponsor and the sponsored object (Cornwell et al. 2005). A key challenge for many sponsors is not only to catch the consumer's attention and awareness, but more so, to generate a certain degree of recall. Crimmins and Horn (1996) suggest that sponsors that are able to translate recognition of their sponsorships into enhanced brand perceptions were successful in their sponsorship communication strategies. In this segment the role of communication in socio sponsorships will be discussed shedding a light on the two most prominent tools for sponsorship leveraging, PR and advertisement. Sponsorships is dependent on how effectively it's communicated and, not at least, through which channels. This study aims to explain how sponsorships effectively can be communicated through the channels PR and Advertisement, perhaps the most commonly used channels for communicating sponsorships (IEG Sponsorship Report, January 2011).

To engage in sponsorship communication is essential, in particular when there is a low level of congruence (Cornwell et al. 2005). In the case for some sponsors the consumer might be uncertain about who is sponsoring a specific cause, or even worse, mistakenly confuse the sponsor with its main competitors (Crimmins and Horn 1996). Thus, establishing a good marketing communication is vital for most sponsorships. Crimmins and Horn (1996:16) go as far as suggesting:"if the brand cannot afford to spend to communicate its sponsorships, then the brand cannot afford sponsorships at all". Cornwell et al. (2005) introduced the term leveraging to describe the collateral communication of a brand's link to an entity. Various communication tools can be used in order to create sponsorship leverage. Results from IEG (2007) show that traditional advertising and public relations activities are the most commonly used types of sponsorship leverage, used by 79% and 76% of the sample size respectively, followed by internal communication (71%), hospitality (67%), direct marketing (61%), B2B marketing (56%), internet tie-ins (51%), on-site sampling (49%) and sales promotion (49%) (Weeks et al. 2008). These results show the wide range of communication sponsor activities undertaken by the firms, and more importantly, that leveraging will forego simultaneously through different channels.

Leveraging is believed to promote sponsorship awareness and sharpen sponsor identification (Quester and Thompson 2000), enhance sponsor image and attitudes (Quester and Thompson 2000; Gwinner and Eaton 1999) strengthen differentiation and make ambush marketing less threatening (Meenaghan 1996). Moreover, when the reputation is suffering, corporate communication is indispensable in order to restore company image.

Both the content and the nature of sponsorships leveraging is believed to have an impact on communication effects. For example, a study conducted by Becker-Olsen & Simmons (2002) suggests that consumers exposed to a low fit condition compared to a high native fit expressed less favorable thoughts and behavioral responses; even in the cases when the fit was created. A recent study conducted by (Cornwell et al., 2006) concluded that articulation could increase the level of consumer memory for low fit sponsor-event pairings through establishing associative links. Collateral advertisement is believed to generate a high degree of consumer awareness; in a research conducted by Crimmins and Horn (1996) Olympic sponsors that made investments in advertisement were far more successful in creating a link than those who didn't, in addition, the long term investors supporting an integrated marketing program were much more profitable than short-term investors. As the link between the

sponsor and the sponsored entity in some cases might not be obvious, logical or natural, the company must communicate to the consumer how to interpret the link.

Weeks et al. (2008) found that activational web sites, meaning web sites that allow consumer to engage with the sponsor, generated more favorable consumer responses that non-activational sites due to a higher incorporation of the sponsorship. The researchers also concluded that non-commercial articulation had a favorable effect on attitudes compared to commercial articulation, and similar to previous studies (Petty and Cacioppo, 1984; Coppetti et al., 2009), activational communications were expected to be more favorable and enduring due to their involving nature. In general, strengthening the relationship creatively would, to a higher extent, increase consumer recall (Crimmins and Horn 1996).

Becker-Olsen & Simmons (2002) claims that when the sponsorship is communicated by the company itself, the consumer is likely to assume that the sponsorship is a way for companies to generate profits. Contrarily, the authors claim that using the sponsored object as the message source might influence consumers to focus on the social cause, and thus strengthens positively consumer reactions. However, consumers expect to learn about CSR activities from both the company itself and through unbiased media sources such as the press and editorial coverage (Yoon et al. 2006). Furthermore, if the consumers learn from a third party about the sponsorship meanwhile the company fails to advertise it, the effects remain somewhat vague (Yoon et al. 2006). Nonetheless, whenever the company advertises actively, commercial motives might be inferred increasing the consumer's perception of insincerity that, in turn, might generate backfiring effects such low company evaluations (Campbell and Kirmani 2000). Yoon et al. (2006) found that the company is perceived as the most sincere when the company supports a cause that is low in benefit salience and when they learned about it from a neutral source rather than the company itself.

Successful communication of social initiatives has many advantages including facilitating company objectives, creating positive consumer attitudes and generating goodwill (Geue and Plewa 2010). As such, this thesis is a contribution to the knowledge of how to effectively communicate socio sponsorships.

### **Public Relations**

Public relations (PR) is defined by Grunig and Hunt (1984) as "the management of communication between an organization and its publics". Grunig (1992) later describes public relations as the overall planning, execution and evaluation of both external and internal communications to its stakeholders who will either inhibit or facilitate the firm to reach its goal. However, when public relations are directed towards its costumer segment, it's referred to as marketing public relations (Shimp 2010). Shimp (2010) describes PR as being neutrally communicated messages from a third party, e.g. journalists, with no underlying strategic motives to change consumer perceptions. This thesis adapts Shimp's (2010) view on PR as an unbiased third party source. In other settings, PR will also encompass companies' strategic marketing efforts, making PR heavily company-biased as opposed to strictly unbiased.

Literature agrees on that communication of a social cause through a company source will trigger more skepticism and have less credibility than through a neutral source (Simmons and Becker-Olsen 2006; Sen and Battacharya 2001, Yoon et al. 2006). Sen and Battacharya (2001) even suggest that the less controllable the communicator is, the more credible it is. Thus, companies should strive for positive independent media coverage form unbiased sources.

Marketing researchers consider public relations as a function of continuous character that leads to a sustainable position of the company in its market (Kowal 2010). Dahlén (2009) suggest that using a non-traditional media will compared to traditional advertisement produce more brand associations than in a traditional medium. In fact, when the brand name is exposed in a novel setting, it might produce long lasting and dynamic effects on brand perceptions due to associative learning (Dahlén 2009). Maintaining these long lasting cues becomes relevant for consumers purchasing decisions because consumers usually don't make brand decisions during ad exposure (Keller 1987).

The renowned marketing strategist Ries argue in his book "The Fall of Advertisement and the rise of PR" (2004) that public relations techniques should replace advertisement when establishing a brand, reducing the role of advertisement to be a support function. Ries and Ries (2004) claim that the recent influx in advertisement volume has lowered consumer credibility and reduced the overall advertisement effectiveness. Secondly they suggest that advertisement has lost its focus, as the purpose has shifted from worrying about the profits to competing on making creative ads. On the other hand, PR fills the consumers need for trusted,

unbiased and consumer oriented communications (Ries and Ries 2004). An important aspect of PR is to get the company and its product recommended by third parties. Third parties are consumer-oriented and not affiliated with the company, making consumer more prone to accepting the PR content (Ries and Ries 2004). As a response to "The Fall of Advertisement and the rise of PR", Engeseth (2009) published a book criticizing the points made by Ries and Ries, claiming that today's smart consumers can see through PR messages in the media. Taking into consideration the recent online boom, PR is no longer a "third party", but just one of many voices. In fact, the lack of rules and increased competition has made PR easier to spot and is suffering a loss of credibility Engeseth (2009). The same author suggests that as repose to a tougher media climate and the need to show quick results, PR messages have started to sound desperate and fake. As such, this is an indication that marketers are still disputing whether PR is to be preferred to advertisement, and if so, in which situational contexts.

Even so, the last years have witnessed an explosion in the number of media channels. Advertisers are no longer choosing between a few options to place their ads, choices are limitless (Dahlén 2009). With the expansion of marketing arena, third parties can easily lose their credibility in a sea of public opinions (Engeseth 2009). More than often, company themselves use the term "PR" to describe own marketing efforts. With this in mind, a conceptualization of PR is much needed.

### Advertisement

The age of advertisement is changing, as globalization and technological innovations has made it possible for marketers to target consumers with approximately 3500 ads per day, virtually every form for promotional activity may seem to be a type of advertising (Schultz 1995). However, practitioners state that some marketing activities are not regarded as advertisement and are referred to as belonging to other categories, such as public relations and direct marketing (Richards and Curran 2002). In their research Richards and Curran (2002) claim that there is lacking valuable work on defining what advertisement is and might be, especially now when the field of marketing is facing constant changes. Their own definition is based on elements drawn from other practitioners' definitions in the past and is as follows: "Advertising is a paid non-personal communication from an identified sponsor, using massmedia to persuade or influence an audience" (Richards and Curran, 65:2002). In other words,

advertisement is the commercial intention of the seller to target the audience by using advertisement as a tool in order to generate the sales products or services. Shimp (2010) sees advertisement as a direct attempt to persuade consumers into purchasing a product.

Advertisement is believed to support the brand strategy and is thoughtfully considered and approved by the top management and aims to build long lasting consumer relationships (Engeseth 2009). Engeseth (2009) claim that when the sender is clear, as opposed to third party communication, it's easier to reach today's consumers. With the introduction of the social media where the third party voices are losing their integrity and consumers starve for content, advertisement is regarded as being more transparent and straightforward than PR (Engeseth 2009). Taking on Engeseth's view, advertisement is suggested as being a more efficient communication tool than third party communication for marketers in the digital area. Moreover, recent interactive technological improvements have made the non-personal element of advertisement more personal (Rust and Oliver 1994). The online marketing platform has successfully reduced the cost of doing marketing by going online and making targeting possible at a low, or even, at no cost (Richards and Curran, 2002).

### Persuasion knowledge

When establishing effective communication strategies, the knowledge of how persuasion knowledge will influence consumer's perceptions becomes important. Consumers have become increasingly better at recognizing marketing tactics and companies' persuasion attempts. Persuasion knowledge helps the consumers identifying how, when and why marketers influence them. Friestad and Wright (1994) explain how the consumers suspect and identify a firm's strategic attempt to try to change their beliefs, emotions, attitudes and decisions and have introduced a Persuasion Model where a consumer-agent persuasion interaction is described. Over time consumers develop personal knowledge about these persuasion attempts from being exposed by marketing strategies themselves and from learning about them from others, reversely these skills effect how consumers respond to marketing tactics (Friestad and Wright 1994).

Persuasion knowledge occurs when consumers' attention is directed towards an advertisement campaign or sales intention that generates thoughts about the motives and consequences of the marketing strategy (Friestad and Wright 1994). Yalch and Elmore-Yalch (1984) found in

their study that greater sender expertise led to greater persuasion when the message included quantitative information, but that sender expertise has no effect when the message was non-quantitative. Their explanation for this effect was outlined by using the Elaboration Likelihood Model (ELM) (Petty et al. 1983), indicating that a high level of elaboration among consumers made consumer outcomes less favorable. Moreover a study conducted by Artz and Tybout (1999) suggested that the consumer elaboration is high when the sender is a biased non-expert compared to a biased-expert when presenting a quantitative message. While incongruence and bias both prompt attention to the message, the combination of the two results in particular negative consumer responses (Artz and Tybout 1999).

A consumer's persuasion knowledge is used when consumers draw an inference that a persuasion motive may underlie a salesperson's behavior that in turn will affect the perceptions of the salesperson (Campbell and Kirmani 2000). Campbell and Kirmani (2000) suggest that both accessibility of persuasion motives and the cognitive capacity of the consumer will affect whether consumers use persuasion knowledge. When the marketing strategy shows clear commercial motives, both cognitively busy and unbusy targets use persuasion knowledge to evaluate the message (Campbell and Kirmani 2000). Contrarily, when an ulterior motive is less accessible, cognitively busy targets are less likely to use persuasion knowledge and evaluate to a higher extent the salesperson to be more sincere.

The mechanisms of persuasion knowledge guide the consumer's responses in such manner for them to reach their own personal goals (Friestad and Wright 1994). Consumers' persuasion knowledge stakes out which strategies will be most useful in order to reach the goal, and provides an evaluation the consumer's coping mechanism regarding the persuasion attempt both before and after (Friestad and Wright 1994). In a sponsorship context, whenever the sponsor is seen as using tactics, consumer may react negatively and discount any previously held positive feelings toward the sponsor (Cornwell et al. 2005). In fact, persuasion knowledge may determine consumers' attitudes about promoted products and services and set the rules for the future relationship with company, and broadens the consumer's general insight about tactics (Friestad and Wright 1994). Whenever the consumer suspects that the advertiser acts in self interest, is persuasive and wants to increase its profits, it might influence future credibility. Contrarily, whenever the advertisement message is regarded as honest, less persuasive and strategic, the consumer is assumed to be more favorable (Friestad and Wright 1994).

# 3.0 Research Model and Hypothesis

### 3.1 Research Model

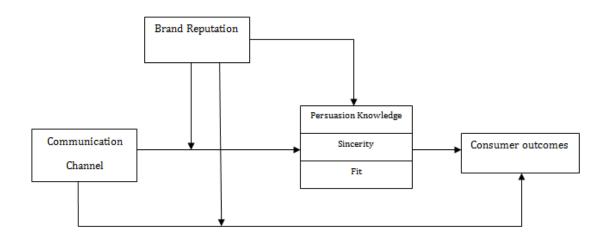


Figure 1 Research Model

The research model illustrates the six hypotheses that will validate the research question:

How can socio sponsors engage in effective leveraging of their sponsorships when adjusting for high and low reputation?

The model explains the relationship between the independent and dependent variables through the effect of three mediating variables and one moderating variable on the consumer outcomes, trust and purchase intentions. Knowledge about the mechanisms of trust and purchase intentions is, as shown in 4.6., especially relevant for socio sponsors for different reasons. As trust explains the emotional aspect in sponsorships, purchase intention will shed a light on consumer behavior, or at least intentional behavior. Acknowledging the importance of the two, both are kept as dependable variables. To facilitate the discussion, the two constructs will in the following be referred to as consumer outcomes.

The first hypothesis aims to test the *main effect* of communication channel on consumer outcomes by using a one-way ANOVA test. Then the second and forth hypothesis test the *mediation effects* between communication channel and brand reputation on consumer outcomes. The mediations require a bootstrap method advocated by Preacher and Hayes (2009) with corresponding syntax macros. As the effect of brand reputation on enhanced

consumer responses is widely acknowledged, H3 aims to test *the effect of brand reputation on sincerity and fit* by using one-way ANOVA. Then, the *interaction effects* between choice of communication channel and level of brand reputation on consumer outcomes will be analyzed in H5 by a two-way ANOVA analysis. At last, H6, a *moderated mediation* bootstrap analysis will be run to test the interaction variable communication channel × brand reputation's effect on consumer outcomes though the mediation variables.

### 3.2 The main effects of communication channel on consumer outcomes

The articulation of sponsorship is necessary in order to establish a link and achieve satisfactory consumer responses (Cornwell, Weeks and Roy 2005). Sponsorship leveraging is believed to promote sponsorship awareness and sharpen sponsor identification (Quester og Thompson 2000), enhance sponsor image and attitudes (Quester & Thompson, 2000; Gwinner & Eaton, 1999) in addition to differentiate a sponsor from its competitors (Meenaghan 1996).

Based on previous literature, it's disputed whether PR or advertisement is considered to be the most efficient advertisement tool (e.g Ries and Ries 2004; Yoon et al. 2006; Engeseth 2009) as both sides have valid arguments. More interestingly, how successful the communication channel turns out to be might be heavily influenced by the marketing setting. As socio sponsorship has a strong link to its philanthropic roots it is assumed that a communication channel where consumers infer a low level of commercial motives is preferred to reduce skepticism and gain consumer support. Third party communication has historically been known as credible communication source because they are communicated by unbiased parties that have a low degree of self interest (Ries and Ries 2004; Yoon et al. 2006). Bae and Cameron (2006) found that consumers inferred corporate charitable giving as beneficial for both the company and the cause whenever the company had a good reputation. Contrarily, when the companies experienced a bad reputation, the charitable activities were regarded as being self-centered. This corresponds with the findings of Yoon et al. (2006) that go as far as stating that low brand reputation companies' social initiatives might have a backfiring effect. Therefore, PR is believed to generate higher consumer outcomes in a socio sponsorship context, especially for low reputation companies. Hence, hypothesis 1 is as follows:

H1: The use of PR in socio sponsorship will to a higher extent than advertisement generate positive consumer responses.

# 3.3 Determining simple mediation effects for communication channel through mediating variables on consumer outcomes

In sponsorship literature sincerity is an acknowledged indictor for sponsorship success (e.g. Speed and Thompson 2000; Yoon et al. 2006; Rifon et al. 2004). More specifically, sponsorship sincerity has been found to be positively correlated with significant consumer outcomes (Dean 2002; Rifon et al.; Speed and Thompson 2000; Olsen et al. 2010). In general, sponsorship is compared to advertisement to be driven by less commercial motivation; however this effect has been proved to be significantly worsened when the sponsoring firms are viewed as insincere (Quester and Thompson 2000; Speed and Thompson 2000. In CSR activity credibility is closely connected to the company's intentions when supporting the social cause, in other words, their capacity and trustworthiness when being charitable (Newel and Goldsmith, 2001). Literature agrees on that communication of a social cause through a company source will trigger more skepticism and is perceived to be less sincere than through a neutral source (Simmons and Becker-Olsen 2006; Sen and Battacharya 2001, Yoon et al. 2006). On the other side, the perception of credibility has historically been one of the main arguments for using PR as a communication tool (Ries and Ries 2004). Thus, socio sponsorship sincerity is expected to mediate the relationship between communication channel and consumer outcomes.

Persuasion knowledge helps consumers recognizing companies' persuasion attempts and marketing tactics. The mechanisms of persuasion knowledge guide consumer behavior and may determine attitude towards the company and its products (Friestad & Wright, 1994). Whenever the consumer regards the advertisement message as profit oriented, strategic and persuasive, it might influence company credibility that, in turn, weakens consumers responses (Yoon et al. 2006). Advertisement is considered to be more persuasive in its communication strategies than PR. Shimp (2010) sees advertisement as a direct attempt to persuade consumers into purchasing a product. Contrarily, PR is neutrally communicated messages from a third party with no underlying strategic motives to change consumer perceptions (Shimp 2010). This indicates that persuasion knowledge is a likely mediator for communication channel and consumer outcomes. Both sincerity and persuasion knowledge is perceived as especially important for socio sponsors, because consumers' perception of sponsor's underlying motives will determine sponsorship success.

There is a general consensus in sponsorship literature that congruent sponsorships generate favorable consumer response in comparison to low congruent sponsorships (Quester andThompson 2000; Speed and Thompson 2000; Becker-Olsen and Simmons 2002; Rifon et al. 2004. Quester andThompson (2000) state that fit has a significant role in determining the effectiveness of sponsorship communication, mainly because of increased consumer attitudes and brand evaluations. Considering fit' relevancy to sponsorships, fit is predicted to have a positive effect on consumer outcomes in socio sponsorship.

H2: Sincerity, persuasion knowledge and fit will have a mediating effect on the relationship between communication channel and consumer outcomes.

## 3.4 The effects of reputation on sincerity and fit

Previous literature shows that a strong corporate reputation may bring several tangible and intangible benefits to corporate businesses such as favorable media coverage and strong stakeholder relationships (Bae and Cameron 2006). In a sponsorship context, some practitioners questioned if philanthropy always leads to an increased reputation because consumers may infer self-interested motives. Nevertheless, recent studies show that a having a good reputation is minimizes the possibility to be perceived as greedy (Bae and Cameron 2006). With this in mind, a high reputation is always preferred to a low reputation in a sponsorship context where sincerity is one of the fundamental drivers for success (Speed and Thompson 2000; Yoon et al. 2006; Rifon et al. 2004). Moreover, the firm's overall congruence with the sponsor object might reduce or increase the positive effects on the consumers' brand perceptions. Sponsors that choose a sponsor object with a high fit may experience positive effects such as enhanced brand reputation and consumer attitudes, whereas low-fit sponsorships may reverse these effects (Simmons and Becker-Olsen 2006). Roy and Cornwell (2004) found that high brand equity sponsors were viewed as more appropriate matches to the sponsored object, while the effects were reversed for low brand equity companies. Their proposed explanation to this was that consumers were blinded by a good reputation and would unintentionally perceive the fit as being stronger than what it really was. Thus, brand reputation is believed to affect the perception of fit.

Hence hypothesis 3 and 4 are as follows:

H3: In a socio sponsorship context, high reputation companies will generate higher level of (a) perceived sponsor sincerity and (b) a higher level of perceived fit with the social cause than low reputation companies.

H4: The effects that are predicted in H3 will mediate the effects of company reputation on consumer outcomes.

# 3.5 Measuring the interaction effects between reputation and communication channel on consumer outcomes.

Considering previous research there is a reason to believe that communication through a third party such as PR should to a higher extent generate more positive effects on consumer responses than advertisement due to a low level of self interest (e.g. Yoon et al. 2006). Speed and Thompson (2000) and Rifon et al. (2004) found that whenever the consumers perceive that the sponsor has commercial intentions, they tend to rate the sponsor less positively. In a research on event sponsorship conducted by Ruth and Simonin (2006) sponsor activities linked to sales driven motives generated poorer consumer attitudes than activities where goodwill driven motives were notable. Contrarily if the sponsor's motive is perceived as being well-intentioned and affective, behavioral responses may be strengthened (Becker-Olsen and Simmons 2002). Yoon et al. (2006) suggest that aggressive advertisement of CSR initiatives will in fact generate ulterior motives that in turn will increase the probability for the company to be perceived as insincere amongst costumers. Moreover, perceptions of low sincerity and suspicion might generate backfiring effects, making consumer evaluations even lower that what would be the case without any CSR activity (Yoon et al. 2006). However, if the consumers learn about the CSR from a neutral source it might be well-received and improve overall company image (Yoon et al. 2006). The same authors suggest that CSR campaigns should be communicated through third party communication, that may project an image that money is spent on contributions rather than advertising. As advertisement historically has been linked to clear commercial associations, there are reasons to believe that a non-commercial source should be better suited for communicating sponsorships aimed to support social community involvement.

Reputation is believed to strengthen socio sponsorship communication. Companies with a bad reputation might create distrust in company image and offerings (Dowling, 2002). In general, distrust and skepticism reduces overall CSR effects (Yoon et al. 2006). Dowling (2002) suggests that a having good reputation brings operational, financial and strategic advantages to a company. The sponsored cause is constantly being measured against the company image, and if the self-serving benefits are considered to be high, this might result in a weakened company image (Yoon et al. 2006). This might be the case if a low reputation company sponsors a social cause.

Hence, hypothesis H5 and H6 are as follows:

H5: Brand reputation moderates the effect of communication channel on consumer outcomes; the positive effect of PR over advertisement will be stronger for low reputation brands than for high reputation brands.

H2 presented persuasion knowledge, sincerity and fit as being important mediation effects in socio sponsorship literature. The effects are believed to mediate the interaction effects shown in H5. Thus, Hypothesis 6 is as follows:

H 6: (a) Sincerity, (b) persuasion knowledge and (c) fit mediate the interaction effects between communication channel× brand reputation on consumer responses.

# 4.0 Methodology

### 4.1 Introduction

Two communication channels, PR vs. advertisement were tested in an experimental study for two levels of reputation; high vs. low. The main goal of the experiment was to study these interrelations and suggest to marketers how to effectively communicate social sponsorships in order to generate positive consumer outcomes. The best way to conduct the experiment was through using a quantitative research design with a fictive setting. This section contains the methodological approaches with respect to hypothesis-testing and data analysis. Firstly, the choice of sponsor and sponsor object is presented, followed by a presentation of the stimuli which includes a pretest of manipulated of reputation. The second section outlines the research design and procedures for the collection of data. At last, the data collection instruments and measurement tools are presented.

# 4.2 Choice of sponsor and sponsor object

In experimental designs there are benefits and drawbacks to be considered when deciding on using a fictive or a real company name. Firstly, consumers usually have strong associations linked to well-known companies that demand less cognitive elaboration for recognizing the companies. A drawback when using a well-known sponsor is the probability for the respondent to give biased answers linked to previous experiences with the brand that interferes with the testing of the casual links. Contrarily, fictitious companies might reduce the biases generated when using real brands but at the same time make the congruency between the sponsors less believable. When respondents question the realism of the study, they may become reluctant, insecure or even annoyed, that might lead to hypothesis-guessing and inconsistency in findings. For experimental studies, using a real sponsor case would have strengthened the respondent's perception of realism, and thus, the external validity. A real setting may also due to its realism create a natural link between the sponsor and sponsor object that may have affected the validity of the responses. Due to limited resources, choosing a fictive setting to answer the research question was a better option and would give the added benefit of controlling variables explaining internal validity and to avoid biased answers. In addition, this design made it possible to display one sponsor at the time that may increase the possibility for finding consistent results.

When considering which sponsor to use, different sectors were evaluated. A fictive cereal brand, Lucky Grain, was selected based on the industry's dedication to being a sponsor (IEG Report, 2011) and because of its assumed familiar product attributes. When having established a cereal brand as the sponsor, a compatible sponsor object, the well-known Save the Children, was chosen based on the similarity of company related attributes, in this case food. Save the Children is a NGO that support children's rights in developing countries.

It's believed that neutral brands, or at least brands with few prior negative associations, would facilitate the manipulations. The sponsorship setting was constructed setting to create a believable scenario. Knowing that research experiments often lack the realism of real-life setting, this study aimed to balance internal and external validity. With the goal to identify two dimensions of reputation, a pretest was conducted.

## 4.3 Stimulus development

### Communication strategies

Two communication strategies, PR and advertisement were tested to evaluate consumer perception of high and low reputations sponsors. A news article played the part as the third party source. Recipients of the advertisement stimuli were explained that the ad was not completed, which gave the respondents a reason for the missing pictures that were excluded to minimize biases. The pictorial elements included Lucky Grain's and Save the Children's logos and were kept constant across the strategies. Both messages were kept as similar as possible in order to measure differences in choice of channel. The messages contained a text introducing the company and the new cereal that was to be lunched at the Norwegian market, as well as explaining the rationale behind the sponsorship. The title of the news article and the heading of the advertisement ensured a mental link to relate the sponsor object to the sponsor. Furthermore, the two entities were linked by emphasizing food as their common denominator.

### **Pretest of reputation**

A total of 180 graduate students from the universities NHH and BI completed the pretest of the manipulated brand reputation. In order to minimize priming effects and image overlap, reputation was pretested between-subjects. The manipulation of reputation was included in a short introduction of the cereal company. In total, 5 questions were answered by 6-3 items on a 7-ponit likert scale. The respondents were asked to indicate the degree to which they meant the items were descriptive of the cereal brand, ranging from "I totally agree" to "I totally disagree".

All the items regarding manipulation check for reputation was significant (p < 0.05) except for question 4 that was as follows: "I assume that Lucky Grain has a good management" (p = 0.289). The items were designed in accordance to Fombrun et al.'s (2000) Reputation Quotient where corporate reputation can be measured by the level of emotional appeal, the quality of product and services, workplace environment, vision & leadership, social & environmental responsibility and financial performance.

## 4.4 Research Strategy and Procedure

A 2 (high vs. low reputation) × 2 (PR vs. advertisement) experimental design was employed with the purpose of testing the hypotheses. A sample of 360 graduate students completed the survey. The respondents were randomly assigned to 4 experimental groups. A short introduction of the sponsor was followed by the sponsorship communication stimuli. The questionnaire and stimuli are shown in Appendix 6.

The groups received information either about a high or a low reputation company communicated through PR or advertisement. The respondents were asked to give their opinion about the sponsorship through 12 questions, anchored by 7-ponit Likert scales and 7-point semantic differential scales, in addition to 10 open questions. Supphellen (2000) suggests that brand attitudes are only partially revealed in quantitative studies due to the limited range of verbalization opportunities. As such, the open ended question could facilitate quantitative data collection if needed. Ideally, a parallel study using in-depth interview could have been be used in order to fully investigate the respondent's answers. However, this approach would have been time consuming in addition to making comparisons between the groups challenging.

Using a neutral database (Norstat) to distribute the questionnaire strengthened the internal validity. Norstat is one of the leading data collection companies in Norway, much used by Norwegian researchers for gathering data.

### 4.5 Data Collection

### Sampling procedure

The study makes use of a non-probability sampling based on judgment, a sampling method aiming to get a sample that is representative of the population (Ghauri and Grønhaug 2010). Despite being easy to conduct, the drawback of using non probability samples is that they might give misleading results when the samples happen to be unrepresentative for the population.

Both the pre-test and the experiment invited college students approximately aged 20-30 to participate. The pre-test were distributed randomly at two Norwegian University Colleges, Norwegian School of Business Administration and BI. Contrarily, the experiment was conducted at Norstat selecting the same sample characteristics. Only students obtaining a master or bachelors degree were allowed to participate. As mentioned, the non probability sampling method may have eliminated the possibilities for measuring error of estimation and variations in the sample (Ghauri and Grønhaug 2010). However, for handling a big sample, this method seemed most reasonable. More, a clear benefit when using a homogenous group is the expected congruence in student responses in addition to an expected mutual understanding of terms and concepts used in the experiment. Lastly, as the sample is believed to have a high cognitive capacity judging from their educational level, it's expected that they would give more precise and well-considered answers that the average respondent.

### Sample size

Statistical significance is achieved when the sample size is large (Ghauri and Grønhaug 2010). The sample sized used for this experiment was large compared to what is common in a master thesis context, but small compared to the total population. In total the experiment received 180 respondents in the pre-test and 360 respondents in the main experiment. Ghauri and Grønhaug (2010) suggest that a small or modest percentage of the population will give a correct estimate as big sample sizes evens out statistically significant effects.

### 4.6 Measurements

The conceptual model suggested the dependent variables to be trust and purchase intentions, and the mediating variables to be persuasion knowledge, sincerity and fit. As the goal of this study is to establish effective communication strategies corresponding to a firm's reputation level, the moderating variable brand reputation was suggested to be directly linked to the independent variable communication channel. Object involvement, object importance and focus (measuring whether the stimuli was perceived as being either company or sponsee biased), were used as control variables. All the variables are found in the factorial analysis shown in Appendix 1.

### Dependent variables

Two dependent variables were suggested being trust and purchase intentions.

### Trust

Trust is regarded as the most important behavioral factor affecting consumer outcomes (Moorman et al. 1992). Research on trust is therefore considered a major contribution to the sponsor literature. Trust is described as "a willingness to rely on en exchange partner in whom one has confidence" (Moorman et al. 1992:315). Trust is believed to reduce the consumers' distrust in marketing communications and is considered a key element when creating strong stakeholder relationships (Sirdeshmukh et al. 2002). Herbig & Milewicz (1993) points out the similarity between trust and credibility. Trust is, similarly to credibility, an evaluation of an entity's intentions, specifically whether or not the entity will perform according to what has been promised and expected.

Trust was measured on a three-item, 7-point likert scale was developed using items from Morgan and Hunt (1994) trust scale. Respondents were asked to state their evaluation of the brand by selecting the point on the scale, anchored by "I totally disagree/I totally agree", that best represented their feeling of trust. Similar items have been used in previous research evaluating trust (e.g. Sirdeshmukh, Singh and Sabol 2002; Walsh and Beatty 2007).

#### Purchase Intentions

Enhanced purchase intention can be seen as the overall goal for socio sponsors when engaging in communication planning. Purchase Intentions can be classified as one of the cognitive components of consumers' cognitive behavior on how an individual intends to buy a brand (Ling et al. 2010). Laroche et al. (1996) suggested that the consideration to buy a brand and the expectation to buy a brand can be used to measure purchase intentions. Ajzen and Fishbein's (1969) Theory of Reasoned Actions can be employed to describe the mechanisms of purchase intentions. According to Day (1969) the intentional measures are more effective than behavioral measures to capture consumers' mind because of its focus on constraints rather than consumer preference.

In order to capture the respondents purchase intentions, Baker and Churchill (1977) three-item, 7-point Likert scale was partially adopted. The scale anchored at "I totally disagree/I totally agree". As the original scale was developed to measure cognitive and effective components in consumer's ad evaluations, the scale was partially redesigned to fit the study when measuring the behavioral intention toward the communicated message.

#### Mediating variables

#### Sincerity

The sincerity dimension was measured by a three-item, 7-point semantic differential scale. Items were framed as the consumer's perception of the sponsor and anchored at "unbelievable/believable", "unconvincing/convincing" and "dishonest/honest". The scale was adopted from Lichtenstein and Bearden's (1989) sincerity scale.

#### Persuasion Knowledge

A two-item, 7-point Likert scale, inspired by Bearden et al.'s (2001) measure of persuasion knowledge in relation to consumers self-confidence was developed in order to capture the respondents perception of the sponsors marketing tactics. The item statements intended to capture the respondent's awareness of the sponsor's sales tactics and whether they felt pressured by aggressive marketing.

Fit

Respondents were asked to indicate their level of agreement with statements capturing fit in a global sense on a 3-item, 7-point Likert scale. This approach was adopted from Speed and Thompson (2000) who developed a general measurement to capture the dimension of fit. In accordance with this scale the respondent were asked to indicate their level of agreement with the following statements: (1) The Brand and the NGO fit well together, (2) There is a logical connection between the Brand and the NGO and (3) It makes sense appropriate that Brand supports NGO.

### Moderator variable: Reputation

Reputation was captured by the same measure employed in the pretest. See section 4.3 for a discussion of the items used to measure reputation adopted by Fombrun et al. (2000).

#### Control variables

*Object involvement.* Personal involvement in the in the sponsored cause was measured by a three-item, 7-point Likert scale ranging from "I totally disagree" to "I totally agree". The scale was partly adopted from Speed and Thompson (2000) and tested the consumers' familiarity with and commitment to the cause.

Object importance. A two-item, 7-point Likert scale anchored by "I totally disagree" to "I totally agree" was designed to test the respondents' perception of the object importance. The respondents were asked to indicate their level of agreement with the following statements: (1) The NGO contributes to society (2) The sponsored cause is important.

Focus. In order to test the respondent's perception whether the communication stimuli was predisposed in favor of the NGO or the sponsor, a one-item semantic scale was employed. The idea when designing the item was to capture the respondent's perception of whether the NGO or sponsors were overly benefited compared to the other party. Haley (1996) suggests that although consumers might be ok with the sponsor benefitting from the cause sponsorship, in the cases where the sponsor benefits more than the society from the advocate position, trustworthiness is eroded.

## 5.0 Analyses

## 5.1 Methods of analyses

#### Establishing the scales

A factor analysis was employed to develop and refine the scales used in the experiment. The factor analysis is widely used by researchers as a data reduction technique in order to reduce and summarize the data set using a smaller set of factors and components. Pallant (2007) describes to types of factor analysis commonly used in research, exploratory and confirmatory. Exploratory factor analysis is used in an early stage in the research process to find interrelations among the variables, whereas confirmatory is used to test specific theories that can be describes by a set of variables.

#### Main effects

H1 aimed to test the main effects of communication channel on consumer outcomes using a one-way ANOVA analysis. In addition to comparing the mean scores of more than two groups, the one-way ANOVA compares the variance between the groups and the variability within the groups and report the results by an F-value (Pallant 2007).

One-way ANOVA is an analysis of variance that compares means of two or more samples using the F-distribution. For this thesis, four groups were tested against each other; high and low reputation, PR and advertisement.

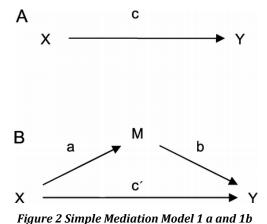
#### Interaction effects

A two-way ANOVA was used is used to test the interaction effects between brand reputation and communication channel. The test compares the values on one continuous variable for two different groups of subjects and analyze whether there is a difference in the mean scores between the two groups and the probability for the two sets of scores comes from the same population.

#### **Mediated effects**

In behavioral science analysis involving mediation is widespread. Mediation exists when a predictor affects a dependent variable indirectly through one or several intervening variables called mediators (Preacher and Hayes 2008). Establishing links between variables is important in order to determine causality by establish their correlation, more importantly; the mediators might explain why these casual relationships occur (Preacher and Hayes 2008). Both a simple mediation (H2 and H4) and a mediated moderation (H6) were used in the analysis and will be explained in the following segments.

A simple mediation analysis demonstrated by Preacher and Hayes (2008) is shown in Figure 1b. The mediation analysis aims to determine how an independent variable (X) indirectly affects the dependent variable (Y) through one or more moderators (M) taken into account (X)'s direct effect on (Y) ( $path\ c$ '). Path a represents the effect of (X) on the mediator, while path b is the effect of (M) on (Y) eliminating the effect of (X). However, the total effect of (X) on (Y) is quantified when both the direct (path c shown in Figure 1A) and the indirect effects are summed up: c = c' + ab.

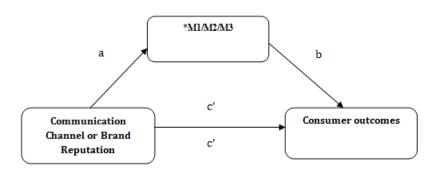


A casual step approach proposed by Baron and Kenny (1986) is the most used method for testing mediated effects (Preacher and Hayes 2008). Nevertheless, Hayes (2009) mentions several disadvantages with this approach. Among methods for testing intervening variable effects, the causal steps approach is among the lowest in power because its disability to unite

direct and intervening effects, in addition a significant total effect of X on Y is essential for a mediation effect to occur. Hence, both the Sobel test and Bootstrap are nonparametric sampling method have been proposed as alternative methods of higher value (Preacher and Hayes 2008).

The Sobel test (1986) addresses mediation directly as opposed to stepwise approach, but demands for a normal distribution. Bootstrapping, on the other hand, was a mediation method suggested by Preacher and Hayes (2008) that doesn't require a normal distribution.

Bootstrapping is a nonparametric re-sampling procedure that by repeatedly sampling from the data set estimates the indirect effects of each re-sampled data set. The advantage of using this method includes making sample distribution possible for a wide range of statistics and securing a high degree of accuracy by using computer based sampling (Efron and Tibshirani 2004). Furthermore, bootstrapping doesn't inflict the assumption of normality. Sobel test (1986), on the other hand, applies the data method with large samples in mind that usually ensures a normal distribution. Nevertheless, since large samples seldom encounter normally distributed mediation effects, the bootstrapping method is according to practitioners the preferred method for testing mediation (Preacher and Hayes 2008; Shrout and Bolger 2002). Thus, bootstrapping will be used for hypothesis-testing of the multiple step mediator models. A simple mediation model is as follows:



\*Mediating variables

Note: M1 = persuasion knowledge, M2 = sincerity and M3 = fit

Figure 3 Simple Mediation

In addition, Preacher and Hayes (2008) introduced a multiple-step mediation method to simplify mediation analysis. The model is an alternative to the casual-step approach proposed

by Baron and Kenny (1986). The mediation is made possible by using a macro in addition to a formula in order to estimate the total, direct and indirect effects of the independent and dependent variables. In order to reveal the mediating effects, the macro produces a bootstrap confidence interval (95%) and makes a bootstrap estimate of standard errors. Only confidence intervals excluding zero are accepted. Preacher and Hayes (2008) claim that the absence of a main effect measured by c ( $p \ge 0.05$ ), cannot explain a mediation effect but an indirect effect on Y. However if the main effect is significant, there is a mediation effect.

At last, the mediation should be extended to include an analysis, as reputation is suspected to have an effect on communication channels' relationships on consumer outcomes taking into account mediation effects (Preacher and Hayes 2007). A mediated moderation occurs when the interaction between two variables affects a mediator, which in turn changes the dependent variables (Spencer-Rodgers et al. 2009). Table 6 confirms reputation's effect on communication channel. The mediated moderation paths are as follows:

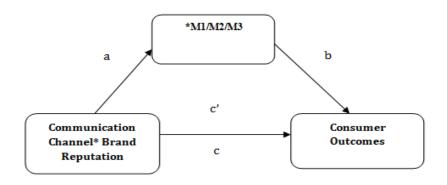


Figure 4 Mediated Moderation

\*Mediating variables

Note: M1 = persuasion knowledge, M2 = sincerity and M3 = fit

#### 5.2 Results

### 5.2.1 Factor analysis and scale reliability check

A factor analysis was conducted in order to determine the smallest number of factors that can be used to best represent the interrelations among a set of variables. A principal component factor analysis with oblimin rotation was performed to get access and determine if the identified variables fit the data. The oblimin rotation is an oblique rotation method that includes correlating variables (Hair et al. 2006). This is assumed to be a good method because the model has various mediating and dependent variables that might correlate. As Pallant (2007) suggests, only factors loading above 0, 4 and with eigenvalues > 1 were included in the factor solution. Results showing high values among a group of factors indicate that there is a convergent validity and variance (Hair et al., 2006). The oblimin rotation extracted 5 factors with eigenvalue above 1. The results are shown in Appendix 1.

Results showed that the dependent variables trust and purchase intentions loaded on the same factor which normally represents poor validity with regards to the two variables. However, Singh (1991) suggest that when two variables that load on the same factor and therefore create a concept redundancy issue in the data, might be viewed as being logically different. Thus, as long as the two variables might enhance construct parsimony, is of managerial value, and psychological meaningfulness, they should not be ignored (Singh 1991). As such, although trust and purchase intentions load on the same factor, they are both handled as separate dependent factors in the research design. Keeping two variables that show high correlation will, in this study, be of statistical, conceptual and empirical value. Firstly, the variables give opposite results to the hypothesis testing (e.g. as shown in hypothesis 4), and as such are of different statistical value. Secondly, as Singh (1991) argue that variables that load on the same factor might regard as logically different and as a result, gives empirical proof to retain both. Knowledge about trust and purchase can be seen as different contributions to understand consumer behavior in a socio sponsorship context. While trust is largely a psychological construct that might be seen as leverage in order to achieve favorable consumer responses, purchase intentions describes consumers' behavioral actions. Purchase intention is perhaps marketer's ultimate goal when establishing consumer trust. At last, these similarities may be regarded as a challenge to the experiment's external validity, and should be of particular interest empirically for future research including similar variables. All the same,

knowledge about both variables may contribute greatly to sponsorship literature and guide firms' strategic marketing efforts.

The sponsorship factor, explaining the respondents' opinion about the sponsorship, and sponsor credibility were cross-loading, and were converted into one variable called Sincerity. Attitude toward the sponsorship might be regarded as a leverage of respondents' perception of sponsor sincerity.

Similarly, the control variable called focus, measuring whether the consumers perceived the stimuli to be significantly more company-biased rather than focusing on the social cause and persuasion knowledge appeared as the same factor. Not surprisingly, whenever the consumers perceived the communication stimuli as company biased, they used their persuasion knowledge to actively look for marketers' tactics and persuasion attempts. This corresponds with the mechanism of the Persuasion Model presented by Friestad and Wright (1994). As such the two variables were united and named PK\_Fokus. All the remaining variables loaded on the same factor and clustered under their significant item groups.

Cronbach's coefficient alpha ( $\alpha$ ) was employed to evaluate the reliability of the scale items. Cronbach's values for the extracted factors showed that the value for PK\_Fokus was below the recommended value of  $\alpha = 0$ , 70 (Hair et al. 2006). Otherwise, the remaining factors showed values above  $\alpha = 0$ , 70 and had good internal consistency. Appendix 1 shows the results from the factor analysis and the reliability check.

#### 5.2.2 Test of Assumptions

The research hypotheses were analyzed using a parametric testing such as one-way ANOVA, two-way ANOVA and bootstrapping. General assumptions that apply to parametric techniques consist of level of measurement, random sampling, independence of observations, normal distribution and homogeneity of variance (Pallant, 2007).

#### Level of measurement

For parametric tests it is recommended to use continuous scales rather than discrete categories that enables the dependent variables to be measured at an interval or a ratio level (Pallant, 2007). The benefit of using continuous scales is a potential wider range of techniques when conducting the analysis. Therefore, continuous variables were used in the experiment.

#### **Random Sampling**

Random sampling is difficult in real-life studies, however, parametric test recommends using random sample from the population (Pallant, 2007). By using a database for distributing the questionnaires, random sampling was employed in the experiment.

#### **Independence of observations**

When the independence of observations is violated the responses in the experiment are not consistently made independent of each other (Hair et al. 2006). When sampling from a group, a violation of this assumption can be very serious as the behavior and attitudes of a respondent is likely to influence other respondents (Hair et al. 2006). However, as testing was distributed by a database, the possibility for the independence of observation to be violated is rather small.

#### **Normal Distribution**

Normal distribution is established when skewness and kurtosis values are below 1. Descriptive statistics proved that the values of the continuous variables in the experiment have a kurtosis value and a skewness value below 1 which indicate a normal distribution. Pallant (2007) states that a large sample will reduce the risk of violating the normal distribution sample. However, if there is a lack of normality, non-parametric test may be considered (Pallant, 2007). Skewness values and kurtosis values from the experiment are shown in Appendix 2.

#### Homogeneity of Variance

Parametric techniques test the assumption that samples are taken from populations of matching variances, in other words that the variability of the scores from the groups is similar (Pallant, 2007). A Levene's test will prove whether or not the data collection contains similarity for the variances for the groups. A significance level above 0.05 indicates homogeneity of variance. The results are shown in a one-way ANOVA in Appendix 2.

#### 5.2.3 Test of main effect of commutation channel on consumer outcomes

H1 aimed to test the main effect of channel on the consumer outcomes in the model. According to theory, the hypothesis predicts that communication through third party channels such as PR compared to advertisement will enhance consumer perceptions. However, a one-way ANOVA conclude that there is no significant main effect of communication channel on consumer outcomes ( $sig \ge 0.05$ ). This might be an indication that communication channel alone cannot explain an effect on the consumer outcomes, which strengthens the assumption that mediating effects might exist in the conceptual model.

Hence, hypothesis 1 is rejected. The results are shown in Table 1.

Table 1 One-way ANOVA: the main effect of communication channel on consumer responses

		Mean Square	F	Sig.
Trust	Between groups	0,136	0,094	0,760
	Within groups	1,453		
Purchase int.	Between groups	0,100	0,050	0,824
	Within groups	2,009		

## 5.2.4 Test of simple mediation effects of communication channel on consumer outcomes

In order to test whether there is simple mediation effects of communication channel on consumer outcomes; a bootstrap analysis was employed testing six syntax macros. The macros are shown in Appendix 3. The mediating variables: persuasion knowledge, sincerity and fit were tested in the analysis.

Results show that sincerity and fit did not have a significant mediation effect, but persuasion knowledge did. Persuasion knowledge gave s significant CI [CI = 0, 0158, 0, 1737] for trust and CI [CI = 0, 0184, 0, 1885] for purchase intentions. The results show an indirect effect in the case of trust and purchase intention because a significant main effect between the independent variable on the dependent variable is absent. Path c is consequently not significant. Persuasion knowledge's confirmed effect on channel and consumer outcomes will be further elaborated on in the discussion chapter. Thus, hypothesis 2 is partially accepted.

Table 2 Simple Mediation of the relationship between communication channel and consumer outcomes

Dependent variables M = Persuasion Knowledge	LL 95% CI	UL95% CI	Sig. a	Sig. b	Sig. c	Sig. c'
Trust	0,0158	0,1737	0,0151	0,0000	0,7597	0,7772
Purchase intentions	0,0184	0,1885	0,0151	0,0000	0,8236	0,4350
Dependent variables M= Sincerity	LL 95% CI	UL95% CI	Sig. a	Sig. b	Sig. c	Sig. c'
Trust	-0, 1346	0, 2085	0, 6825	0,0000	0, 7597	0, 9704
Purchase intentions	-0, 1525	0, 2209	0,6825	0,0000	0,8236	0,5353
Dependent variables M = Fit	LL 95% CI	UL95% CI	Sig. a	Sig. b	Sig. c	Sig. c'
Trust	-0,1882	0,1047	0,5633	0,0000	0,7597	0,4360
Purchase intentions	-0,2139	0,1217	0,5633	0,0000	0,8236	0,9109

## 5.2.5 Test of effect brand reputation on percieved sincerity and fit

H3 aims to test if brand reputation has a significant effect on the mediators fit and sincerity. A good reputation is believed to have a positive effect on perceived company sincerity and whether consumers find the sponsorship to be congruent. Nonetheless, the one-way ANOVA analysis states that there is not a significant effect of brand reputation on sincerity and fit (sig  $\geq 0.05$ ). In its place, brand reputation is expected to have an effect when the interaction effects are tested. The results are shown in Table 3.

Table 3 One-way ANOVA: Brand reputation's effect on sincerity and fit.

Fit		Mean Square	F	Sig.
	Between groups	3,9556	0,209	0,183
	Within groups	4,1519		
Sincerity	Between groups	4,6565	1,784	0,684
	Within groups	4,7278		

However, when the one-way ANOVA analysis is split by channel, a high reputation shows a significant ( $p \le 0$ , 1) positive effect on sincerity and fit when communicated through PR as opposed to advertisement. For low reputation the effect was significantly lower. On the other hand, measuring advertisement did not give significant results. The indication that PR is a better communication tool for high reputation companies will be further analyzed in H6.

Table 4 One-way ANOVA: Reputation's effect on sincerity and fit when split by channel

		Mean	F	Sig
PR				
Sincerity	Low rep	4,4556	2,209	0,069
	High rep	4,8648		
Global Fit	Low rep	3,8111	2,108	0,006
	High rep	4,8648		
Advertisement				
Sincerity	Low rep	4,8574	0,001	0,218
	High rep	4,5907		
Global Fit	Low rep	4,1000	0,397	0,376
	High rep	3,9222		

## 5.2.6 Test of simple mediation effects on the relationship between brand reputation and consumer outcomes

Table 5 shows the results from the simple mediation analysis. The macros used for the analysis is shown in Appendix 3. None of the confidence intervals proved to be significant. Consequently, a simple mediation analysis is not sufficient in determining a mediation or indirect effect. More specifically, brand reputation alone cannot explain either mediation or indirect effects. However, H6 will determine if communication channel moderated for reputation may have a mediated effect on consumer responses. Hypotesis 4 is rejected.

Table 5 Simple mediation of the relationship between brand reputation and consumer outcomes

Dependent variables M= Fit	LL 95% CI	UL95% CI	Sig. a	Sig. b	Sig. c	Sig. c'
Trust	-0, 0448	0, 2435	0, 1825	0,0000	0, 2617	0, 6630
Purchase intentions	-0, 0453	0, 2780	0,1825	0,0000	0,1433	0,3808
Dependent variables	LL 95% CI	UL95% CI	Sig. a	Sig. b	Sig. c	Sig. c'
M = Sincerity	LL 93 70 CI	CESS 70 CI	519. 4	Sig. b	Sig. c	Sig. C
Trust	-0,1292	0,2143	0,6480	0,0000	0,2617	0,2684
Purchase intentions	-0,1405	0,2373	0,6480	0,0000	0,1433	0,1301

## 5.2.7 Test of interaction effects between brand reputation, choice of communication channel and consumer outcomes

H5 predicted that the use PR for both high and low reputation companies would strengthen the level of consumer trust and purchase intentions. The effect was assumed to be stronger for low reputation companies that for high reputation companies. Contrarily to what was predicted, a two-way ANOVA showed that when the reputation is high, significant interaction effects indicate that PR will increase the level of trust compared to using advertisement. More interestingly, advertisement will increase the level of trust for low reputation companies compared to using PR. The intercept p-value for trust is 0.025 and purchase intention has a significant intercept p-value of 0.033. This indicates that brand reputation has a moderating effect on communication channel. The findings are shown in Table 6.

Table 6 Main and interaction effects between brand reputation, communication channel and consumer outcomes

Variable	F-value	Sig. (2-tailed)
Trust		
Brand Reputation	1.275	.260
Communication channel	.095	.758
Brand Reputation * Channel	5.032	.025
Purchase Intentions		
Brand Reputation	2.168	.142
Communication channel	.050	.822
Brand Reputation * Channel	4.606	.033

In order to verify the trends shown in the two-way ANOVA, a one-way ANOVA was conducted to confirm what the interaction effects indicated. The results are shown in Table 7.

Table 7 One-way ANOVA: to confirm interaction effects

High reputation	Mean	F	Sig.
Trust			
PR	3,7519	0,112	0,168
Advertisement	3,5074		
Purchase Intentions			
PR	4,2222	0,006	0,073
Advertisement	3,8704		

Low reputation	Mean	F	Sig.
Trust			
PR	3,3259	1,014	0,076
Advertisement	3,6481		
Purchase Intentions			
PR	3,6852	0,713	0,204
Advertisement	3,9704		

#### Conclusion:

As the results show, H5 is rejected.

Instead PR can partially be explained to create enhanced consumer outcomes for high reputation firms whilst advertisement can partially be explained to generate higher levels of trust and purchase intentions for low reputation.

For high reputation, PR generates higher purchase intentions ( $p \le 0$ , 10), but cannot explain an increased level of trust ( $p \ge 0$ , 10). However, there is a clear indication that PR is better than advertisement for high reputation companies in order to create favorable consumer outcomes.

Low reputation companies created higher purchase intentions with advertisement than what was the case with PR ( $p \le 0$ , 10). Nevertheless, the one-way ANOVA did not support the same effect for trust ( $p \ge 0$ , 10). Based on the results, there is a clear trend that indicates that PR generates higher consumer outcomes for low reputation firms than what would be than case with advertisement. At last, a one-way ANOVA was re-conducted controlling for object involvement and object importance. The results remained the same. A summary of the predicted and the actual interaction effects are shown in Figure 4. The average of the means of purchase intention and trust were shown along the axis "consumer outcomes".

High reputation

Level of reputation

4,1

3,9

3,7

3,6

3,7

Advertisement

Level of reputation

Level of reputation

Figure 4. Summary of interaction effects

# 5.2.8 Test of mediated moderation effects of the interaction variable on consumer outcomes

As mentioned in 3.3, the relationship between communication channel and consumer outcomes is assumed to be affected by mediation effects. The same effect is expected for Communication channel  $\times$  Brand reputation. In order to test H6, persuasion knowledge (M1) and sincerity (M2) and fit (M3) were tested for mediation effects in order to determine whether or not the mediation chain  $X \rightarrow M1/M2/M3 \rightarrow Y$  is significant. The mediation is run with 6 syntax macros shown in Appendix 5.

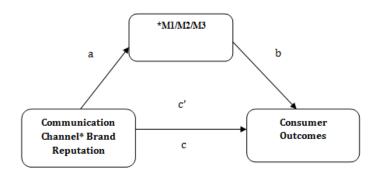


Figure 5 Mediated moderation effects

Note: M1 = persuasion knowledge, M2 = sincerity and M3 = fit

<sup>\*</sup>Mediating variables

**Persuasion knowledge and trust:** The measured effect with bootstrap 95% resulted in a significant confidence interval (CI) [CI = -0, 3473,-0, 0371] and a significant main effect indicates that persuasion knowledge has a mediation effect on the relationship between the Communication channel  $\times$  Brand reputation and trust. The results are shown in Table 8.

**Persuasion knowledge and purchase intentions:** The analysis showed that persuasion knowledge indeed has a mediation effect on the relationship between the Communication channel  $\times$  Brand reputation and purchase intentions. The measured indirect effect with bootstrap 95% showed the following confidence interval (CI): [CI = -0, 3835, - 0, 0408] and a significant main effect. The results are shown in Table 8.

Table 8 Mediated moderation analysis: Communication channel \*Brand reputation through PK on trust

Dependent variables	LL 95% CI	UL95% CI	Sig.	Sig.	Sig.	Sig.
M1=Persuasion Knowledge			Path a	Path b	Path c	Path c'
Trust	-0, 3473	-0,0371	0,0071	0,0000	0,0255	0,0998
Purchase intentions	-0,3835	-0,0408	0,0071	0,0000	0,0325	0,1143

Conclusion: The mediation chain  $X \rightarrow M1 \rightarrow Y$  is significant. The mediation analysis show that persuasion knowledge has a mediating effect on the relationship between the interaction variable and consumer outcomes.

#### Sincerity and trust:

The results shown in Table 9 indicate that the bootstrapped confidence interval does behave like the symmetric confidence interval [CI = -0, 7107, -0, 0269], and thus, the proposed mediation is accepted.

#### Sincerity and purchase intentions

The results from the Table 9 show that the bootstrapped confidence interval has a symmetric confidence interval [CI = -0, 7930, -0, 3197] and a significant main effect, and therefore, the proposed mediation is not rejected.

Table 9 Mediated moderation analysis: Communication channel \*Brand reputation through sincerity on trust

Dependent variables	LL 95% CI	UL95% CI	Sig.	Sig.	Sig.	Sig.
M2 = Sincerity			Path a	Path b	Path c	Path c'
Trust	-0,7107	-0,0269	0,0303	0,0000	0,0255	0,2992
Purchase intentions	-0,7930	-0,3197	0,0303	0,0000	0,0325	0,3197

*Conclusion:* The mediation chain  $X \rightarrow M2 \rightarrow Y$  is significant. The mediation analysis shows that sincerity has a mediating effect on the relationship between Communication channel  $\times$  Brand reputation and the consumer outcomes.

*Fit and trust:* The results show that the bootstrapped confidence interval is symmetric [CI = -0, 7172, -0, 1490] and the main effect is significant. Thus, the mediation is accepted. The results are shown in Table 10.

*Fit and purchase intentions:* When testing mediation effects for fit and purchase intentions, the results shows a confidence interval of [CI = -0, 7172, -0, 1490] and a significant main effect. This indicated that sponsorship fit has a mediating effect on the interaction variable and purchase intentions. The results can be seen in table 10.

Table 10 Mediated moderation analysis: Communication channel \*Brand reputation on fit and trust

Dependent variables	LL 95% CI	UL95% CI	Sig.	Sig.	Sig.	Sig.
M3 = Fit			Path a	Path b	Path c	Path c'
Trust	-0,6625	-0,0830	0,0108	0,0000	0,0255	0,3430
Purchase intentions	-0,7529	-0,0893	0,0108	0,0000	0,0325	0,3689

Conclusion: The mediation chain  $X \rightarrow M3 \rightarrow Y$  is significant. The mediation analysis show that sponsorship fit has a mediating effect on the relationship between the interaction variable and consumer outcomes.

Hypothesis H6 is accepted. The summary of the findings from the mediation effects is shown in Table 11.

Table 11 Summary of Mediation Effects

	Communication channel		Brand reputation		Communication channel ×Brand reputation
	PR	Adv.	High	Low	
PK	×	×	_*	-	×
Sincerity	×	×	×	×	×
Fit	×	×	×	×	×

Note: \*Not tested

## 6.0 Discussion

### 6.1 Summary of findings

The main goal of this study was to contribute to existing socio sponsorship literature with extended knowledge on how to effectively leverage socio sponsorships, attempting to assign the role of PR and advertisement discriminating for levels of brand reputation. In marketing literature, recent studies have discussed the role of advertisement versus PR in effective marketing communications; nevertheless, the findings have shown to be contradicting (Ries and Ries 2004, Engeseth 2009). Thus, extensive empirical studies that measures the effects of communication channels is much needed. For socio sponsors, managing communication strategies are even more complex. Although wanting to embrace their philanthropic heritage and portray an image of altruism, sponsors of social causes will ultimately seek monetary gains (Seitanidi and Ryan 2007). However, as studies show (e.g. Østmo 2010) that most businesses include sponsorships in their marketing budgets, they lack a clear goal of what they want to accomplish. With this is mind, there is a clear need for strategic communication planning in socio sponsorships balancing both commercial and altruistic motives.

The hypotheses did not show any significant main effects for communication channel and brand reputation ( $p \ge 0$ , 05). On the other hand, the effects on consumer outcomes were evident when the mediation effects of the interactions were accounted for. PR was expected to yield higher consumer outcomes than advertisement, and the effect for low reputation companies was assumed to be stronger compared to high reputation firms. Surprisingly, the interaction effects for high and low reputation companies were incoherent, explaining the reasons why the main effects remained absent. This conclusion might prove to be very valuable to sponsorship literature because the distinction has never been made before. More specifically, the findings suggested that low reputation companies that are striving to be perceived as sincere, are better off communicating through company sources as opposed to through third parties. This contradicts the acknowledged fact that low reputation companies should communicate through credible third party sources (Yoon et al. 2006; Ries and Ries 2004).

The results might be of paramount significance to the advancement of socio sponsorship research because it will fundamentally change the way socio sponsors communicate their sponsorships. A proposed graphic illustration of the interaction effects are shown in Figure 6.

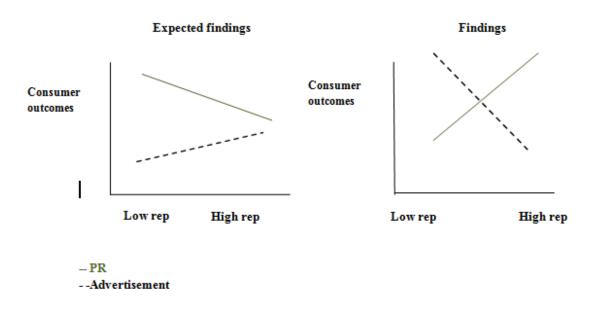


Figure 6 Summary of interaction effects

The results imply that low reputation companies, which in the past have been recommended not to show commercial motives in their communications, should communicate their sponsorships through advertisement. There are several reasons that might create these results.

Consumers that evaluate low reputation PR messages might be skeptic toward the message sender. This challenges the fact that credibility has historically been the strongest argument for choosing PR. According to Engeseth (2009), the digital area has made PR less credible. The once trusted third party source has lost its power. With bloggers and the social media taking centre stage, PR is no longer an unbiased source, but just one of many voices. Fierce competition to get consumers attention has made advertisement messages sound desperate and fake; consumers are left wanting more from the companies. Advertisement is more straightforward and transparent in its form compared to PR and enables the companies to build long lasting relationships with the consumers (Engeseth 2009). Moreover, advertisement is closely linked to the company strategy and is often approved by top management, making sophisticated messages to smart consumer possible. In essence, taking on Engeseth's view (2009), the respondents evaluating low reputation companies might have questioned the

credibility of the third party stimuli. Instead, a direct communication source could have been preferred to PR to increase message integrity.

Friestad and Wright (1994) explain how consumers over time learn about marketer's tactics and persuasion attempts and can be used to assess how consumer use their coping mechanisms to interpret tactics and establish own goals. It might be assumed that a deviation in this psychological pattern might generate suspicion and loss of credibility. The explication that PR does not work for low reputation companies can be explained by a loss off "appropriateness" and "effectiveness" in marketer's tactics that consumers are in favor of (Friestad and Wright 1994). Both Wrights (1996) "Shemer Shema" and Friestad and Wright's (1994) "Persuasion Knowledge Model" point out that consumer are wary of marketer influence attempts resulting in a potential contrast effect, for instance when the message is inconsistent with the sender. Communicating through third party sources might be seen as inappropriate and unconventional to consumers, especially if the brand name is already suffering. Moreover, a study conducted by Artz and Tybout (1999) found that when the source is biased, an expert is more persuasive if the message is quantified. On the other hand, non-expert was more effective if the messages was verbal. Unbiased messages did not, however, influence persuasion. Consumers will have an expectation about the type of message that different senders will deliver (Artz and Tybout 1999). As experts are believed to have access to detailed and quantitative information and to fully support their issue with such data, non-experts are not. The stimuli used in experiments were heavily focused on how the company's expertise could benefit the social cause. Adopting Artz and Tybolt's view, consumers might have become suspicious when a quantitative message is communicated in a positive way by an "unbiased" source. When senders present information that is incongruent with their expertise, consumers are predicted to investigate the source in order to reveal the reasons for this mismatch (Artz and Tybout 1999). Thus, contrast effects make consumers suspicious of the senders' manipulative attempts diminishing the persuasiveness of the message. This is in accordance with the Persuasion Knowledge Model (Friestad and Wright 1994). However, contrast effects did only reduce source credibility when brand reputation was low. Yoon et al. (2006) found that companies that had a high-benefit salience through CSR initiatives resulted in a backfiring effect. This corresponds with Haley's (1996) view that consumers infer dishonest motives whenever the sponsor is perceived to take advantage of the sponsorship. Consequently, low reputation companies are viewed as less sincere compared to their high reputation counterparts, making consumers are more doubtful toward their motives.

In short, recipients of low reputation CSR messages are less tolerant of contrast effects. In light of this, advertisement will be a better communication tool that facilitates transparent and direct communication.

Ries and Ries (2004) claimed that due to the recent influx in advertisement volume, traditional advertisement has become less effective causing an advertisement fatigue among consumers. Contrarily, PR was suggested as more effective communication channel because consumers are assumed to evaluate third parties as credible sources that always deliver "the truth". This study found that high reputation sponsors are better off communicating through PR compared to advertisement. The finding corresponds to sponsorship literature that suggests that social initiatives are most successful whenever suspicion is low (Yoon et al. 2006; Olson 2010). Commercial motives are believed to lower consumers' perception of a company image and produce negative consumer outcomes (Rifon et al., 2004; Dahl & Lavack, 1995). Therefore, companies want to reduce consumer perceptions of extrinsic motives in order to prevent thoughts about corporate exploitations and other negative outcomes (Dahl and Lavack 1995). These studies are attributed to perceptions that sponsorship should use non-commercial communication such as PR. Overall, high reputation companies are perceived as more credible than low reputation companies. Meyers-Levi and Sternthal (1993) suggest that there is a stimuli overlap when the contextual cues are seen as an appropriate. When consumers have trust in the message sender, consumers might be more willing to elaborate on similarities and involve in less judgments when being exposed to a marketing stimuli (Meyers-Levi and Sternthal 1993). More specifically, when the contrast effects are low, more favorable consumer responses are generated. In addition, it's believed that the cognitive resources that consumers devote to the judgment task will influence the level of contrast. Consequently, it is expected that respondents receiving information about a high reputation company were less skeptical because they thought the contextual cues were fitting, which indirectly suggest a low contrast level. In sum, high reputation sponsors are seen as trustworthy communicators, making consumers less prone to questioning the sponsor's motives because disparity effects are less apparent. For that reason, this thesis suggests that high reputation companies are in a better position, as opposed to low reputation companies, when choosing an effective communication channel. In accordance with existing literature, socio sponsors should implement communication strategies that lower the perception of commercial motives to enhance consumer trust and gain credibility (Yoon et al.

2006; Olson 2010, Rifon et al. 2004). This will be achieved by using PR as opposed to advertisement. However, the thesis emphasized that this was not the case with low reputation.

The result showed that a high brand reputation will lead to enhanced congruence and sincerity when the sponsorship was communicated through PR. Researchers unite on that congruence will enhance consumer responses in sponsorship. However, to date there has been only a few studies examining the antecedents of fit. A study on event sponsorships conducted by Roy and Cornwell (2004) found that sponsors with high equity will influence the perceptions of congruency between the sponsor and the sponsored event. The authors justified this thought by explaining that high equity creates unique associations that consumers hold in memory. If the persuasion model is applied to these effects, the study concluded that consumers, regardless of prior knowledge, used brand knowledge about high equity sponsors to assimilate that information about the sponsorship to create congruence. For low equity sponsors, only experts perceived less congruence than novices. Similarity to Roy and Cornwell's (2004) study about sponsorship events, the experiment documented a positive effect between high reputations socio sponsors and perceived fit. This is a very important contribution to socio sponsor literature were perceived fit will generate favorable brand perceptions. A high brand reputations effect on perceived sponsor sincerity was not surprising but is an important finding. Well-liked sponsors are believed to generate a high level of sincerity amongst consumers. Perceived sincerity is especially relevant when supporting a good cause to minimize the perception of commercial motives (e.g. Speed and Thompson 2000; Yoon et al. 2006; Rifon et al. 2004).

As predicted, persuasion knowledge, sincerity and fit resulted having a significant mediating effect on the relationship between [communication channel×reputation] and consumer outcomes. For simple mediation only persuasion knowledge gave a significant mediation between communication channel and consumer outcomes. This is in accordance with what was expected, as persuasion knowledge is closely related to communicator's tactics. This indicates that the consumers used their persuasion knowledge to scrutinize the sponsors' tactics. There is a general consensus about the substantial role of sincerity and persuasion knowledge in creating consumer awareness (e.g. Friestad and Wright 1994; Speed and Thompson 2000; Olson 2010). Consequently, both are of high value for future research on sponsorships. More importantly, sponsorship congruence has been a much discussed subject when evaluating consumer responses (Becker-Olsen and Simmons 2002; Cornwell et al. 2005; Weeks et al. 2008; Quester and Thompson 2000). Nevertheless, without discussing the

antecedence of fit. As such, the findings supplement existing literature in saying that a high reputation will contribute positively to perception of congruency.

## 6.2 Theoretical implications

Preceding sponsorship literature has mostly focused on potential consumer outcomes, but falls short on evaluating how to effectively communicate socio sponsorships. At the same time, there has been a recent discussion among marketing theorist concerning the effectiveness of traditional and non-traditional communication channels (Yoon et al. 2006; Ries and Ries 2004; Dahlén 2005). Nevertheless, researchers seem far from reaching a consensus on the topic. Thus, this study is a contribution to sponsorship literature by suggesting how to communicate sponsorships effectively. More specifically, the study will suggest efficient marketing strategies adjusting for the level of reputation.

Although a reasonable amount of sponsorship literature study the effect of sponsorship articulation (Coppetti et al. 2009; Cornwell, et al. 2006) and the positive effects of congruency (Becker-Olsen and Simmons 2002; Cornwell et al. 2005; Weeks et al. 2008; Quester and Thompson 2000) research on others mechanisms of sponsorship still needs to be uncovered. As documented in this study, choosing the right communication channel for socio sponsorship might be regarded as especially important in socio sponsorship. Compared to sport sponsorships, socio sponsorships are fundamentally different in their construct and closely connected to their philanthropic heritage (Seitanidi and Ryan 2007). Whereas communication of sport sponsorships display clear commercial motives and goals, communication of socio sponsorships are recommended to show great attention to their communication strategies in order not to put their credibility at risk (Seitanidi and Ryan 2007), for instance by displaying clear commercial motivation. Porter and Kramer (2006) rightfully claim that pro-social strategies increase profits and enhance market value when implemented thoughtfully and thoroughly.

In sum, this thesis can make an interesting contribution to sponsorship literature when suggesting that low reputation companies should make their marketing communication through advertisement. Suggesting that this segment lack overall consumer credibility, they are better off communicating their message in a clear and company-oriented manner. This challenges scientists conclusion that PR is the most credible source of communication (Ries

and Ries 2004; Dahlén 2005). On the other hand, a high reputation sponsor increased consumer responses when they communicated through third party communication. Assuming that they have already established good consumer relationships based on trust and credibility, PR is regarded as the most costumer friendly way to increase consumer outcomes. This corresponds with previous literature (Ries and Ries 2004; Olson 2010; Yoon et al. 2006)

Furthermore, this study contributes to the widespread concept that persuasion knowledge will affect the way consumers react to marketing strategies (Friestad and Wright 1994). Persuasion knowledge suggests that consumers learn about marketers' tactics through own experiences, from family and friends and through observing marketers (Friestad and Wright 1994). In the experiment results showed that consumers used their persuasion knowledge in order to interpret marketing information. Nevertheless, there are several other factors that might be mediators in a sponsorship context and should be tested in the future. The absence of simple mediation might have been a result from interferences from other variables than the ones tested. Elaboration might be a variable that might have caused such effect. Socio sponsorship is often closely linked to motive attribution (e.g. Yoon et al.) that requires some level of cognitive elaboration from the consumer. Studying these effects should be relevant to future research.

The experiment showed that consumers were accepting both commercial and altruistic motives when being exposed to sponsorship literature. This is in accordance to the findings of Rifon et al. (2004) and can be of value for future studies in sponsorship literature, because the balance between being socially responsible and profitable is essential for sponsorship success.

## 6.3 Managerial implications

Extended knowledge concerning sponsorship is becoming increasingly sought after by companies in order to indulge in effective marketing. As seen in this study, establishing effective communication strategies are essential in order to achieve sponsorship success. If implemented correctly sponsorship might increase profits, raise consumer awareness and strengthen market position. For that reason, sponsorship should not be implemented without strategic planning. A Norwegian study showed that 59, 2 % of Norwegian companies tend to support social causes but as much as 77, 3 % of the respondents confessed that they did not establish goals with the collaborations (Østmo 2010). Knowing that engaging in social

sponsorships will heavily influence a company's strategic marketing campaign (e.g. the Norwegian oil company Statoil's successful support of young talents "Morgendagens helter"), leaders should in fact start taking sponsorship seriously and take advantage of the benefits of strategic planning. A shown in this experiment, knowledge of adapting the communication effort according to the company reputation will be crucial in order to maximize consumer outcomes.

The results from this study recommend managers to choose advertisement as a communication tool whenever their company reputation is suffering in order to regain trust. When a good reputation is established, PR will optimize purchase intentions. Furthermore company sincerity, sponsorship fit and consumers persuasion knowledge is documented to have mediating effects on the outcomes, as such managers are recommended to increase consumer's perception of company sincerity and try to minimize contrast effects (Meyers-Levi and Sternthal 1993) that may evoke cognitive elaboration and skepticism among costumers.

However, in order to build a brand or gain recognition by including socio sponsorship in their marketing campaign may not be sufficient in a complex consumer oriented world. When competition is fierce, product feedback is made possible by social media and consumers seem to be getting smarter at figuring out marketers' tactics, choosing the right communication may prove to be efficient, but not enough. Establishing a marketing function that handles socio sponsorships may be one of many measurements that can be put in place to secure a good stakeholder relationship. Ensuring a satisfactory product experience in terms of quality and service both pre and post purchase will support the social initiative (Sen and Battacharya 2001) and improve bottom line performance.

## 7.0 Limitations and Future Research

As with any research study, this study has limitations. The following section will highlight the concluding remarks in regards to the research question and then discuss four different forms of validity with respect to theoretical perspectives, research design, stimuli selection and measurements. As a response to these challenges, recommendations for future research are suggested.

This study builds on theories on persuasion knowledge, sponsorship literature, CSR and reputation building in order to recommend how choice of communication channels could maximize consumer responses. One of the main predictions was that third party communications as opposed to advertisement would be the best communication channel for socio sponsors. However, and answering the research question, low reputation companies increased the level of trust through advertisement, whereas high reputation socio sponsors increased purchase intentions through PR. Low reputation companies seemed to lack consumer credibility and trust; a sponsor message communicated through third party that spoke favorably of the sponsor did not increase consumer outcomes. The effect can be explained by a contrast effect that arises when there is a low degree of overlapping cues that will create confusion about the message sender (Meyers-Levi and Sternthal 1993). Another interesting finding was that high brand reputation enhanced perceived fit through PR between the sponsor and the NGO. The effect is modestly discussed in sponsorship literature (e.g. Roy and Cornwell 2004) and should be an interesting field of study in the future.

Public relations techniques are undoubtedly effective when establishing a brand. Several researchers have called for more research concerning non-traditional media, observing that the medium may be equally efficient and more cost effective than traditional advertisement (Meyers-Levi and Sternthal 1993; Moorman et al. 2002). However, PR, although historically referred to as a third party source, may in some cases be company-biased. In future it's recommended to establish clear definitions of PR in order to make genereralizing conclusions concerning communication channels. Consequently, as long as PR continues to be an umbrella term for a broad range of marketing activities, it's difficult to strengthen external validity of the results.

When it comes to choosing the right research design, sponsorship professionals have commonly used exposure-based methods or experimental designs in order to determine sponsorship effectiveness (Speed and Thompson 2000). Exposure-based methods secure predictive validity whereas an experimental design involves issues of generalizability and managerial application (Speed and Thompson 2000). Quester and Thompson 2000) state that when conducting an experimental design, external validity will be compromised in order to secure internal validity. Similar to other experimental designs, this study also contained an artificial setting. One of the reasons for choosing a fictive sponsor was to avoid expectancy effects. However, the downside of choosing a fictive sponsor delay the creation of a mental link between the sponsor and a presumably well-know sponsor object. Fictive sponsorships might generate higher internal validity and may be questioned in terms of generalizability, more specifically whether the results may the applied to a real-life setting.

Moreover, compared to real life ads, pictures were removed when designing the stimuli to reduce biased perceptions, creating a low degree of realism that threatens the external validity. The downside of using a minimalistic design might be that consumers create unfavorable ad attitudes and might not perceive the ads as being realistic nor catchy. However, when it comes to message content the stimuli contained a high degree of company related information, something that may have triggered skepticism among the PR stimuli respondents (e.g. Roy and Cornwell 2004). Individual motivation may have been challenged if the respondents were subjects of forced ad exposure. As such future experiments could test the effects of sponsorship communication in a non-laboratory setting. In addition, creating stimuli that are more realistic may enhance future results in similar experiments. In fact, the items testing ad perception showed that respondents only moderately positive to the layout of the stimuli, indicating that stimuli design should be carefully employed when testing for consumer responses in the future. Moreover, the level of respondent's carelessness might have threatened the external validity. However, eliminating respondents that show carelessness according to the time variable did not significantly change the data set. Furthermore, Weeks, Cornwell, & Drennan (2008) found that commercial articulation in sponsorship communication has an unfavorable effect on consumer attitudes. In the study, both cannels had commercial features, e.g. by including the words "sponsor" and "to sponsor" that might have evoked profit-orientated associations. Becker-Olsen & Simmons (2002) claims that when the company itself communicates the sponsorship, as was the case in the stimuli, the consumer is likely regard the sponsorship as a way to generate profits.

Findings in the study suggest that sincerity, fit and persuasion knowledge have a mediating effect on communication channel and consumer outcomes. For future studies, other mediation effects should be tested for similar effects, or even effects that could not be explained by the conceptual model. Motive attribution is a much discussed element in sponsorship literature (Rifon et al. 2004, Simmons and Becker-Olsen 2006) and is believed to have a fundamental impact on how consumers evaluate sponsor credibility. Furthermore, consumer elaboration is closely linked to motive attribution and perceived sincerity, and although widely studied, still remains a significant variable for testing socio sponsorships interaction effects. As such, future sponsorship research should further investigate the dimensions of motive attribution and consumer elaboration.

The factorial design how that the Cronbach's alpha value of the variable measuring persuasion knowledge (PK\_focus) was 0,503, lower that the accepted limit of 0,7 for measuring reliability. As such, these items should be adapted with cautiousness in future studies.

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# Appendices

## Appendix 1 Factor loading and Cronbach's Alpha

Table 1 A. Factor	r loading and	Cronbach'.	s Alpha				
Items	Factor1	Factor 2	Factor3	Factor 4	Factor5	Factor6	Cronbach's α
	PK	Sincerity	Fit	Trust & Purchase Int.	Object importance	Object Involvement	
Aggressive	0,611						
Tactic	0,771						
Focus	0,696						0,503
Believable		0,923					
Convincing		0,932					
Honest		0,921					
Good		0,708					
Favorable		0,713					
Positive		0,688					0,954
Congruency			0,786				
Logical			0,826				
Makes sense			0,648				0,873
Trustfulness				0,771			
Confidence				0,679			
Expectancy				0,855			0,827
PI				0,747			
Attention				0,765			
Doubts				0,740			0,933
Society					0,900		
Cause					0,847		0,913
Familiarity						0,914	
Commitment						0,867	0,811
Notes							

Note:

Kaiser-Meyer Olkin Measure of Sampling Adequacy value  $\geq 0.6$ 

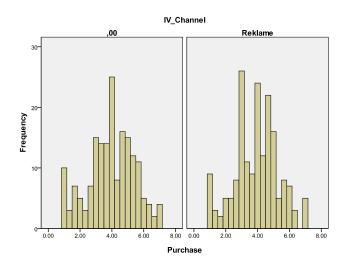
*Bartlett's Test of Sphericity*  $p \le 0.05$ 

 $Eigenvalues \ge 1$ 

Includes factors loading above 0, 4

i) When testing the normal distribution for the dependent variables, both trust and purchase intention produce scores that appear to be normally distributed

Communication channel on purchase intentions:



## Communication channel on trust:

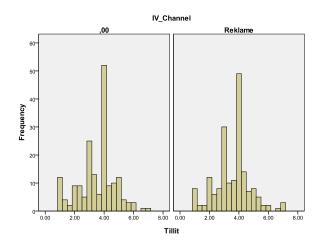


Table 2 A.Testing norma	l distribution		
	Le	evine's test for Equality	
		Of Variances	
	Statistic	Std. Error	
Purchase intentions			
Skewness	-0,094	0,129	
Kurtosis	0,297	0,256	
Trust			
Skewness	-0,168	0,129	
Kurtosis	-0,320	0,256	

Kurtosis value and a skewness value below 1 which indicate a normal distribution

ii) When testing the homogeneity of variance both values show a insignificant significant value ( $p \ge 0.05$ ) and as such the results show no violation of the assumptions.

Table 3 A. Test of homogen	eity of variance					
		Levine's test for Equality				
	Of Variances					
	F	sig				
Purchase intentions	0,422	0,517				
Trust	0,691	0,406				

## Appendix 3- Syntax Macros used for simple mediation in a bootstrap analysis

#### Channel:

INDIRECT Y = Purchase/X = IV\_Channel/M = Sincerity/BOOT =5000.

INDIRECT Y = Tillit/X =  $IV_Channel/M = Sincerity/BOOT = 5000$ .

INDIRECT Y = Purchase/X = IV\_Channel/M = GlobalFit/BOOT =5000.

INDIRECT Y = Tillit/X = IV\_Channel/M =GlobalFit/BOOT =5000.

INDIRECT Y = Tillit/X = IV\_Channel/M = PK\_Fokus/BOOT =5000.

 $INDIRECT\ Y = Purchase/X = IV\_Channel/M = PK\_Fokus/BOOT = 5000.$ 

#### Reputation:

INDIRECT Y = Purchase/X = IV\_Reputation/M = Sincerity /BOOT =5000.

INDIRECT Y = Tillit/X = IV\_Reputation/M = Sincerity /BOOT =5000.

INDIRECT Y = Purchase/X = IV Reputation/M = GlobalFit/BOOT =5000.

INDIRECT Y = Tillit/X = IV\_Reputation/M =GlobalFit/BOOT =5000.

## Appendix 5 Syntax Macros used for mediated moderation analyses

```
INDIRECT Y = Tillit/X = Interaction/M = PK_Fokus IV_Reputation IV_Channel/C = 2/BOOT =5000.

INDIRECT Y = Purchase/X = Interaction/M = PK_Fokus IV_Reputation IV_Channel/C = 2/BOOT =5000.

INDIRECT Y = Tillit/X = Interaction/M = Sincerity IV_Reputation IV_Channel/C = 2/BOOT =5000.

INDIRECT Y = Purchase/X = Interaction/M = Sincerity IV_Reputation IV_Channel/C = 2/BOOT =5000.

INDIRECT Y = Tillit/X = Interaction/M = GlobalFit IV_Reputation IV_Channel/C = 2/BOOT =5000.

INDIRECT Y = Purchase/X = Interaction/M = GlobalFit IV_Reputation IV_Channel/C = 2/BOOT =5000.
```

## Appendix 6 Questionnaire and stimuli

Four versions of the questionnaire were shown to different groups: Manipulated high reputation and PR, manipulated low reputation and PR, manipulated high reputation and advertisement, and lastly, manipulated low reputation and advertisement.

Manipulated high reputation:

#### **LUCKY GRAIN**

Nå lanserer vi det innflytelsesrike merket Lucky Grain på det norske markedet. Lucky Grain er et kvalitetsmerke innenfor frokostblandinger som inneholder en energirik blanding av soyabønner, proteinrik rød hvete og rug. Selskapet vårt ble etablert i 1838 av ernæringsfysiologen Michael Becker, og vi har opparbeidet oss en rekke høyt verdsatte merker innenfor næringsmidler. Vi er stolte over å være rangert som nummer 1 i kategorien næringsmidler i den internasjonale omdømmeundersøkelsen "Fortune Reputation Index" i 2010.

Manipulated low reputation:

#### **LUCKY GRAIN**

Nå lanserer vi merket Lucky Grain på det norske markedet. Lucky Grain er et billigmerke innenfor frokostblandinger som inneholder en blanding av soyabønner, rød hvete og rug. Selskapet vårt ble etablert i 2000 av forretningsmannen Michael Becker, og vi har opparbeidet oss en rekke lavprismerker innenfor næringsmidler. Vi ble i 2010 rangert som nummer 87 på listen over de 100 største næringsmiddelprodusentene i omdømmeundersøkelsen "Fortune Reputation Index".

PR stimuli: News paper announcement of new product.

#### Lucky Grain sponser Redd Barna

Oslo 7.10.2010 Av Trine Lien trine@nbladet.no





Tidligere denne uken ble det annonsert at Lucky Grain og Redd Barna inngår et sponsorsamarbeid. Hvert år dør 8,1 millioner barn før de fyller fem år. De fleste dødsfallene er helt unødvendig, og de kan forhindres med enkle metoder. I forbindelse med Redd Barna sin kampanje 'alle som en', har Lucky Grain utviklet et spesielt tilpasset frysetørret produkt som skal distribueres i sultrammede områder i Afrika.

Advertisement stimuli: Advertisement "in the making".

## ALLE SOM EN

Hvert är dør 8,1 millioner barn før de fyller fem år. De fleste dødsfallene er helt unødvendig – de kan forhindres med enkle metoder.

Som offisiell sponsor av Redd Barna har vi utviklet et spesielt tilpasset frysetørret produkt som skal distribueres i sultrammede områder i Afrika.

Sammen kan vi redde barn som dør av årsaker som kan forhindres. Alle som en.



Lucky Grain er offisiell sponsor av Redd Barna



## ii) Questionnaire







#### **LUCKY GRAIN**

Nå lanserer vi det innflytelsesrike merket Lucky Grain på det norske markedet. Lucky Grain er et kvalitetsmerke innenfor frokostblandinger som inneholder en energirik blanding av soyabønner, proteinrik rød hvete og rug. Selskapet vårt ble etablert i 1838 av ernæringsfysiologen Michael Becker, og vi har opparbeidet oss en rekke høyt verdsatte merker innenfor næringsmidler. Vi er stolte over å være rangert som nummer 1 i kategorien næringsmidler i den internasjonale omdømmeundersøkelsen "Fortune Reputation Index" i 2010.

0% 25% 50% 75% 100%

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På neste side vil du få se en reklame for Lucky Grain som er under utarbeidelse. Vennligst se nøye på reklamen og svar på noen enkle spørsmål vedrørende denne.

0% 25% 50% 75% 100%

Privacy Policy





## ALLE SOM EN

Hvert år dør 8,1 millioner barn før de fyller fem år. De fleste dødsfallene er helt unødvendig – de kan forhindres med enkle metoder.

Som offisiell sponsor av Redd Barna har vi utviklet et spesielt tilpasset frysetørret produkt som skal distribueres i sultrammede områder i Afrika.

Sammen kan vi redde barn som dør av årsaker som kan forhindres. Alle som en.



Lucky Grain er offisiell sponsor av Redd Barna









Feltene nedenfor er satt av for dine tanker rundt reklamen.

Vi ønsker at du bruker felt nr. 1 til å skrive ned din første tanke da du så reklamen, felt nr. 2 til din andre tanke osv. Fyll ut så mange felt du ønsker. Her er det ikke noe rett eller galt svar, og vi er interessert i alle dine umiddelbare tanker og assosiasjoner.

1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
			>>	1		
	09	% 25%	50%	75%	100%	

Privacy Policy





Vi ønsker å vite hva du synes om <u>forholdet mellom Lucky Grain og Redd Barna</u> <u>generelt,</u> og vi vil derfor be deg om å si hvorvidt du er enig eller uenig i påstandene nedenfor.

Marker passende alternativ på skalaen, der 1 = helt uenig og 7 = helt enig.

	1 Helt uenig	2	3	4	5	6	7 Helt enig
Lucky Grain og Redd Barna passer godt sammen	•	0	0	0	0	0	0
Det er logisk at Lucky Grain sponser Redd Barna	0	0	0	0	0	0	0
Jeg synes det er passende at Lucky Grain sponser Redd Barna	•	•	0	0		0	•

0% 25% 50% 75% 100%

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Nå ønsker vi å stille deg noen generelle spørsmål om meninger og holdninger du har dannet deg om Lucky Grain basert på den informasjonen du har fått hittil i undersøkelsen.



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Først ønsker vi å spørre deg om ditt generelle inntrykk av Lucky Grain. Marker det alternativet på skalaen som best representerer <u>din holdning til merket</u>.

#### Lucky Grain er:

	1	2	3	4	5	6	7	
Svært dårlig	0	0	0	0	0	0	0	Svært bra
Vanskelig å like	0	0	0	0	0	0	0	Lett å like
Svært negativt		0	0	0	0	0	0	Svært positiv

>> 0% 25% 50% 75% 100%

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Nedenfor ser du noen påstander om Lucky Grain.

Vi vil gjerne at du på en skala fra 1 til 7 markerer hvorvidt du er enig eller uenig i disse, der 1= helt uenig og 7 = helt enig.

	1 Helt uenig	2	3	4	5	6	7 Helt enig
Lucky Grain har antageligvis et godt rykte	0	0	0	0	0	0	0
Jeg har inntrykk av at Lucky Grain er av høy kvalitet	0		0	0	0	0	0
Det virker som om Lucky Grain har en god ledelse	0	0	0	0	0	0	0

0% 25% 50% 75% 100%

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Basert på det du hittil har fått vite om Lucky Grain så ønsker vi at du sier noe om i hvilken grad <u>du føler tillit til Lucky Grain</u>.

Marker på en skala fra 1 til 7 hvorvidt du er enig eller uenig i utsagnene nedenfor.

	1 Helt uenig	2	3	4	5	6	7 Helt enig
Lucky Grain er til å stole på	0	0	0	0	0	0	0
Jeg har sterk tillit til Lucky Grain	0	0	0	0	0	0	0
Jeg stoler på at Lucky Grain vil ta kloke beslutninger	0	0	0	0	0	0	0

0% 25% 50% 75% 100%

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Nå ønsker vi å stille deg noen enkle spørsmål om hvordan du oppfatter sponsorsamarbeidet mellom Lucky Grain og Redd Barna.



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Vi er først interesserte i å vite din generelle mening om sponsorsamarbeidet mellom Lucky Grain og Redd Barna. Marker det alternativet i skalaen som best representerer <u>din holdning til sponsorsamarbeidet</u>.

Jeg synes sponsorsamarbeidet mellom Lucky Grain og Redd Barna er:

	1	2	3	4	5	6	7	
Dårlig	0	0	0	0	0	0	0	Bra
Ugunstig	0	0	0	0	0	0	0	Gunstig
Negativt	0	0	0	0	0	0	0	Positivt

>>

0% 25% 50% 75% 100%

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Så ønsker vi å vite <u>hvor troverdig du synes Lucky Grain framstår som sponsor av</u> <u>Redd Barna</u>. Marker det alternativet på skalaen som best representerer din mening.

Som sponsor av Redd Barna fremstår Lucky Grain som:

					-21/1/2017/03/2			
	1	2	3	4	5	6	7	
Lite troverdig	0	0	0	0	0	0	0	Troverdig
Lite overbevisende	0	0	0	0	0	•	0	Overbevisende
Uærlig	0	0	0	0	0	0	0	Ærlig

>>

0% 25% 50% 75% 100%

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Vi vil gjerne også be deg svare på to spørsmål om hvilket inntrykk du fikk av reklamen.



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100%

Først ønsker vi å vite om du synes at reklamen fokuserte mest på Redd Barna sin sak eller på Lucky Grain.

#### Reklamen fokuserte først og fremst på:

0%

25%

	1	2	3	4	5	6	7	
Redd Barna	0	0	0	0	0	0	0	Lucky Grain

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>>





Så lurer vi på hvordan du synes at Lucky Grain fremstår i måten samarbeidet med Redd Barna ble presentert i reklamen.

	1 Helt uenig	2	3	4	5	6	7 Helt enig
Sponsorsamarbeidet fremstår som en aggressiv måte å markedsføre det nye merket på	•	0	0	0	0	0	
Sponsorsamarbeidet fremstår som ren taktikk i forhold til å fremstå som en ansvarlig bedrift		0	0	0	0	0	0

0% 25% 50% 75% 100%

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## Til slutt ønsker vi å vite litt om ditt forhold til Redd Barna.

Marker det alternativet på skalaen som passer best.

	1 Helt uenig	2	3	4	5	6	7 Helt enig
Jeg er mer enn gjennomsnittlig godt kjent med Redd Barna sin virksomhet	•	0	0	0	0	0	
Jeg har et sterkt personlig forhold til Redd Barna	0	0	0	0	0	0	0
Redd Barna sin sak er svært viktig for meg	0	0	0	0	0	0	0
Arbeidet til Redd Barna er viktig for samfunnet	•	0	0	•	0	0	0
Det er viktig å støtte Redd Barna	0	0	0	0	0	0	0



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#### Helt til slutt kommer to bakgrunnsspørsmål.



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Er du:

Mann
Kvinne

Privacy Policy





Vi gjør oppmerksom på at denne undersøkelsen er en del av et forskningsprosjekt om sponsing. Vi har brukt et fiktivt merke og sponsorsamarbeidet du har sett er ikke reelt.

50% 75% 100%

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0%

25%