# It Works Two Ways: Impacts of Sponsorship Alliance upon Sport and Sponsor Image

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## Abstract

Determining the impact of sport sponsorship by alcohol companies has been identified as a priority research concern (World Health Organization, 2014). Despite the vast investment and potential risks, there is almost no sport sponsorship-specific research examining how the choice and behavior of one sponsorship partner affects consumer attitude toward the other partner. We test this relationship, focusing upon the controversial alcohol-sport sponsorship pairing, given its importance to sport management and policy. The findings of these robust experimental results provide the first evidence that sponsorship pairing affects brand attitudes of both the sport and commercial partner. Implications for best practice sport sponsorship management in an increasingly controversial alcohol sponsorship environment are discussed.

Keywords: sponsorship, brand image, alliance

## Introduction

Sport sponsorship provides crucial revenue that benefits sporting participants at all levels, sport and the wider community. In particular, the sport-alcohol brand nexus has been embedded in sport through significant sponsorship, despite the irony of an unlikely pairing of the healthy brand image of sport and the known health risks alcohol consumption poses. Recently, alcohol sponsorship of sport has been placed under greater scrutiny, with policy calls to ban alcohol sponsorship of sport and place emphasis upon strengthening sport governance and integrity provisions in sport (Australian Crime Commission, 2013; World Health Organization, 2014).

Sponsorship is an indirect form of marketing communication, delivering activation through marketing messages, which is processed by consumers with less suspicion and resistance than traditional advertising (Meenaghan, 2001b). Sport sponsorship is the most popular form of sponsorship by far, accounting for 68-84% of global sponsorship revenue (worth \$600 mil-

lion annually in Australia), largely because of its capacity to influence brand awareness and positive brand associations (Gwinner, 1997; Jones, 2010; Parker & Fink, 2010). Anheuser-Busch's recent sponsorship renewal of its long term FIFA sponsorship through 2022 is estimated to be approximately \$200 million, indicating that the relationship between alcohol and sport through sponsorship continues to thrive (Lombardo, 2015). Sponsorship has been shown to influence first-time brand use and brand switching among consumers (Bennett, 1999; Meenaghan, 2001a) and increases brand recall, preferences, and sales, which are core elements of brand equity (Walliser, 2003). Furthermore, the effective transfer of images between partners can lead to positive, synergistic outcomes both for sponsors and the sponsored events (Roy & Cornwell, 2003).

The present study contributes to the literature by examining whether sponsorship pairing can influence consumer attitudes toward each of the sponsorship parties including both the sponsor and sponsored sport. Negative partner publicity is a considerable source of sponsorship risk due to the potential damage to brand equity. Despite negative publicity in sport being common, and considered inevitable, there has been limited research directed toward quantifying the effects of this on public attitude toward a sponsoring brand. Through a longitudinal experimental design that analyzed attitudes toward both sponsoring partners prior to and after a sponsorship announcement, this study identified how sponsorship partners' brand images impact consumer attitudes following announcement of the sponsorship, and determined the direction of this relationship. We report the result of two studies with differing sponsoring brands (liquor vs. beer) and sponsored teams (cricket vs. rugby league), in order to better generalize our findings, and also to acknowledge many international restrictions ban liquor sponsorship, but permit beer sponsorship. Our research provides new insight by recognizing and testing the dynamic, bilateral nature of a sponsorship alliance, particularly as each partnering brand's image evolves through the sponsorship duration. Our focus departs from prior research in the field that has assumed static brand image and largely examined sponsorship alliances cross-sectionally. Past research has also restricted enquiry to image transfer impacts upon the sponsor brand, when impacts across the alliance are likely to be bilateral.

## **Importance of Consumer Brand Evaluations**

Sport sponsorship is an effective mechanism to reach large and targeted audiences, and to transfer desirable associations favorable among consumers, thus accounting for the burgeoning popularity and vast investment in this marketing medium. As the appeal of sport transcends age, social class, and national boundaries, sponsorship can raise brand awareness across a broad demographic and geographic range (Bennett, 1999; Kahuni, Rowley, & Binsardi, 2009). Favorable associations toward a brand among consumers determine the value of a brand, which is known as brand equity (Aaker, 1992). For professional sport teams, higher equity brands are able to attract increased memberships, fans, and spectators; greater media exposure; and more lucrative sponsorship arrangements (Kahuni et al., 2009). Developing brand-sponsor associations to facilitate brand awareness, brand image, goodwill, sales, and brand attitude (Cornwell, Humphreys, Maguire, Weeks, & Tellegen, 2006; Ruth & Simonin 2006) is dependent upon the congruence of the sponsor and event, the power of image transfer, and the use of signals (Mazodier & Merunka, 2012). Research consistently suggests that congruence is a positive predictor of effective sponsorship (Jagre, Watson, & Watson, 2001; Mazodier & Quester, 2014; Simmons & Becker-Olsen,

2006) and can lead to positive brand awareness and image outcomes (Pappu & Cornwell, 2014). Furthermore, congruence between sponsor and event is often more successful when it aligns with audience expectations that in turn will result in a positive brand image and increased consumer purchasing attitudes (Mazodier & Quester, 2014).

Congruence between a sponsor and an event is crucial in developing effective image transfer (Becker-Olsen & Hill, 2006; Simmons & Becker-Olsen, 2006; Woisetschläger & Michaelis, 2012). Brand image transfer is defined as the transfer of meaning between a product and its endorser when associated together in advertising (McCracken, 1989). These associations facilitate the occurrence and direction of image transfer, which is usually derived from the strength of the meanings created by the consumer (Gwinner, 1997; Gwinner & Eaton, 1999). For example, Visa Card sponsored the Olympic Games on the basis of the event's image as the world's leading sporting event, an image association consistent with Visa Card's desired positioning as the world's leading payment system (Kronengold, 2000). Likewise, Cadillac's long-term sponsorship association with PGA golf is designed to reinforce the company's prestigious and sophisticated brand image positioning (Musante, Milne, & McDonald, 1999).

To conceptualize how brand alliances influence brand associations, the associative network memory model (Spry, Pappu, & Cornwell, 2011) is commonly used, which suggests that consumers hold a set of associations, conceptualized as a set of related nodes, for both team and sponsor. A sponsorship alliance links these existing associations, causing transfer of images from one partner to the other, known as spillover (Simonin & Ruth, 1998). As each brand becomes part of the other's association set, spillover is inevitably reciprocal (Till & Shimp, 1998). Hence, in a sponsorship context, associations are sponsorship informational nodes linked to brand nodes in the viewer's memory, causing transfer of images from one partner to the other, known as spillover (Simonin & Ruth, 2006). Thus, during the time attention is allocated to the sponsor signage, the viewer abstracts sponsorship information and new associations with the brand node can be built. With reference to the Cadillac example previously mentioned, consumers' existing brand memory around a car brand for the average market might adjust due to exposure messaging around Cadillac's new prestige positioning derived from its sponsorship of PGA golf.

## **Risk of Sport Sponsorship Alliance**

Although sponsorship has been shown to improve brand equity, forming brand alliances also introduces some risk (e.g., the unhealthy association with alcohol or potential for high-profile scandal; Westberg, Stavros, & Wilson, 2008). Spillover occurs when two brands share strong linkages that, when activated simultaneously, prompt inferences in relation to the innocent partner (Roehm & Tybout, 2006) and consumer judgments (Funk & Pritchard, 2006). As partner actions cannot be controlled, poor partner choice or negative partner publicity may result in negative spillover and the transfer of undesirable associations, with the potential to damage brand equity (Washburn, Till, & Priluck, 2000). For example, Doyle, Pentecost, and Funk, (2014) found that negative publicity about a celebrity endorser resulted in negative attitudes among consumers toward the sponsor and event brand. While research has investigated the influence of sport sponsorship on the sponsoring brand, relatively little is known about the reciprocal influence of the brand alliance on attitudes toward the sponsored party. Simonin and Ruth (1998) reported that a more favorable attitude toward the alliance resulted in a more positive attitude toward both partners. Baumgarth (2004) replicated these results but also found that the brand alliance could potentially produce asymmetrical effects, whereby attitude became more positive toward one partner but more negative toward the other.

## Effects of Negative Brand Image

Preliminary findings in brand alliance research highlight that a more negative attitude toward the "innocent" partner results from publicity of (Fan, Chang, Zhang, & Zhang, 2013) and alliance with (Cornelis, 2010) a negative partner. Moderating factors may also be involved, such as negative spillover, when an "innocent" partner knows of, and condones, their partner's negative behavior (Votolato & Unnava, 2006). Despite these effects, few sport sponsorship studies examine the impact of negative publicity of one partner on another (but see Parker & Fink, 2010; Pope et al., 2009). Balance theory proposes that cognitive consistency influences one's judgment of the relationships between objects or people (Parker & Fink, 2010) and has been adopted to explain how sponsorship relationships are processed by consumers. Thus, if the consumer perceives sponsor-team incongruence, such as a positive-negative pairing, psychological discomfort will ensue and one of the incongruent beliefs must change to restore cognitive balance (Bloxsome, Voges, & Pope, 2011). If consumers have preconceived positive attitudes toward a partner, they are more likely to have similar perceptions toward anything associated with that partner, but when examining the impact of negative associations toward a partner, these negative associations will likely transfer to any related entity (Bee &

Dalakas, 2015). However, balance theory does not account for potential positive implications associated with negative attitudes toward a partner.

Signaling theory offers an explanation for this potential imbalance and recognizes that two parties to an economic transaction possess unequal amounts of information, particularly regarding unobservable attributes of the transaction item (Connelly, Certo, Ireland, & Reutzel, 2011). Actions by one party function as a signal that provides additional information to the other party (Connelly et al., 2011). In the case of a negative partner, their ability to find anyone willing to enter a sponsorship alliance provides positive information to the consumer, thus acting as a signal of quality (Rao, Qu, & Reukert, 1999) and marketing cues that influence the attitudes and evaluations of consumers (Mazodier & Merunka, 2012).

## Hypotheses Development

The preceding review examined the theoretical frameworks and empirical evidence that underpin how consumers make sponsorship evaluations and the impact of sponsor partnerships on consumer attitudes. Specifically, sponsorship's objectives of image transfer and fit between sport and brand (Jagre, Watson, & Watson, 2001; Mazodier & Quester, 2014; Simmons & Becker-Olsen, 2006), together with consumers' tendencies to search for consistency between the sponsorship partners (Parker & Fink, 2010; Bloxsome, Voges, & Pope, 2011), indicate that there is likely to be a twoway effect of image transfer between brand and sport. However, the direction of this transfer may be asymmetric depending upon the respective brand images of the parties prior to entering the sponsorship and the perceived signaling of brand support associated with a sponsorship announcement (Connelly et al., 2011; Mazodier & Merunka, 2012). Thus, it might be expected that a negatively imaged brand, whether it be the team or sponsoring brand, may receive a boost in perceived image when partnering with a positively imaged partner through sponsorship. Extant literature highlights a lack of research examining the effects of a sponsorship alliance upon both the sponsoring brand and the sport, and the evolution of each partnering brand over time, especially throughout the sponsorship duration. Our research addresses this gap, by testing these dynamic brand image effects upon each of the partner brands longitudinally. Most prior research has examined sponsorship impacts upon the sponsor brand, with assumed static brand images of each sponsorship partner. Our approach measures the change in each partner's brand image pre- and post-sponsorship announcement. Conceivably, the image of one or both partners as they enter a sponsorship may be negative,

positive, or neutral, and the sponsorship announcement may influence the original image of each in the minds of consumers due to the processing mechanics discussed previously. Given the proliferation of negative publicity in sport potentially associated with sponsoring brands, and the increasing controversy associated with some sponsor categories, including alcohol, it is important to examine the impacts upon brand equity of different brand image and pairing scenarios. While our predictions may seem unsurprising, we emphasize that prior research has not examined the possible asymmetric effects of an alliance, and the likelihood of incongruous brand images comprising the sponsorship pairing. Substantiating these effects through empirical testing and theorizing is critical to inform sport property managers, sponsors, and regulators of best practice strategy in negotiating sponsorship, and whether "sin" sponsor categories such as alcohol are detrimental to the image of sport. We therefore hypothesize the following:

H1a: A sponsorship pairing comprised of a team portrayed positively and a sponsoring brand portrayed negatively will result in a more negative attitude toward the team and (H1b) a more positive attitude toward the sponsoring brand.

H2a: A sponsorship pairing comprised of a team portrayed negatively and a sponsoring brand portrayed positively will result in a more positive attitude toward the team and (H2b) a more negative attitude toward the sponsoring brand.

The following two studies test these predictions through a series of scenarios announcing the launch of a new sports team (rugby league and cricket) and a new alcohol brand (beer and scotch), followed by a sponsorship announcement of their partnership. We manipulate the brand image of the respective sporting and alcohol brands within these fictitious press release scenarios to project a positive, negative, or neutral brand image, and then test the impacts of the announcement upon brand attitudes of each partner in the sponsorship alliance.

## Study 1

## Method

## Participants

A total of 214 young Australian residents were recruited from an online panel through Qualtrics. The 204 participants with complete demographic details were aged 18–39 years, (M = 24.46, SD = 4.04) and 60% were female. A measure of race was included showing 65% of participants as Caucasian, 25% as Asian, 2% as Aboriginal/Torres Strait Islander, and 8% as other. A geographic variable was also included to determine in

Queensland, and Western Australia, South Australia, Tasmania, and the Northern Territory comprised 9%, 7%, 3% ,and 1% of the sample size, respectively. For inclusion, participants had to be at least 18 years old and have lived in Australia for at least five years to allow exposure to Australian sporting culture. Young participants were the focus of our research due to the reported vulnerability of young people to dangerous alcohol consumption (e.g., Hastings, Anderson, Cooke, & Gordon, 2005), in addition to this focal sample being identified as a priority for the research agenda (World Health Organization, 2014). Binge drinking among young people is a strong predictor of alcohol dependency in later life (Jefferis, Power, & Manor., 2005) and is associated with deleterious social and health problems (e.g., Gutjahr, Gmel, & Rehm, 2001). The extent and nature of alcohol problems and alcohol-related harm has generated a focus on evidencebased policy and research on causal influences of drinking behaviors and associated behaviors, including the influence of alcohol marketing in sport. Given the high degree of young drinkers' exposure to sport and media, their effective exposure to alcohol-related messaging is high (e.g., Anderson, De Bruijn, Angus, Gordon, & Hastings, 2009). Materials

which state or territory each participant resided. More

Wales (36%), 26% resided in Victoria, 18% were from

than a third of participants were from New South

laterials

Separate press releases were created that announced the entrance of a fictitious team into a National Rugby League (NRL) competition and the launch of a fictitious beer brand. We chose popular Australian professional sports as stimuli, including the NRL for Study 1 and cricket for Study 2, as they are national sports that are likely to resonate with Australian participants. Also, these sports are typically sponsored by alcohol, among other categories, which ensured the stimuli were plausible. We used fictitious brands across the stimuli to control for known possible confounding factors including brand familiarity and involvement (Cornwell, Weeks, & Roy, 2005). Team and brand depictions were presented in positive, negative, or neutral terms using themes of player/coach credibility, performance, product quality, and community involvement, and are referred to as TeamPos, TeamNeg, and TeamNeut, respectively. Brands portrayed in positive, negative, and neutral terms are referred to as SponsorPos, SponsorNeg, and SponsorNeut, respectively (see Appendices A, B, and C for full sets of stimuli relating to Study 1).

Particular care was taken to maximize ecological validity by developing content based on recent media reports of positive and negative player/organizational behavior, and using a graphic designer to develop logos typical of NRL teams and beer brands. A sponsorship announcement between team and brand was also created, accompanied by a picture of the team jersey with sponsor branding. The press releases and the logos were initially pilot-tested on a small sample (N =10). Participants were asked to respond to a five-point Likert scale for each of two items assessing how realistic (M = 4.5) and engaging (M = 4.7) the stimuli were (i.e., "This press release is realistic") and anchored by 1 = "Strongly disagree" and 5 = "Strongly Agree."

For the main study, attitude toward both team and brand was measured using a three-item, seven-point semantic differential scale, widely considered valid for measuring attitude, and highly reliable when group means are used (Heise, 1970). The mean of the three items, anchored by positive/negative, favorable/unfavorable, and good/bad, was used to represent overall attitude with lower scores indicating a more negative attitude. Internal consistency was high, with Cronbach's alpha greater than .97 for all attitude scales.

#### Design

An experimental 3 x 3 x 2 design was employed with two between-subject factors-team portrayal: positive, negative, or neutral; and brand portraval: positive, negative or neutral, and a single within-subject factor (pre- and post-sponsorship announcement assessment), creating nine independent experimental conditions. The dependent variable was attitude to team and brand. Participants were randomly allocated to one experimental condition by the online survey.

## Procedure

A pre-test of 99 participants of the same profile as the main study sample confirmed that the positive and negative portrayals were clearly distinguishable (p <.001), but the neutral and positive portrayals were not (p > .05). Participants rated the degree of valence of the press releases relating to each of the brand vignettes by responding to a five-point semantic differential scale anchored by 1 = very negative and 5 = very positive. These portrayals were edited to improve the differentiation and subsequently endorsed by a reference group of five sporting and marketing experts, including two sport marketing academicians, two journalists, and one sport communication practitioner. An online consent form obscured the true nature of the study and advised participants that the purpose of the study was to test consumer attitudes toward news formats for brand launches. Participants were randomly assigned to one of the nine between-subjects conditions, with each condition averaging 22 participants.

Participants read a press release regarding the entry of the Maldura Marlins into the NRL competition and

indicated their initial attitude toward the team. They then read a press release regarding the launch of Farrelly Beer and indicated their attitude toward the brand. After at least four minutes of unrelated filler activity that provided temporal distance (i.e., solving a word scramble puzzle), participants read a sponsorship announcement between the Maldura Marlins and Farrelly Beer and then indicated their attitude toward both team and brand. Finally, participants completed demographic questions. The host university granted ethical approval for this study.

#### Results

Data were analyzed using SPSS 21. Of the 214 participants, 212 provided complete data (excluding the demographic form). This exceeded the a priori sample size required to detect a medium effect size. Preliminary analyses showed the data were approximately normally distributed with both skew and kurtosis < 0.80, and contained no multivariate outliers. Box's Test of Equality of Covariance was not violated for team attitude but was violated for sponsor attitude, thus Wilks' Lambda and Pillai's Trace were used, respectively, as Pillai's Trace is more robust against violations of homogeneity of variance. Finally, there were no significant differences in gender ( $\chi^2(8, N =$ 204) = 6.99, p = .537) or age (F[8, 195] = 0.75, p =.647) between experimental conditions, eliminating them as candidates for confounds. A mixed model ANOVA was used with team and brand portrayal as the independent variables, and participants' attitude pre- and post-sponsorship announcement as the dependent variable.

Change in attitude toward the NRL team

At Time 1, the experimental manipulation was effective at differentiating between NRL teams portrayed in positive (M = 5.48, SD = 1.34), neutral (M = 4.50, SD= 1.36), and negative terms (M = 3.32, SD = 1.87), F(2, 3.32)211) = 34.92, p < .001, with the highest attitude toward TeamPos and the lowest attitude toward TeamNeg. Across both time points the main effect of team attitude was non-significant (Wilks' Lambda = .99, F(1, $203) = 1.58, p = .211, \eta_p^2 = .01)$ . The interaction between team and sponsor, however, was significant (Wilks Lambda = .80, F(8, 203) = 6.48, p < .001), accounting for approximately 20.3% of the variance in attitude change toward the team post-sponsorship announcement  $(\eta_p^2 = .20)$ .

As shown in Figure 1, post hoc simple effects tests with Bonferroni correction revealed support for H1a, with a large decrease in attitude toward TeamPos (from M = 5.83, SD = 1.18 to M = 4.59, SD = 1.31) after pairing with SponsorNeg (t = 4.03, p < .001, d =0.99). Conversely, attitude toward TeamNeg showed a

	Pre-Sponsorship							
Team Portrayal	$M^{-}$	SD	Sponsor Pairing	$M^{-}$	SD	t	p	d
Positive	5.09	1.36	Positive	5.35	1.26	-0.88	.381	-0.20
	5.51	1.41	Neutral	5.02	1.52	1.62	.106	0.34
	5.83	1.18	Negative	4.59	1.31	4.03	<.001	0.99
Neutral	4.49	1.36	Positive	4.84	1.23	-1.20	.231	-0.27
	4.21	1.32	Neutral	4.32	1.29	-0.34	.731	-0.08
	4.79	1.41	Negative	4.28	1.91	1.75	.082	0.30
Negative	3.14	1.78	Positive	4.39	1.33	-4.25	<.001	-0.79
	2.95	1.98	Neutral	3.70	1.83	-2.41	.017	-0.39
	3.81	1.82	Negative	4.49	1.70	-2.40	.017	-0.39

 Table 1

 Summary Statistics for Change of Attitude Toward NRL Team Pre- and Post-Sponsorship Announcement (Study 1)

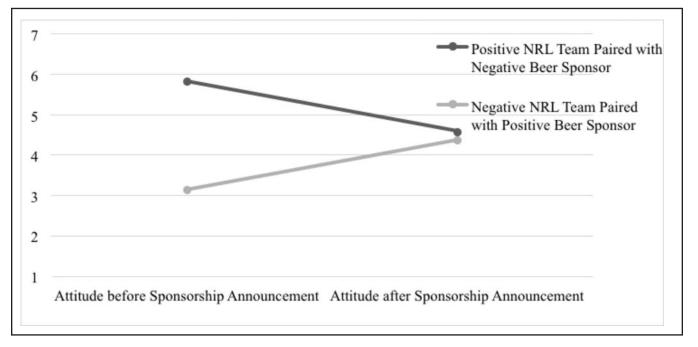


Figure 1. Positive and negative attitudes toward NRL team before and after sponsorship pairing (study 1).

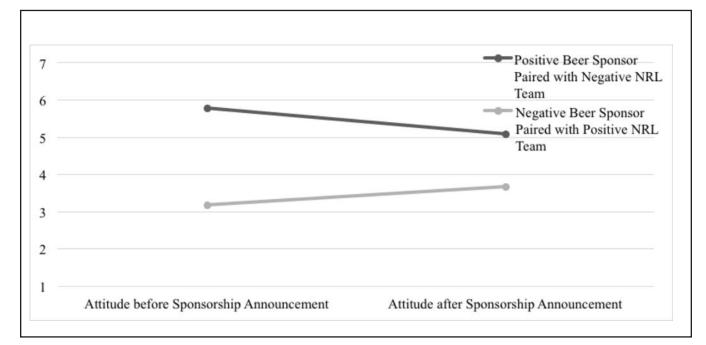
large improvement in attitude (from M = 3.14, SD = 1.78 to M = 4.39, SD = 1.33) after pairing with SponsorPos (t = -4.25, p < .001, d = -0.79) in accordance with H2a. Attitude toward TeamNeg underwent small-medium increases after pairing with either SponsorNeut (from M = 2.95, SD = 1.98 to M = 3.70, SD = 1.83, t = -2.41, p = .017, d = -0.39) and SponsorNeg (from M = 3.81, SD = 1.82 to M = 4.49, SD = 1.70, t = -2.40, p = .017, d = -0.39; see Table 1). **Change in attitude toward the sponsor** At Time 1, the experimental manipulation was effective at differentiating between beer sponsor brands portrayed in positive (M = 5.49, SD = 1.32), neutral (M = 4.34, SD = 1.30), and negative (M = 3.20, SD =1.88) terms, F(2, 211) = 41.35, p < .001, with the highest attitude toward SponsorPos and the lowest attitude toward SponsorNeg. Across both time points the main effect of attitude toward sponsor was non-significant (Pillai's Trace < .01, F(1, 203) < 0.01, p = .987,  $\eta_p^2 < .01$ ). The interaction between sponsor and team was significant (Pillai's Trace = .12, F(8, 203) = 3.39, p = .001), accounting for 11.8% of the variance in attitude change toward the sponsor following the sponsorship announcement ( $\eta_p^2 = .12$ ).

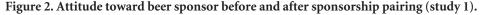
As summarized in Figure 2, post hoc simple effects tests with Bonferroni correction revealed a medium decrease in attitude toward SponsorPos (from M = 5.78, SD = 1.34 to M = 5.08, SD = 1.40) after pairing with TeamNeg (t = 2.85, p = .005, d = 0.51), supporting H2b. Conversely, aligning with H1b, though only

Table 2

	Pre-Sponsorship							
Team Portrayal	$M^{-}$	SD	Sponsor Pairing	$M^{-}$	SD	t	p	d
Positive	5.33	1.30	Positive	5.20	1.40	0.47	.575	0.10
	5.36	1.34	Neutral	4.96	1.16	1.68	.094	0.32
	5.78	1.34	Negative	5.08	1.40	2.85	.005	0.51
Neutral	4.47	1.36	Positive	4.64	1.54	-0.66	.511	-0.12
	4.39	1.13	Neutral	4.18	1.34	0.84	.403	0.17
	4.17	1.46	Negative	3.91	1.64	1.02	.310	0.17
Negative	3.18	1.89	Positive	3.67	1.78	-1.92	.057	-0.27
	2.46	1.43	Neutral	3.04	1.86	-2.40	.017	-0.35
	3.91	2.03	Negative	4.38	1.79	-2.03	.043	-0.24

Summary Statistics for Change of Attitude Toward Beer Sponsor Pre- and Post-Sponsorship Announcement (Study 1)





marginally significant, attitude toward SponsorNeg showed a small to medium increase (from M = 3.18, SD = 1.89 to post M = 3.67, SD = 1.78) after pairing with TeamPos (t = -1.92, p = .057, d = -0.27; see Figure 4). Attitude toward SponsorNeg showed a small to medium increase (from M = 2.46, SD = 1.43 to post M= 3.04, SD = 1.86) after pairing with TeamNeut (t = -2.40, p = .017, d = -0.35). There was also a small to medium increase in attitude toward SponsorNeg (from M = 3.91, SD = 2.03 to M = 4.38, SD = 1.79), after pairing with TeamNeg (t = -2.03, p = .043, d = -0.24; see Table 2).

To examine the robustness of these observed effects, we undertook a second study, which replicated Study 1 using a different sporting team (cricket) and a different alcohol sponsor (scotch).

## Study 2

## Method

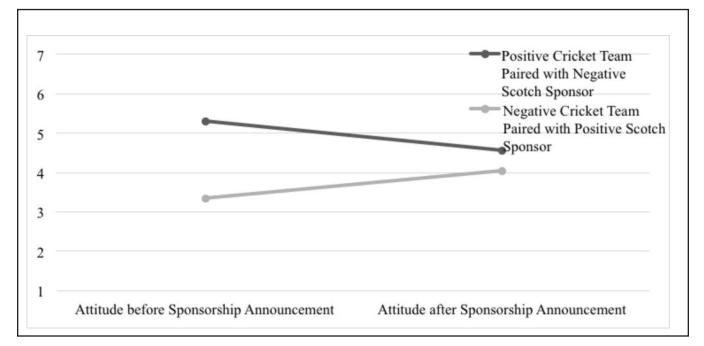
## Participants

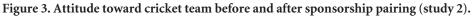
An independent sample of 340 Australian residents was recruited according to the same inclusion criteria and method as Study 1. The 301 participants that provided complete demographic data were aged 18–30 years (M= 23.19, SD = 3.65), of whom half (50%) were female and 60% were Caucasian. There were also 25% Asian, 5% Aboriginal/Torres Strait Islander, and 10% categorized as other within the sample. Participants' location

#### Table 3

Summary, Size, and Significance of Attitude Change Toward Cricket Team Pre- and Post-Sponsorship Announcement (Study 2)

	Pre-Sponsorship							
Team Portrayal	$M^{-}$	SD	Sponsor Pairing	$M^{-}$	SD	t	р	d
Positive	5.44	1.44	Positive n =	5.46	1.46	0.09	.926	-0.01
	5.23	1.25	Neutral	5.15	1.19	0.42	.676	0.06
	5.31	1.31	Negative	4.57	1.08	3.44	.001	0.62
Neutral	4.64	1.23	Positive	4.83	1.22	-0.91	.360	-0.15
	5.14	1.27	Neutral	4.98	1.18	0.76	.443	0.13
	4.81	1.03	Negative	4.44	1.16	1.64	.103	0.34
Negative	3.35	1.73	Positive	4.04	1.71	-3.25	.001	-0.40
	3.78	1.68	Neutral	4.30	1.78	-2.53	.012	-0.30
	3.06	2.12	Negative	3.32	1.94	-1.29	.197	-0.13





was also measured, with 32% of respondents from New South Wales, 26% from Victoria, 22% residing in Queensland, 9% from South Australia, and 8%, 2%, and 1% of respondents in the sample from Western Australia, Tasmania, and the Northern Territory, respectively.

## Materials and procedure

To examine if Study 1 results were replicable with a different sport/brand combination, press releases announced the entry of the Howzats cricket team to the Twenty/Twenty cricket competition, the Australian launch of McElroy Scotch, and a sponsorship partner-ship between the Howzats and McElroy Scotch. These fictitious press releases were developed, pilot tested,

and endorsed in the same manner described in Study 1 (see Appendices D, E, and F for full sets of stimuli). Otherwise, the design, procedure, and attitude measures were identical to Study 1. Internal consistency was again high for all attitude scales (all s > .94).

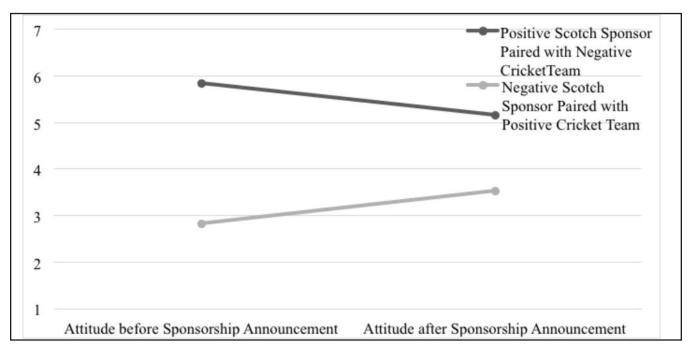
## Results

Results were analyzed in the same manner as described for Study 1. Of the 340 participants, 309 participants provided complete data. This sample also exceeded the a priori sample size required to detect a medium effect size. Preliminary analyses showed the data were normally distributed with both skew and kurtosis < .80, and contained no multivariate outliers. Box's Test of Equality of Covariance was violated for team and

## Table 4

Summary, Size, and Significance of Attitude Change Toward Scotch Sponsor Pre- and Post-Sponsorship Announcement
(Study 2)

	Pre-Sponsorship			Post-Spo				
Team Portrayal	$M^{-}$	SD	Sponsor Pairing	$M^{-}$	SD	t	P	d
Positive	5.41	1.32	Positive	5.35	1.42	2.69	.789	0.04
	5.14	1.49	Neutral	5.10	1.30	0.17	.860	0.03
	5.86	1.15	Negative	5.18	1.30	3.13	.002	0.55
Neutral	4.64	1.24	Positive	4.78	1.48	-0.67	.503	-0.10
	4.66	1.16	Neutral	4.91	1.19	-1.17	.242	-0.21
	4.90	1.60	Negative	4.46	1.60	2.04	.042	0.27
Negative	2.83	1.92	Positive	3.54	1.83	3.44	.001	-0.38
	3.30	2.14	Neutral	4.11	1.72	1.64	.001	-0.42
	3.10	2.12	Negative	3.52	1.97	-1.29	.045	-0.20





sponsor attitude, thus Pillai's Trace was used, as it is more robust against violations of homogeneity of variance. Finally, there were no significant differences in gender ( $\chi^2(8, N = 301) = 5.08, p = .749$ ) or age (*F*(8, 292) = 0.92, p = .497) between experimental conditions, so these were not potential confounds.

Change in cricket team attitude

At Time 1, the experimental manipulation was effective at differentiating between cricket teams portrayed in positive (M = 5.28, SD = 1.37), neutral (M = 4.84, SD = 1.18), and negative terms (M = 3.46, SD = 1.86), F(2, 324) = 44.06, p < .001. Across both time points, the main effect of attitude toward the team was non-significant (Pillai's Trace < .01, F(1, 300) = 0.27, p =

.605,  $\eta_p^2 < .01$ ). The interaction between team and sponsor was significant (Pillai's Trace = .10, *F*(8, 300) = 4.29, *p* < .001), accounting for 10.3% of the variance in attitude change toward the team post-sponsorship announcement ( $\eta_p^2 = .10$ )

As illustrated in Figure 3, post hoc simple effects tests with Bonferroni correction revealed a medium to large decrease in attitude toward TeamPos (from M =5.31, SD = 1.31 to M = 4.57, SD = 1.08) after pairing with SponsorNeg (t = 3.44, p = .001, d = 0.62), supporting H1a. Conversely, in accordance with H2a, attitude toward TeamNeg showed a medium improvement in attitude (from M = 3.35, SD = 1.73 to M = 4.04, SD = 1.71) after pairing with SponsorPos (t = -3.25, *p* < .001, *d* = -0.40). Attitude toward

TeamNeg underwent small-medium increases after pairing with either SponsorNeut (from M = 3.78, SD =1.68 to M = 4.30, SD = 1.78, t = -2.53, p = .012, d = -0.30; see Table 3).

#### Change in scotch sponsor attitude

At Time 1, the experimental manipulation was effective at differentiating between scotch sponsors portrayed in positive (M = 5.46, SD = 1.33), neutral (M = 4.76, SD = 1.32), and negative (M = 3.15, SD = 2.05) sponsors, F(2, 320) = 57.72, p < .001, with the highest attitude toward SponsorPos and the lowest attitude toward SponsorNeg. Across both time points the main effect of attitude toward sponsor was non-significant (Pillai's Trace = .01, F(1, 300) = 2.97, p = .086,  $\eta_p^2 = .01$ ). The interaction between sponsor and team was significant (Pillai's Trace = .12, F(8, 300) = 4.99, p < .001), accounting for 11.7% of the variance in attitude change toward the sponsor following the sponsorship announcement ( $\eta_p^2 = .12$ ).

Table 4 summarizes the attitude change toward the sponsor both before and after the sponsorship announcement. Post hoc simple effects tests with Bonferroni correction revealed a medium decrease in attitude toward SponsorPos (from M = 5.86, SD = 1.15to M = 5.18, SD = 1.30) after pairing with TeamNeg (t = 3.13, p = .002, d = 0.52) consistent with H2b. Conversely, attitude toward SponsorNeg showed a small to medium increase (from M = 2.83, SD = 1.92to post M = 3.54, SD = 1.83) after pairing with TeamPos (t = -3.44, p = .001, d = -0.38; see Figure 4), supporting H1b. Attitude toward SponsorNeg showed a medium increase (from M = 3.30, SD = 2.14 to post M = 4.11, SD = 1.72) after pairing with TeamNeut (t =-1.64, p = .001, d = -0.42). There was also a small increase in attitude toward SponsorNeg (from M =3.10, SD = 2.12 to M = 3.52, SD = 1.97), after pairing with TeamNeg (t = -1.29, p = .045, d = -0.20).

## **General Discussion**

Results from both experiments support the notion that positive, neutral, or negative perceptions of one brand can impact attitudes toward a partner brand in a sponsorship alliance. Previous research demonstrates that the alliance itself affects attitude, and that negative publicity within an alliance can potentially consumer attitudes and brand equity (Doyle et al., 2014). Despite the expense of and critically important role sport sponsorship plays for teams and sponsors, it is remarkable that there is only limited examination of how the choice and behavior of sponsorship partners affects brand attitudes of the alliance.

The results were consistent with Hypotheses 1 and 2 for the positive condition across both experiments,

demonstrating that sponsorship pairing affects attitude toward teams, as they accounted for 20.3% and 10.3% of the variance in attitude change toward NRL teams and cricket teams, respectively. The results were also consistent in showing that sponsorship pairing affects attitude toward sponsors, accounting for 11.8% and 11.7% of the variance in attitude change toward beer and scotch sponsors, respectively. However, the sponsorship pairing had almost twice the influence on attitude toward the NRL team compared to the cricket team (20.3% vs. 10.3%). This differing response only occurred in the negative portrayal, where (a) after pairing with a positive sponsor, there was a large increase in attitude toward the NRL team compared to a smallmedium increase toward the cricket team, and (b) after pairing with a negative sponsor, there was a smallmedium increase in attitude toward the NRL team compared to an unchanged attitude toward the cricket team. Given the importance of alliance congruence to attitude, one explanation may be the greater perceived congruence between an NRL team and beer pairing than the pairing between a cricket team and scotch. This justification mirrors previous findings that argue sponsorship effects are dependent on the association or fit of product type and sponsor (Cornwell, Weeks, & Roy, 2005; Pappu & Cornwell, 2014). Thus, if a sponsorship pairing is perceived as being less congruent or incongruent, consumers have less favorable views of the sponsorship (Close & Lacey, 2013). Further investigation with different sports, sponsors, and sport-sponsor pairings is warranted to determine the role of congruence in assessing the impact of a sponsorship alliance on respective brand attitudes pertaining to each of the parties.

Another significant finding revealed that attitudes toward positively imaged teams were not affected after pairing with positive or neutral sponsors, but showed a large decline after pairing with a negatively imaged sponsor. The former result can be explained by balance theory (Woisetschläger & Michaelis, 2012), as positive or neutral attitudes toward one sponsorship partner mirrored attitudes toward the other, therefore demonstrating consistency with this theory. The latter result is suggestive of a spillover effect, as the transfer of negative sponsor associations influenced consumer attitudes toward the team. The decline in attitude toward the team after pairing with a negative sponsor highlights consumer tendency to give more weight to negative information when making inferences (Pope et al., 2009). While there were distinct attitudinal changes among the positively and negatively imaged sponsors, attitudes toward neutrally imaged teams were not significantly affected by sponsor traits. This could be attributable to the meanings consumers create that

result in brand image transfer (Gwinner & Eaton, 1999).

Perhaps the most surprising finding was the significant decline in attitude when positive partners were paired with negative partners, compared to the relatively smaller improvement in attitude negative partners earned through pairing with positive partners. This effect may be explained by impression formation principles, whereby negative information has a far greater influence on evaluation and attitudes than positive information (Pope, Vogues, & Brown, 2009). These trends could also demonstrate balance theory, in which consumers seek to regain a congruent evaluation of a sponsorship pairing over time (Woisetschläger & Michaelis, 2012). Furthermore, the pairing of a negatively perceived brand with a positively imaged brand evidences a signal of quality toward the weak brand as the consumer develops more positive assessments of the sponsorship (Rao et al., 1999). In terms of the associative network memory model previously described, the consumer's brand knowledge relating to sport and alcohol partners is updated by virtue of exposure to the sponsorship and signaling of credibility and quality emanating from it. Our research supports recent studies examining sponsorship impacts, which draw upon balance theory, signaling theory, and the associative network memory model to predict consumer responses in terms of brand equity of sponsorship partners. Our findings extend prior studies by testing two-way effects of the sponsorship pairing upon the sponsoring brand and the sponsored sport. Moreover, we advance these theories by discovering that image transfer effects are asymmetrical depending on the valence and disparity of the brand images in the sponsorship.

## Limitations and Future Research

While the studies reported here provide reliable experimental evidence that sponsorship pairing affects brand attitudes within a sponsorship alliance, the fictitious nature of the experiments restrict the external validity of the results. In real-world scenarios, teams and sponsors have a mixture of positive, negative, and neutral attributes, and existing associations will moderate the effect of sponsorship pairing on attitudes. Thus, research into the complex interactions affecting attitudes to real-world sponsorship pairings is imperative before the evidence reported here can be confidently applied to real-world sponsorship decision-making. In addition, while these studies considered a new sponsorship alliance, the primary concern of sponsors is the effect of negative publicity within existing relationships. Sport is increasingly concerned with adverse brand outcomes associated with partnering with controversial products such as alcohol or brands exhibiting unethical traits. This could be examined by extending the current design beyond the sponsorship announcement with an additional press release describing one partner's negative behavior, then reexamining attitudes to team and sponsor. Also, examining the degree to which the consumer is involved with or has knowledge of the sponsor or event would enable a more refined interpretation of results (see Meenaghan, 2001a). It is also emphasized that our results relate to young consumers, given the policy focus upon them, but future research could advance our findings by replicating the study across different populations including minors and consumers aged over 35 years.

## Conclusions

Findings from this study reinforce the notion that compatibility between sponsorship partners can stimulate brand recall and thus enhance positive consumer attitudes (Cornwell & Maignan, 1998), even in relation to negatively imaged sponsorship pairings. Furthermore, this study is the first to empirically examine the two-way direction of the relationship in the context of sport and alcohol sponsorship pairing. As such, brand association through sponsorship can enhance or damage the respective brands partnering if they differ in image prior to entering the relationship (see Henseler, Wilson, & de Vreede, 2009). This finding is of practical interest for negatively imaged brands, as the sponsorship announcement, albeit with another negatively imaged partner, appears to be a signal of positivity and a brand equity booster. While this was a surprising finding, it is nevertheless consistent with signaling theory and prior research demonstrating that the alliance itself can impact brand attitudes (Doyle et al., 2014).

Our research has several practical implications for sport properties, sponsoring brands, and regulators. For sporting brands positioned positively around images of health, goodwill, and success, forming an association with an alcohol brand through sponsorship is risky if the alcohol brand is negatively imaged. Given the controlled nature of our design, it is probable that these findings would extend to any sponsoring brand with a negative image. In the context of constant reporting of scandals relating to brands and sport, it is useful insight to pre-empt the likely effects of a pairing. Hence, it is wise to pair a sport controversy, perhaps through doping or match fixing, with a positively imaged sponsoring brand, built upon longevity, trust, and social benefits of consumption. Our findings suggest that value in brand equity improvement accrues to the partner entering the sponsorship with a negative

image, which may explain the strong and growing alcohol sponsorship of sport, given its generally negative health associations. Overall, our findings suggest that in considering sponsorship partnership, both brands should aim to mirror their images to achieve mutually beneficial brand equity outcomes. For struggling brands, sponsorship may improve image when partnering with a more positively imaged partner. While there is concern and debate in relation to alcohol sponsorship of sport, there appears to be no commercial risk for a sport choosing to pair with an alcohol brand, given our results suggesting that consumers' brand perceptions of the partnering brands are not affected when they are of the same valence.

In summary, strong brands invite high risk when pairing with negative partners, neutral brands do not gain by sponsorship but invite smaller risk when pairing with a negative partner, and negative brands always stand to gain through sponsorship partnerships. Although a robust experimental effect was found and replicated, further research in real-world scenarios is required to examine the complex interaction of factors that influence and moderate attitudes toward the sponsorship pairing.

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## Appendix A.

Study 1: NRL Team Press Releases



## NRL Team - Positive

Local Perth WARL team, the Maldura Marlins have earned entry into the National Rugby League competition in 2014. The team is lead by an outstanding combination of long-serving and popular coach, Lionel Kelly, and innovative CEO, Trent Fisher. During its ten years in the regional WA competition, the Marlins have built an impeccable reputation with their entertaining style of football, passion for the game, and a great attitude whether they win or lose. The team have been making their mark off the field as well with players contributing at the grass-roots level. The club has a long-standing partnership with several local charities including Perth-based Save the Children group and the Perth Hospital Appeal. More recently, senior players have banded together to tackle bullying in local Perth Schools and have set up a mentoring program to help victims. The announcement of their entry into the upcoming 2014 season has been met with great enthusiasm in Perth and has resulted in strong growth to their fan base.

## NRL Team – Negative

Local Perth WARL team, the Maldura Marlins have secured entry into the National Rugby League competition in 2014. However, controversy surrounds the team's inclusion amidst a checkered past of bad behavior, scandal and incompetent club management. Recently claims have emerged that their inclusion is a result of a back-room deal between club and NRL officials. The team's ten year history has seen several salary cap breaches, two players receiving life bans for match fixing an appalling off-field behavior. The team, including coach, Lionel Kelly, was recently spotted partying in a popular Perth nightspot, and later several players emerged surrounded by young groupies. Later in the evening, hotel staff witnessed the team captain and up to seven other players check into the Perth Marriott, accompanied by young female fans. The troubled team is also being criticized for failing to attend a charitable event held to raise funds for ill children without notice. Membership for the new team is struggling to grow amid these concerns

## NRL Team - Neutral

The Maldura Marlins have won the bid for entry into the National Rugby League competition for 2014. The formation of a completely new team from scratch consisting of mostly rookie players had led many to wonder how the team will fare in its debut season. Novice coach Lionel Kelly and CEO Trent Fisher appear to be enthusiastic leaders, though neither have any experience with top grade teams. The Marlins have set modest goals for their debut season and are hoping to notch up a couple of wins at their home ground. The CEO expects the community will get behind the Marlins since it is the NRL team in the region. However the club has been criticized for not having any plans in place to build club membership or community engagement. While the organization of pre-season training seems a little chaotic, all players are injury-free and seem eager for their first trial. Fans will get their first glimpse of the team during a series of exhibition matches with reserve grade teams during 2013.

# Appendix B.

Study 1: Beer Sponsor Press Releases



## Beer Brand - Positive

The new Farrelley Beer brand has been the talk of the town since its launch last week. The beer has received rave reviews for its refreshing taste and more refreshing approach to managing business. The brand's founders, local Perth brothers Bill and Trent Farrelley, are ecstatic at the success of the beer and are putting it down to their emphasis on customers before profit margins, their traditional brewing techniques, and organic hop and pure spring water ingredients. The company has shown strong commitment to local jobs, recently ranking as the number one employer of local Perth residents. They have also been outspoken supports of Australian farmers and only source local ingredients despite many of their competitors importing cheaper alternatives from local Asian markets. Farrelley Beer has invested a large portion of its marketing budget back into the community through fundraising events and supporting local charities including junior sports W.A. and Perth Life Saving. The beer is perceived as a fun and innovative brand due to its humorous messages on the bottle labelling. Avid followers believe the brand has a very bright future.

#### Beer Brand – Negative

The new Farrelley Beer brand has been the talk of the town since its launch last week. The beer brand has experienced a string of disasters since its release to the market two weeks ago. These have included an attempt by management to cover-up a bottle tampering incident and a public relations nightmare sparked by fraudulent conduct by the founders, Bill and Trent Farrelley in relation to a property settlement deal. Local home-owners were conned into selling their properties below market value to make way for the new Farrelley mega-factory. If this wasn't enough bad news, discovery this week of malfunctioning lids on the bottles has caused more headaches for the struggling brand. This is among several quality control problems attributable to cost-cutting and moving bottling off shore to Indonesia. This move has also slashed Australian jobs and placed the quality of the beer under scrutiny. The beer is now perceived as an unreliable, tainted brand and time will tell whether the brand will survive.

## Beer Brand – Neutral

The Farrelley Beer brand was launched into the Australian market last week. The beer is a basic lager and is offered in three varieties: bitter, mid-strength, and light. Founding brothers Bill and Trent Farrelley are known for their previous experience in local small business ventures. During a recent interview, the Farrelley brothers highlighted the rapidly consolidating nature of the brewing industry and said their brand is positioned to maximise profits. However, the brothers were unable to identify the unique characteristics of their brand that would differentiate it from the competitive beer market. The brand is available from most local liquor stores and pubs and a deal is currently being negotiated with larger supermarket retailers. A national campaign for the brand will be released next week, with placement across social media, television, radio and outdoor media. The Farrelley brothers expect the beer to appeal to most drinkers though they face a tough uphill climb if it is to shoulder its way into the very competitive Australian beer market.

# Appendix C.

Study 1: Sponsorship Announcements



NRL/Beer Sponsorship Announcement

Today Farrelly Beer announced that it will be sponsoring the Maldura Marlins team for their debut year in the 2013 NRL season. The official sponsorship is expected to provide a strong association between the newly launched Farrelly Beer brand with the new NRL team, with the objectives of raising brand awareness and shaping its brand image in the Australian market. Following the signing of the sponsorship agreement, Farrelly Beer CEO Bill Farrelly commented: "We are delighted to have secured an association with the Maldura Marlins and see it as an excellent platform by which to promote the Farrelly brand. The sport closely reflects the core values of our company and we are looking forward to a successful future for both the team and brand."

# Appendix D.

Study 2: Cricket Team Press Releases



Cricket Team – Positive

A new regional team, the Howzats, has been assembled to join the Twenty –Twenty cricket competition for the 2014 season. The Howzats are an exciting new team, consisting of some stand-out young cricketers from regional Australia. The team will be captained by crowd-favorite spin bowler, Nigel Carney, and coached by retired test cricketing legend, Reggie Murphy. Recent trial form and community engagements have proven that the new side are outstanding performers both on and off the field. Pre-season trials proved the Howzats will adopt a fastpaced style of cricket with their roster set to thrill crowds across the country. Off the field, the team have demonstrated outstanding commitment to their local community. In a show of community solidarity, the team generously committed their entire off-season travel fund to the Children's hospital to replace life-saving heart monitoring equipment lost in the recent floods. Player's from the team's leadership group have also established a one-on-one coaching program to mentor local foster children. The already large fan base for the Howzats is set to grow during the upcoming season, during which punters believe the Howzats will dominate.

## Cricket Team – Negative

A new team, the Howzats, has been assembled from mostly Pakistani and India-based players to compete in the Australian Twenty-Twenty cricket competition for the 2014 season. The announcement has been met with surprise, given the poor track record and shocking salaries of many of the players recruited. The coach, Reggie Murphy, also carries a dubious past with questionable coaching credentials and professional conduct issues pleading guilty to match-fixing while playing for Somerset in the English domestic season. Their second-rate performances on the field have been matched by appalling off-field behavior, with senior players named in several sexual assault claims made by female staff of a local family hotel. Despite the Hotel providing security footage of the incidences, Howzats management have refused to take any action. Local punters say that the players are out of control and act as if they can do whatever they want. The team's scandalous behavior has led to concern over the questionable culture permeating the club. Understandably, the fanbase has been slow to grow, and punters question the Howzats' long-term future in the competition.

## Cricket Team – Neutral

A new regional team, the Howzats, have been assembled to join the Twenty-Twenty cricket competition for the 2014 season. The team consists of a mix of youth and experience with a number of players from outside Australia being drafted into the team. The coach, Reggie Murphy, although relatively unknown, has experience in coaching several mid-tiered teams over his ten-year coaching career. The Howzats have announced plans to engage the surrounding community and fans during the 2014 season but have not yet released any details of these plans. The players have just returned from a preseason training camp and from all reports the team is taking longer than expected to gel together. Given it is still early days, it is understandable that the Howzats' fanbase remains limited but is expected to grow steadily throughout the season especially in regional areas. Although the team's entrance into the competition has been welcomed by fans and commentators of the game, their ability to perform at the highest level remains uncertain.

# Appendix E.

Study 2: Scotch Sponsor Press Releases



Scotch Brand – Positive

The McElroy family Scotch brand was launched in Australia this week after a long and proud history producing some of the most popular Scotch in Scotland. Many scotch connoisseurs have wondered why the McElroy brand was not available in Australia sooner since it regularly places among the top ten brands in international tasting competitions. The campaign launch across television and social media has been a huge success , with quite a buzz generated from clever award-winning ads featuring popular Australian actor Nev Jones. Company directors Dave and Bill McElroy are thrilled with the scotch's reception down-under and have also impressed non-scotch drinkers with generous contributions to the Australian community in an effort to repay the public for their support. Most notable among these has been a pledge to donated 30% of profits from Australian sales over the first five years to protecting native endangered wildlife. Supporters are sporting McElroy merchandise including T-shirts and caps, featuring the trademark green bottle and tree on the reverse.

## Scotch Brand – Negative

The McElroy Scotch brand was launched in Australia this week. The scotch was declared cheap and 'revolting' at a recent annual scotch tasters' conference in Sydney yesterday, with several experts stating that corners had been cut to eliminate costs in the preparation and as a result, the smell was sickening and the taste was even worse. Co-founders Dave and Bill McElroy have refused to comment on the negative reviews and have other issues to deal with it seems, with several of their staff walking out yesterday after several injuries at the plant as a result of workplace health and safety issues. The company has made a statement that any staff member not on site will be fined directly. To make matters worse, the new campaign for the scotch has been pulled, due to its offensiveness, featuring a naked young woman lap dancing in a bar surrounded by young males. The future of McElroy Scotch appears dubious, with several retailers refusing to stock the brand.

## Scotch Brand – Neutral

The McElroy Scotch brand was launched in Australia this week and has been met with mixed reviews. The scotch was well received at the annual scotch tasters' convention earlier this week and solid sales are predicted. McElroy Scotch co-founders, Dave and Bill McElroy, are new to the alcohol industry, but have a background in other marketing and retail ventures. The company founders stated that they are keen to get involved in community development activities to build the company's brand image but they are yet to announce any details of the strategies they will pursue. The McElroy brand's advertising campaign was launched last Monday with the advertisements focusing on detailed pricing information rather than flair or pomp. McElroy Scotch is available through most liquor retailers and is expected to appeal to a broad, value seeking market. Some commentators believe the brand has a solid commercial outlook, but its success will be contingent upon its price and quality relative to international scotch brands.

# Appendix F.

Study 2: Sponsorship Announcements



Cricket/Scotch Sponsorship Announcement

Today McElroy Scotch announced that it will be sponsoring the new Howzats twenty/twenty cricket team for its debut season in the upcoming domestic 20/20 competition. The sponsorship relationship is a positive move for the scotch brand, by using this high profile affiliation the new Howzats team to prompt awareness and appreciation for the McElroy brand. McElroy Scotch founders and owners, Bill and Dave McElroy, stated "We are excited to announce our partnership with the Howzats and believe that it will position the brand very distinctively and competitively for the future".

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