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Consumer reactions to sport event sponsorship : a case study of the 2006 Cape Argus Pick 'n Pay Cycle Tour

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Consumer Reactions to Sport Event Sponsorship

**A case study of the 2006
Cape Argus Pick 'n Pay Cycle Tour**



Brendon Knott

Thesis submitted in fulfilment of the requirements for the
M-Tech: Tourism and Hospitality Management

in the
Faculty of Business
at the
Cape Peninsula University of Technology

Supervisor: Dr K Swart
Co-Supervisor: Dr L Greybe

Cape Town
June 2007

DECLARATION

I, Brendon Knott, hereby declare that the contents of this thesis represent my own unaided work, and that the thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

Signed: _____

Date: _____

ABSTRACT

Consumer Reactions to Sport Event Sponsorship

A case study of the 2006 Cape Argus Pick 'n Pay Cycle Tour

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Sport event sponsorship has rarely undergone systematic study, and very few empirical studies have looked at the effect of sponsorship on the consumer. This study investigated **consumer reactions** to the sponsoring organisations, and identified **factors** that influence these reactions, among participants of the 2006 Cape Argus Pick 'n Pay Cycle Tour.

The Descriptive Research design consisted of **self-administered questionnaires**, administered on-line, on the Cycle Tour website. E-mails containing a hyperlink to the survey on the Internet were sent out to an estimated 30 000 eligible participants from the Cycle Tour database. A response of 213 valid answers was received.

The findings indicated that event participants have a highly **positive reaction** to event sponsors. There are three components of this positive reaction: Participants have a highly positive reaction toward the event; they do not believe that the event is over-commercialised; and the event sponsorship has a positive influence on the participants' attitude towards behavioural intent (namely high levels of awareness of and support for sponsors, as well as influencing the image perceptions of and satisfaction with sponsors, and increased likelihood to purchase).

The results appear to support the following factors that influence these reactions: the **nature** of the sponsorship (commercial or philanthropic); the **origin** of the sponsorship (pre-existing or sponsor-created); the **frequency** of the sponsorship; the **synergy**/ link between the sponsor and event; and consumer **interest** and **involvement** in the event. The study proposes that in addition to these factors, a range of consumer **demographic** factors may influence reactions.

[words: 248]

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GLOSSARY

Technical Terms:

E-mail:

An electronic message that is sent from one computer terminal, via telephone lines, to the recipient's computer terminal. The message is stored on the recipient's terminal until that person logs in to check his/her e-mail.

Website server:

A web server serves pages to clients across the Internet or Intranet. It hosts pages, scripts files, programmes and multimedia files and serves them using Hypertext Transfer Protocol (HTTP), a protocol which determines how files will be transferred.

Internet:

A network consisting of an international network of computer networks that use network protocols to facilitate the transmission and exchange of data and information.

URL: the address of a web page on the Internet.

Download:

To download a file means to transfer a file from someone else's computer across a network and save it on one's own computer.

HTML:

Hypertext Markup Language is the most common programming language in the world and can be viewed by the majority of the world's computers.

Abbreviations of Associations or Names:

ASOM: Association of Marketers

CAPPCT: Cape Argus Pick 'n Pay Cycle Tour

CPUT: Cape Peninsula University of Technology

IMC: Integrated Marketing Communications

MPR: Marketing Public Relations

PPA: Pedal Power Association

SABC: South African Broadcast Corporation

UCI: International Cycling Union

WTO: World Tourism Organisation

Chapter One

INTRODUCTION AND PROBLEM DEFINITION

This chapter introduces the study, beginning with an introduction and background to the study and the event. It looks at the research problem, objectives and hypotheses, and the methodology used to answer these. The chapter concludes with an overview of the delineation and significance of the study.

1.1 Rationale, Introduction and Background

There has been a dearth of research in the Special Interest Tourism market of sport tourism, especially in South Africa (Shaffie, 2005:4). Playing a key role in both the supply and demand side of the sport event marketing system, sponsorship has rarely undergone systematic study, and very few empirical studies have looked at the effect of sponsorship on the consumer (Lee, Sandler & Shani, 1997). Yet, sport sponsorship continues to grow in popularity and value as a sport event marketing tool in this country, and internationally.

D'Astous and Bitz (1995) note a lack of empirical studies examining the impact of sponsorship on consumers. Most studies have tended to be broad measures of awareness and favourability, which McDonald (1991:32) claims is no substitute for understanding perception and response. D'Astous and Bitz (1995) also conclude that consumer interest or involvement in an event has a heightened impact on sponsorship perceptions. Getz (1997:24) notes a sponsorship trend toward sponsoring events where consumers are participants and not just spectators, such as the CAPPCT which has approximately 35 000 participants annually. This study therefore aims to investigate consumer reactions to the sponsoring organisations, and to identify the factors that influence consumer reactions, among high-involvement consumers, namely participants of the CAPPCT 2006.

Through its phenomenal ability to generate audiences and build consumer relationships, sport has been transformed from a game into a thriving industry (Media Forum: get with the game, 1999:63). Owing to the proliferation of leisure events and a global trend toward increased leisure pursuits in today's society, the opportunity for corporate event sponsorship is at 'an all time high' (Gwinner, 1997).

The growing importance of sport event marketing is internationally recognised. A top Leo Burnett executive claims: "*Event marketing will become the favoured medium of the twenty-first century*", and John Damoose, Vice President of Marketing for Chrysler Corporation believes:

“Event marketing has the potential to displace network television as the marketer’s medium of choice” (BDS, 1998). The sponsor – event relationship is regarded as symbiotic, as corporations promote themselves through events and events are dependent on the revenue and services that they derive from the sponsors (Getz, 1997:24).

Within South Africa, sport sponsorship is at present the fastest growing segment of the communications mix, growing by 20.4% per annum between 1985 and 2003 (BMI Sport Info, 2004). Total expenditure on sport sponsorship in 2003 was valued at R3,2 billion in South Africa.

It has been said that if you want your brand to be noticed, you have to get into sport. This is especially significant today, when advertising spend is proving to be ‘flat’, and marketers are looking to sport for campaign opportunities (Media Forum: get with the game, 1999:63). These sentiments are echoed in the observation: *“In this field of highly competitive and creative requirements, the current darling of the alternative marketing plan is sport sponsorship”* (Chislett, 1998:53).

Sport has traditionally been the largest and most widely used sponsorship sector, accounting for between seventy-five and eighty per cent of total sponsorship spend in the UK and USA (Thwaites, 1994). He further suggests that sport exhibits a number of advantages over other sectors, such as high levels of visibility, and the ability to target a full range of demographic and psychographic segments. It has the potential to target mass markets or specific niches. It is easily usable for a global marketing approach, with an ability to transcend national boundaries and overcome cultural barriers. However, although the sport sector remains the most popular, other sectors, such as music, theatre, dance, art, the environment and education, are becoming increasingly popular (Duffy, 2003:84).

As astounding as this growth may appear, sponsorship does have its detractors. Derek Carstens, of Ogilvy & Mather, believes that *“Sponsorship is the biggest misspend in advertising at the moment,”* while Butch Reynolds of Research Surveys claims: *“The majority of South African sponsorships are a waste of time and money”* (Kloot, 1999:15). While it is clear that major sport events cannot take place without the commercial support of sponsors, there is growing concern that these events and sport may be becoming over-commercialised because of the excessive sponsorship-linked marketing activities (Lee, Sandler & Shani, 1997).

Despite the growing use of sport event sponsorship, there is little in the academic literature to guide a company’s decisions about what events to sponsor, how to leverage their sponsorship resources and what responses to expect (Speed & Thompson, 2000:226). D’Astous and Bitz (1995) noted that there was a need for research aimed at identifying and understanding the factors that influence consumer reactions towards sponsoring activities.

Sponsorship research to date has not adopted any specific theoretical framework that could guide investigations of consumers' reaction to sponsorship, and there is much debate over research methodology (Speed & Thompson, 2000:226). They further noted that the methodologies used are essentially survey and experimental work.

The researcher thus believes this area of study to be relevant and topical. With the varied opinions on the effectiveness of the medium, the researcher believes further academic investigation is very necessary. In light of South Africa hosting the 2010 *Fédération Internationale de Football Association* (FIFA) World Cup, the issue of sponsorship in sport is likely to become an even more pertinent one.

1.2 Background to the Cape Argus Pick 'n Pay Cycle Tour

From its humble beginnings in 1978 with 525 entrants, the Cape Argus Pick 'n Pay Cycle Tour (CAPPCT) has grown to become a world-renowned, world-class event that annually attracts over 35 000 entries from across the globe. Today, the event is recognised as the world's largest timed sport event. The researcher chose to focus this study on this event as it is one of Cape Town's leading annual events, involving a large number of participants. The event's highly functional website and active participant database, that includes highly computer-literate consumers, would allow the study to use the desired methodology. In addition, the Cape Town Cycle Tour Trust believed that they would benefit from research conducted on its participants, and that the results would aid sponsor relations, feedback and procurement in the future.

The Argus, Cape Town's largest newspaper, agreed to sponsor the 'Argus Cycle Tour', with the inaugural event held on 28 October 1978. By 1980, with an entry of 1 398, the Tour was advertised as 'the biggest cycle race in the Southern Hemisphere', and was attracting some of the top riders. In 1982, the Rotary Club of Claremont agreed to take on the organisation of the Tour, enabling Rotary to use the Tour as a vehicle for raising funds for community projects. This arrangement continued until 2000 when the Cape Town Cycle Tour Trust was formed, with Claremont Rotary involving many other Rotary Clubs as the event grew. Also in 1982, Coca-Cola became the official cold drink provider.

In 1991, Pick 'n Pay came on board as a naming rights sponsors, with the event renamed the 'Argus/Pick 'n Pay Cycle Tour'. The 1991 event also saw the first 'Expo' launched to incorporate the race registration, linking commercial and entertainment opportunities. The following year, 1992, saw the introduction of the 'Giro del Capo' - a 4-stage race for professional and leading registered riders, culminating in the Cycle Tour. In 1992, Energade joined the team of sponsors as the official sports drink, and Medi-Clinic provided the medical back that continues today.

In 2000, the Pedal Power Association (PPA) and the Rotary Club of Claremont joined forces to establish the Cape Town Cycle Tour Trust, with the Tour becoming the property of the Trust. The following year, 2001, the Cycle Tour joined the International Cycling Union (UCI) Golden Bike Series, raising the profile of the Tour internationally, with South Africa the first country outside of Europe to be included on the Golden Bike calendar.

In 2002, 250 entries were donated to the Ministry of Sport and the South African Cycling Federation to provide cyclists of all socio-economic levels the opportunity of participating in the Tour. The same year, television coverage went live on air for the first time, and the Mountain Bike Challenge was introduced. 2005 marked the first time the race received live coverage on the national broadcaster, the South African Broadcasting Corporation (SABC). Coverage started at 06h00, with crossings throughout the day, ending at 14h30. The highlights package went out the following week – a total of more than 7 hours coverage to an audience of over 1 million.

The PPA runs an active programme throughout the year to promote cycling in all its forms. They spend a substantial portion of the money received from the Cycle Tour on cycling development and transformation, safe cycling initiatives, off-road cycling and various other projects. The bulk of income received from the Cycle Tour is spent on fun rides. Their development policy is aimed at enabling cyclists to get started through direct or indirect assistance, constantly striving to introduce cycling at an early age across all facets of the South African community. PPA supports Development Clubs, and supports ongoing projects for scholars in previously disadvantaged areas.

The 2006 event saw 40 064 race entries, with 27 996 finishers with an average time of 4:16:23 (male) and 5:51:28 (female). The average age of entrants is 40 years (male) and 37 years (female). Most South African riders come from the Western Cape (15 868), closely followed by Gauteng (13 833). International participation is growing, with 2 036 participants in 2006, mostly from the rest of Africa (814), the United Kingdom (543) and Europe (401).

The responses to this study somewhat reflected these demographics, with nearly 59% of respondents between the ages of 31 and 50 years old. Respondents were not asked which province they lived in, but 98.1% of respondents were from South Africa.

1.3 Background to the Research Problem

1.3.1 The Research Problem Statement

The Cape Town Cycle Tour Trust (managers of the Cape Argus Pick 'n Pay Cycle Tour) would like to understand the impact and affect of the race sponsorship on event participants. This will

help the event management to procure sponsors and create value for sponsors, which is one of the key functions of major sport event management.

1.3.2 The Research Questions (RQ)

RQ1: What are the **reactions** to sport sponsorship among event participants?

- 1.1 What are participants' reactions towards the **event**?
- 1.2 What are participants' reactions towards **commercialisation**?
- 1.3 What is the influence of sponsorship on **behavioural intent**?

RQ2: What **factors influence** participant reactions to sport event sponsorship?

RQ3: How does sport compare with other **passions/ interests** among participants?

1.3.3 The Research Objectives

1. To identify **reactions** to sport sponsorship among the event participants.
2. To propose a set of **features** that influences these reactions.
3. To identify the relative importance of **sport**, compared to other passions/ interests.
4. To identify future **research** opportunities for areas limited by the scope of this project.

1.3.4 The Research Hypotheses

*Ho: Participants have a positive **reaction** to sport event sponsors.*

*Ha: Participants have a highly positive reaction towards the **event**.*

*Hb: Participants have a negative reaction towards **commercialisation**.*

*Hc: Sponsorship induces a positive influence on the participants' **attitude towards behavioural intent**.*

*Ho: The **reaction** of the participants to the sport event sponsors is influenced by:*

- *the **nature** of the sponsorship;*
- *the **origin** of the sponsorship;*
- *the **frequency** of the sponsorship;*
- *the **synergy/ link** between the sponsors and event;*
- *consumer **interest** and **involvement** in the event; and*
- *the **demographic** profile of the participant*

*Ho. Sport is a primary consumer **passion** among participants.*

1.4 Methodology

The descriptive research design consisted of self-administered questionnaires, administered on-line, on the Cycle Tour website: www.cycletour.co.za. Emails containing a hyperlink to the

survey on the Cycle Tour website were sent out to a total population of approximately 30 000 participants, whose details appeared in the event organiser's database of participants, inviting 2006 race participants to complete the survey. Response rates to electronic questionnaires are very unpredictable (Shaffie, 2005:67). However, an incentive was offered to participants, in the form of a lucky-draw prize. Based on the response to a previous study by Shaffie (2005) using this methodology, the response was expected to be satisfactory.

1.5 Delineation of the Study

The primary research of this investigation focuses on the reaction of event participants to sponsors of the event. The investigation also includes secondary research comprising local and international academic and trade literature around the subject of sport tourism, sponsorship and related fields. Although the primary investigation is very geographically limited, the writer believes the general results and recommendations will be applicable to the broader consumer market in South Africa and, less specifically, even internationally.

This study forms part of broader research currently being conducted on key events in the Western Cape and Kwazulu-Natal provinces of South Africa, through the Centre for Tourism Research in Africa (CETRA).

1.6 Significance of the Study

This investigation of participants' reactions to sponsorship, and factors influencing these reactions, will provide the Cape Town Cycle Tour Trust with a greater understanding of the effectiveness of the event sponsorship, which will aid the vital event management functions of sponsor feedback, satisfaction and procurement. The study contributes toward the limited knowledge base of sport event sponsorship in South Africa, by providing useful insights for corporate marketers wanting to use sport as a brand-building tool, as well as for sport event managers wanting to procure and leverage sponsorship opportunities.

The CAPPCT is one of a few major sport events that occur annually in South Africa, along with events of similar stature such as the Old Mutual Two Oceans Marathon and Comrades Marathon. All of these have potential for greater development through a better understanding of sport event sponsorship. Current and potential sponsors in turn will gain a better understanding of the effectiveness of the medium, rationalising their investment commitment to sport events.

As part of a broader study of key events in the Western Cape region and KwaZulu Natal, the study provides a more holistic understanding of the management of sport events. South Africa

is recognising the impact of the sport tourism market on the economy and as a nation-building tool. In just over a decade, the country has hosted major world events that have attracted significant worldwide media attention, such as the IRB Rugby World Cup 1995, the ICC Cricket World Cup 2003, and the 2003 President's Cup of golf. It is hoped that the results of this study will be useful for stakeholders of future major events in South Africa, particularly in light of the FIFA World Cup to be hosted in South Africa in 2010.

1.7 The Layout of this Thesis

This thesis comprises six chapters. This first chapter has presented the rationale, background and introduction to the study and the event under investigation. The objectives and hypotheses of the investigation were set out. Concluding the chapter, the discussion turned to the methodology used, as well as the delineation and significance of the study.

The second chapter now presents the literature review, which provides a unified theoretical basis for the empirical component of the study. The chapter follows a funnel design, beginning with broader theoretical discussions on the link between sport and tourism and sport event sponsorship. The discussion then focuses in more detail on the sponsorship medium, finally looking at explorations and measurement of consumer reactions to sponsorship, as well as the factors that influence these reactions.

The third chapter sets out the research methodology – the procedure used to gather the primary and secondary data.

Chapter Four presents the findings from the primary investigation, and the analysis and discussion thereof.

Chapter Five concludes the thesis by summarising, setting out the conclusions and making recommendations based on the findings, as well as the implications for industry practitioners and areas for further research.

The references and appendices follow Chapter Five.

Chapter Two

LITERATURE REVIEW

The previous chapter presented the rationale, background and introduction to the study and the event under investigation. The objectives and hypotheses of the investigation were set out, as well as an overview of the methodology used, the delineation and the significance of the study. This chapter now presents a review and discussion of the broader body of literature and knowledge related to the investigation.

2.1 Introduction and Background

This Literature Review forms the major part of the exploratory research process for this thesis. The literature search covered all possible topics relevant to the study, including conceptual literature, in the form of journals, textbooks and other published materials, as well as industry literature and published statistics. The review also integrates experience interviews conducted with selected individuals, in order to gain insights into sponsorship and the CAPPCT.

The review follows a 'funnel' design, beginning with broader, related discussions on the role of sport event sponsorship within sport tourism, and then looking at definitions of sponsorship, while becoming more focused on specific factors affecting the effectiveness of sponsorship in a South African context.

This review attempts to define sponsorship, propose reasons for the success of this medium, and outline the major concerns and challenges facing the industry and debate proposed recommendations. Finally, the review looks at explorations and measurement of consumer reactions to sponsorship, as well as developing a model of specific factors that influence these reactions.

The following section now begins by looking at the context of sport tourism, sport events and the sport event marketing system.

2.2 Sport Tourism and Events

This section seeks to place this study into the context of sport tourism, events, and the sport event marketing system.

2.2.1 Defining Sport, Tourism, and Sport Tourism

Sport and Tourism are two semi-related topics that overlap to form a tourism niche market. Sport can be broadly defined as “a game or competitive activity usually involving physical exertion; these collectively; meeting for competition in athletics; amusement or fun” (*Concise Oxford English Dictionary*, 2004). Similarly, Standeven and De Knop (1999:12) define sport as “the whole range of competitive and non-competitive active pursuits that involve skill, strategy, and/or chance in which human beings engage, at their own level, simply for enjoyment and training or to raise their performance to levels of publicly acclaimed excellence”. The CAPPCT fits this definition of sport, being an event that caters for both competitive cyclists and those taking part simply for enjoyment.

The World Tourism Organisation (WTO) defines tourism as: “the activities of a person travelling to a place outside his/her usual environment for less than a specified period of time, with a main purpose other than the exercise of activity remunerated from within the place visited” (Pope & Turco, 2001:188). According to Gammon and Robinson (1997), Sport Tourism consists of two categories, namely Sport Tourism and Tourism Sport. Sport Tourism includes all those that travel to certain destinations specifically to participate in, spectate, officiate in or assist in any way in the production of, a sport event or activity. Those who travel to destinations for holiday or other purposes and participate or view sport as an incidental to their initial travel intention, constitute Tourism Sport.

Sport Tourism in South Africa

In 1997, the South African government established South African Sport Tourism (SAST), a collaborative initiative between the Department of Environmental Affairs and Tourism (DEAT) and the Ministry of Sport, as well as the Parallel Media Group, a sport media and marketing company (Kent, J. 2003). The objectives and goals have since been incorporated into the Sport and Recreation South Africa (SRSA) portfolio as well as the Tourism portfolio of the government departments. The SRSA’s draft National Strategy for bidding and hosting for major international events identifies three main reasons for the national importance of sport tourism (Kent, J. 2003:4): Sport events attract tourists to destinations that may otherwise be overlooked; the events generate global media exposure, from which the host region inevitably benefits; and sport event sponsorship is extremely lucrative, as many companies realise the opportunities events provide to market directly to their target customers.

According to the draft National Strategy (Kent, J. 2003:2), the objectives for sport tourism in South Africa are:

- To establish South Africa as a sport and recreation destination;
- To provide compelling reasons to visit and to make the country easily accessible in order to do so;

- To build competitive advantage from other sport and recreation destinations; and
- To build a Sport Tourism South Africa brand that will last and create loyalty and motivate tourism in South Africa.

Given that there has been government recognition of the importance of sport tourism and its contribution to the economy, it is surprising that there has been little academic research focussed on sport events in South Africa (Shaffie, 2005:57). This study intends to add to the limited research in this area in this country.

Previous research conducted by the CAPPCT (Groenewald, 2006; Cityworks, 2006:9) revealed that almost all participants from outside of the Western Cape and internationally, travel to the region specifically to participate in the event, pumping at least R320 million into the Cape Town economy during the week of the event. Approximately 60 percent of cyclists come from outside of the Western Cape. On average, each of these cyclists is accompanied by 3.5 friends or family members. Together they spend more than R65 million on food and shopping, R60 million on accommodation and R10 million on their bikes.

This would suggest that the event is considered a Sport Tourism event. Within this category, there exist different types of events, most notably the 'Hallmark' event, explained in the following section.

2.2.2 Defining Hallmark Events

Having looked at the definitions of sport, tourism and the concept of sport tourism and its significance in South Africa, there is a need to define an 'event', and to distinguish between different types of events.

The Concise Oxford English Dictionary (2004) defines an event as "something that happens; an occasion, a happening; an experience". This is far too broad though. Sport spectacles are usually described as events, with some of the world's great sport tournaments also being its greatest spectacles or events, such as the FIFA World Cup and Olympic Games. Events occur on many different scales or levels, from mega events at one end of the scale to small-scale or local events at the other.

The largest of these levels is the 'mega event', sometimes also called a 'hallmark event'. The distinction between the two is not always easy to determine, although the following definitions attempt to do so. Hallmark events are defined as "major fairs, expositions, cultural and sporting events of international status which are held on either a regular or one-time basis" (Gibson, Holdnak & Wilming, 2002:182). Hall and Hodges (1998:3) describe mega events as "distinctive," identified by the volume of visitors it attracts (1 million), economic revenue generated, and its psychological impact on attendees, that is, whether or not it is a 'must-see'

event. Getz (1997:6) further explains that mega events should have a 'prestige factor' and attract worldwide publicity. Getz (1997) outlines Rooney's requirements for mega events as being events: loaded with tradition; attracting significant media attention at international level; and complemented by other smaller events that add to its greatness, such as parades and festivals.

Hall and Hodges (1998:3) further explain that hallmark events usually require significant public funds to stage, and are thus unusual, or infrequent in occurrence. Hallmark events have significant economic and social impact, which is affected by the extent of the international dimension of the event.

Using these guidelines, the CAPPCT does not seem to fulfil the requirements for a mega or hallmark event. The 2006 event attracted 40 064 participants, of which 2 036 were international (Cycle Tour, n.d.). The event occurs annually, and does not rely on significant public funds, although the Western Cape government is a supporting sponsor of the event.

However, the event does contribute a significant economic impact, with the 2003 event reported to have resulted in a R310 million income boost to the Western Cape region (Cycle Tour, n.d.). The event gains international media attention through being the only non-European event a part of the UCI Golden Bike Series. The event receives a significant amount of local media attention, with the 2006 race televised live on national, public television; and a major regional newspaper and radio broadcaster as media sponsors of the event.

Furthermore, the large numbers of visitors from outside the Western Cape (24 196 participants alone) generate a significant demand for accommodation, food, transport and entertainment, during the period of the event in the city and surrounds. Surrounding events during this period include the CAPPCT Expo, where race registration doubles as a sport retail and entertainment exposition; the Giro del Capo, an international series event concluding with the CAPPCT; and the Mountain Bike Challenge, a related event held in the region that is growing in popularity.

We can also consider the socio-cultural impact of the event on the region. As a positive socio-cultural impact, the event benefits a number of charities and social projects directly through the PPA and Rotary clubs. Possible negative socio-cultural impacts could be overcrowding, noise and traffic inconveniences, often associated with large-scale events.

Considering all of the above, it seems that although the CAPPCT cannot be labelled a mega or hallmark event in the strictest sense of the term, it certainly is a significant event, with numerous benefits to the region annually. It could however fit into the broader definition of a 'major event'. According to Saayman (2004:138), major events are large-scale (usually national or international) special events which are high in status or prestige and which attract large

crowds and media attention. These events may be expensive to stage, attract funds to the region, lead to demand for associated services, and leave behind legacies or result in urban renewal.

Having looked at the nature of events, the discussion moves to looking at the sport event marketing system as a context for sport event sponsorship.

2.2.3 The Sport Event Marketing System

The key elements in the Sport Event Marketing System can be summarised in *Figure 2.1* below (Getz, 1998:8):

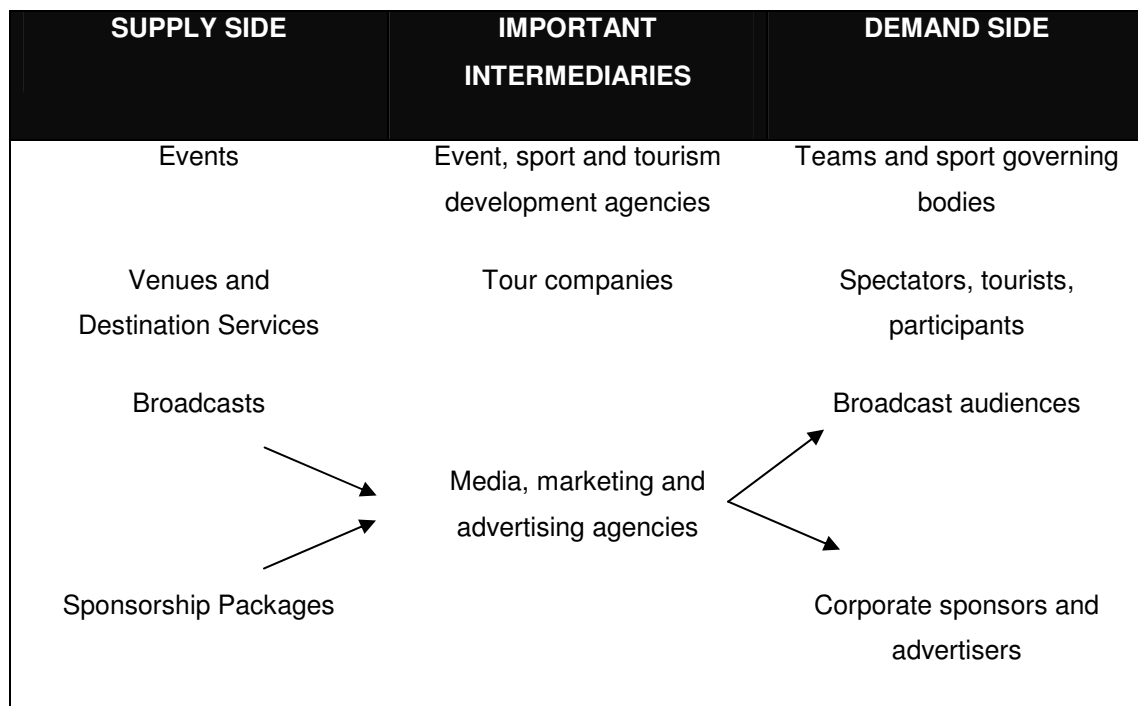


Figure 2.1: Key elements in the Sport Event Marketing System

The above figure illustrates how sponsorship can be considered on both the supply and demand side of the event marketing system. On the supply side, the event offers sponsorship packages/ opportunities to the media, marketing agencies and corporations. On the other hand, there has been an increasing demand from corporations and agencies for sponsorship packages. The sponsor-event relationship is therefore said to be symbiotic: Companies promote themselves through events, and events are dependent on the revenue and services that derive from the sponsors (Getz, 1997:24).

While existing events seek to attract sponsors, as in the case of the CAPPCT, it is also true that occasionally sponsors create events of their own, such as the *Red Bull Downhill Extreme*, or the *Nokia Totally Board* events.

From this discussion of the context of sport events within the tourism environment, the following sections will now focus on sport event sponsorship more specifically, within the sport event marketing system.

2.3 Sport Event Sponsorship

From the previous discussion of the context of sport tourism and events, our attention is now turned toward a more detailed look at sport event sponsorship, and its role within the sport event marketing framework, beginning with the definition.

2.3.1 A Definition of Sport Event Sponsorship

The changing views on the nature and use of the sponsorship medium have led to difficulty in developing a single, enduring definition. Many definitions misunderstand and confuse sponsorship with concepts such as **charitable donations**, **patronage** and **endorsements**. The distinction should however be apparent from the following descriptions:

Charitable Donations

The philanthropic or charitable activities where corporations decide as a matter of policy or as part of a social responsibility programme, to give certain funds to charitable causes, often in a set ratio to corporate profits. Publicity is rarely sought. Where the contribution is made known publicly, the motivation is similar to that for sponsorship (Association of Marketers, 1997).

Patronage

The key difference between sponsorship and patronage is that **no commercial advantage** is sought or expected in return for the support of a patron (BDS, 1999).

Endorsements

Often the terms 'sponsorship' and 'endorsements' are used interchangeably, which is incorrect. An endorsement is when an individual athlete or organisation is paid a fee to use specified products. This is generally part of mainstream advertising or product advertising and often forms part of a sponsorship programme.

Sponsorship

The definition of sponsorship that appears to be the most consistently favoured states:

"Sponsorship is an investment / provision of assistance, in cash or in kind, in / to an activity, person or event (sponsee), in return for access to the exploitable commercial potential associated with that activity, person or event by the investor (sponsor)" (Meenaghan, 1991:5).

This definition clearly views sponsorship as a **business transaction** or investment that seeks a return (in the form of an exploitable commercial potential), which distinguishes it from a charitable donation or corporate philanthropy.

Turco, Riley & Swart (2002:167) also focus on the desired association: “*Sponsorship is the provision of resources (fiscal, human and physical) by an organisation directly to an event or activity in exchange for direct association with the event or activity.*”

Definitions of sponsorship are not always consistent, and may reflect what a specific sponsor or an event organiser prefers to consider as sponsorship. Definitions often vary due to the differing objectives of sponsorship use (Lee, Sandler & Shani, 1997:3). For example, d’Astous and Bitz (1995) define sponsorship similarly to the earlier definitions, but substitute the objective of “*global **image** and consumer **awareness** of the firm’s offerings*” for “*specific marketing purposes.*”

Head (1981) suggests that sponsorship consists of a **mutually beneficial** business arrangement between sponsor and sponsored to achieve defined objectives. Although this is a rather simple definition, it does emphasise that the sponsored entity benefits from the sponsorship. This is important as, in most cases, without the support of the sponsor, it is doubtful that the event would exist at all (Lee *et al.*, 1997:3). It is interesting that none of the definitions encountered referred to the benefits of sponsorship accruing to other parties, such as participants, spectators, or the broader community.

The Association of Marketers (1997) provides a more specific practitioner’s definition: “Sponsorship is defined as the marketing activity whereby a sponsor **contractually** provides financial and/or other support to an organisation or individual in return for **rights** to use the sponsor’s name (company / product / brand) and logo in connection with the sponsored event or activity for commercial advantage.”

It is interesting to note the emphasis on a formal contract, and sponsorship rights which have become important concerns of the sponsorship practitioner.

The term sponsorship has been used perhaps too loosely to describe a variety of arrangements between companies that provide some kind of resource (money, people, equipment), and events or organisations that are the beneficiaries of the resources. This loose definition leads to the difficulty of distinguishing between a company that buys the official sponsor rights of an event, and a company that is merely buying advertising time during the broadcast of the event. Both are presented as sponsors in the definition and might have the same status in the consumer’s mind (Lee *et al.*, 1997:3).

They further suggest the following definition for special event sponsorship: “The provision of resources (e.g. money, people, equipment) by an organisation directly to an event or activity in exchange for a **direct association** to the event or activity. The providing organisation can then use this direct association to achieve either their corporate, marketing, or media objectives”.

This definition is broad enough to include any kind of special event, while providing a more specific guideline to distinguish between true sponsors and other organisations that might use an event to achieve their objectives.

A problem with this and the other definitions is that although they allude to ‘an exploitable commercial potential,’ they fail to emphasise the need to **leverage** a company’s sponsorship. The main benefit a sponsoring organisation gains in exchange for this support is the provision to leverage its association with the event (e.g. use of the official sponsor title, use of event logo on products, preferred seating for hospitality purposes, and signage in the event venues). This set of activities is often referred to as “**sponsorship-linked marketing**” (Lee *et al.*, 1997).

Lee, Sandler and Shani (1997:4) provide a revised definition of sponsorship, emphasising the use of leverage:

*“The provision of resources (e.g., money, people, equipment) by an organisation directly to an event, cause or activity in exchange for a direct association (link) to the event, cause or activity. The providing organisation can then engage in **sponsorship-linked marketing** to achieve either their corporate, marketing or media objectives.”*

These definitions do not distinguish between the different types of activities sponsored. Sponsorship may be for an event linked to sports, the arts, conservation and charities, education, or the media (Meerabeau, Gillett, Kennedy, Adeoba, Byass & Tabi. 1991:39).

For the purpose of this study, it is sufficient to regard sport event sponsorship as *the provision of assistance (cash or kind) by a commercial organisation to a sport event, for the purpose of achieving specified corporate or marketing objectives, through exploiting the association with the event, to the mutual benefit of all parties involved.*

2.3.2 The Sport Event Marketing Promotions Mix

Having arrived at a definition, this section seeks to place sport event sponsorship within its sport event marketing promotions context. It is generally accepted that there are five broad elements of the generic marketing promotions/ communications mix. Each of these is defined in turn (Kotler, 1997:604):

- **Advertising:** Any paid form of non-personal presentation and promotion of ideas,

goods, or services by an identified sponsor.

- **Sales Promotion:** Consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and/or greater purchase of particular products / services by consumers or the trade.
- **Public Relations and Publicity:** A variety of programmes designed to promote and/or protect a company's image or its individual products.
- **Personal Selling:** An oral presentation or conversation with one or more prospective buyers for the purpose of making sales.
- **Direct Marketing:** An interactive marketing system that uses one or more advertising media to affect a measurable response and/or transaction at any location.

With the disintegration of mass markets into a multitude of mini-markets, the proliferation of new media types, and the growing sophistication of consumers, many marketers have adopted the concept of **integrated marketing communications** (IMC). The American Association of Advertising Agencies defines IMC as (Kotler, 1997:630):

*"...a concept of marketing communications planning that recognises the **added value of a comprehensive plan** that evaluates the strategic roles of a variety of communications disciplines (advertising, direct mail, sales promotion and public relations) and combines these disciplines to provide **clarity, consistency** and maximum communication **impact** through the seamless integration of discrete messages." (Emphasis added)*

The versatility of the sponsorship medium enables it to fulfil many of the basic functions performed by other elements of the communications mix (Meenaghan, 1991:8).

Sponsorship is most often regarded as a **marketing public relations** (MPR) tool, as it is widely recognised as having the ability to create or enhance corporate and brand image. The important sponsorship component of corporate hospitality is an important facilitator of relationship management. Sponsorship activities achieve marketing communications objectives in an indirect manner as do corporate and marketing public relations (Erdogan & Kitchen, 1998:370).

Sponsorship can fulfil an important **sales promotion** and **personal selling** function through its ability to provide sales and merchandising opportunities. The opportunity for direct interaction with a targeted audience means that sponsorship has similar abilities to **direct marketing**.

Capable of achieving awareness objectives in a manner similar to advertising, sponsorship is often regarded as an **advertising** medium. However, there are key differences between these two methods of communication, as outlined below (Meenaghan, 1991:8):

- Sponsorship is rather like MPR in that the quantity and quality of coverage is often beyond the **control** of the sponsor, as opposed to advertising's ability to control these aspects.
- The sponsorship **message** is essentially nonverbal, delivered by association, whereas the advertiser creates the advertising message using a mixture of visuals, vocals, and context. Persuasion in the sponsorship context is indirect and implicit, on the other hand advertisement messages are direct and explicit (Erdogan & Kitchen, 1998:371).
- Sponsorship provides sponsors with the right to exploit the association with the sponsored property. This requires additional funds to **leverage** the association, usually through advertising and promotions. Advertising can be used as a communications tool by itself.
- **Audience reaction** to sponsorship is likely to be different to that of conventional advertising, as the sponsorship is likely to have a recognised beneficial effect on the sponsored activity. A proliferation of advertising messages has led to increasing audience resistance to advertising.

Jones and Dearseley (Thwaites, 1994:744) suggest that sponsorship can deliver additional benefits to advertising through **goodwill** created in the minds of consumers, who can see tangible benefits for the sponsored entities. Marshall (Thwaites, 1994:744) claims that sponsorship can add value to the communications elements that would be extremely difficult to achieve through mainstream advertising.

This value is added primarily through:

- **Bonding**: Sponsorship gains the **involvement** of prospects / customers, providing an opportunity for **direct interaction** with a targeted audience. Sponsorship has the ability to develop a **relationship** with the consumer, connecting the product or brand with the market in a more intimate way than traditional advertising (Chislett, 1998:54).
- **Image Transference**: Sponsorship links the product with a set of positive image qualities. Sponsorship attempts to improve brand or company perceptions by flanking individual beliefs about the company or brand and connecting them to an event or organisation that is highly valued by target consumers (Erdogan, 1998:371). The image transfer process is discussed in greater depth later.

- **Retention:** Sponsorship provides enduring awareness and exposure. The association between the sponsor and the sponsored entity often lasts long after the sponsorship ends (d'Astous & Bitz, 1995).

These points of added value are set out in *Figure 2.2* below:

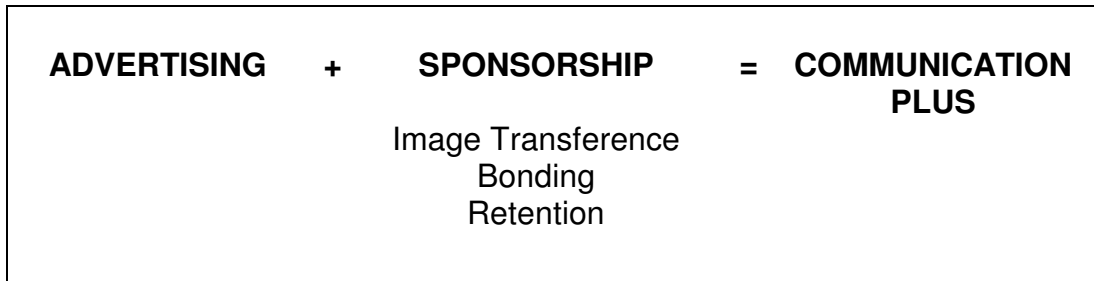


Figure 2.2: The Added Value of Sponsorship (Thwaites, 1994:745)

The study into the symbiotic relationship between sponsorship and advertising by Erdogan *et al.* (1998) concludes that sponsorship and advertising can be viewed as an **alliance**, since these two important forms of marketing communication activities enhance one another's benefits, circumvent limitations, and lead to more efficient and effective communication results. Sponsorship and advertising are neither substitutes for each other, nor are they the same activity. They are to be used in conjunction with one another in order to maximise the benefit from each activity.

The flexible nature of sponsorship allows it to support multiple objectives, and hence makes it difficult to classify within the marketing communications mix. Thwaites (1994:745) suggests that the **business focus** of a company may influence its perspective on the role of sponsorship. For example, tobacco companies appear to use sponsorship to fulfil a role similar to conventional advertising; building companies relate it to personal selling through corporate hospitality; banks use it for public relations; while car manufacturers use it as a sales promotion opportunity.

Sponsorship is an important part of an **integrated marketing communication** plan. Sponsorship can **extend the impact** of other elements of the communications mix, in an environment where consumers are more open and receptive, making key messages more **relevant and persuasive** (Association of Marketers, 1997).

Thwaites (1994:745) also suggests that to use sponsorship as a substitute for conventional marketing communications media is likely to prove sub-optimal, while the greatest gains will go to those companies who support their sponsorship with other forms of promotional activity. Thwaites stresses that sponsorship is less effective when used on a stand-alone basis as the opportunities for **promotional synergy** are lost. Chislett (1998:53) explains that sponsorship

should be used as a **platform** from which to launch a whole range of other initiatives. Sponsorship should be used as a **promotional catalyst**, working in conjunction with a bigger communication plan - in isolation, it is more prone to fail (Media Forum: Get with the game, 1999).

It is widely accepted that sponsorship is an independent marketing communication activity, which can offer unique but simultaneously interrelated objectives consistent with traditional marketing communications elements, particularly advertising and marketing public relations (Erdogan & Kitchen, 1998:370). Sponsorship is not, however, to be used in isolation from the rest of the sponsor's marketing communication elements, and should form a part of the overall marketing communications strategy (Chislett, 1998:55).

Having looked at the context of sponsorship within a marketing communications framework, the discussion now looks at reasons for the growth in usage of sponsorship as a communication/promotion tool.

2.3.3 The Growth of Sponsorship Activity

The following discussion lists a combination of several explanations given by Meenaghan (1991:5) and Thwaites (1994:745-746) for the significant increase in sponsorship activity over the last two decades:

The Prohibitive and Escalating Cost of Media Advertising

Sponsorship has been viewed as an attractive, cheaper alternative to conventional advertising for the purpose of capturing attention and creating **awareness**. However, increasing competition for sponsorship rights has raised the costs of sponsorship and media coverage rights. The cost of sponsorship can no longer justify the exposure the brand receives alone (Chislett, 1998:56).

Public Indifference to Conventional Forms of Communication

The conventional media forms have cluttered the marketing arena with messages, leading to a decreasing efficiency of these media. Sponsorship has the ability to cut through this clutter, providing opportunities for the sponsor to create a special **relationship** with consumers and potential customers (Chislett, 1998:55). However, the increasing use of sponsorship leaves one questioning the prevalence of sponsorship clutter, an issue that is addressed in Chapter 2.4.2: 'Industry challenges and concerns'.

Erdogan and Kitchen (1998:371) claim that sponsorship can target today's increasingly sophisticated and media sceptical consumers effectively, avoiding the irritation factor of

advertising bombardment. Wilber (1988:9) claims that successful sponsorship allows a company to deliver its message to a consumer who is relaxed and naturally receptive to viewing that sport event.

A Global Trend towards Increasing Leisure Pursuits

Thwaites (1994:746) notes that there has been an increased demand for sporting activities, but that public funding for such activities has reduced. The increased demand for sport events and activities cannot be catered for by public funds. This lack of available public funding creates a need for commercial sponsors. Today, most professional sport events would not exist if it were not for commercial sponsorship.

Government Policies on Tobacco and Alcohol Advertising

Restrictive government policies on tobacco advertising in many nations, including South Africa, encouraged tobacco manufacturers to seek alternative marketing media, with many investing heavily in sponsorship. However, government policies in many countries now also restrict or prohibit the use of sponsorship by tobacco companies, such as the Tobacco Products Control and Amendment Bill in South Africa (Association of Marketers, 1998:1). The issue is similar for alcohol advertisers, although this issue is dealt with in greater detail in the section on industry problems and challenges.

Greater Media Coverage of Sponsored Events

The increased media coverage of sport attracts a larger audience, offering increased exposure for sponsors. As such, media publicity backing is regarded as an essential part of the leveraging of sports sponsorship. The **sponsorship of media coverage** has grown to such a point that it sometimes achieves higher awareness levels than sponsoring the event itself (Ives, 1998:62). Within South Africa, televised sports coverage has grown to include specialist sport satellite channels, including the locally-produced Supersport channels.

Sponsorship Benefits from a Uniquely Positive Image Compared with Other Communications Media (Parker, 1991:23)

Sponsorship has the ability to create a feeling of **goodwill**, by delivering real benefits, and offering a payback to the community. Erdogan and Kitchen (1998:373) suggest that it is likely that gratitude towards the sponsor is likely to be higher among groups who are active participants, live spectators of the event or fans of the sponsored sport. The European Sponsorship Association explains that the sports fan is “favourably disposed to anyone who has made the occasion possible or better” (Becatti, 2006:19).

McDonald (1991:33) believes that when the public is aware of the sponsorship, they tend to approve of it, even if they do not benefit directly from the sponsorship themselves. The

company is seen to be taking a commitment on behalf of a cause outside of its own operations which is important to the community, and 'earns' goodwill for doing so.

Sponsorship Conveys Prestige Values of the Sponsor

Large-scale sponsorship conveys the values of size, financial stability, and international status of the sponsoring company (McDonald, 1991:36). Duffy (2003:51) cites the example of Hyundai's sponsorship of the 2002 FIFA World Cup, primarily aimed at creating the perception of the company as a major international corporation, alongside sponsoring companies like Coca-Cola and McDonalds.

Sponsorship can be as Targeted and Cost-Effective as Other Elements in the Marketing Mix

Chislett (1998:58) claims that the results of sponsorship are no less traceable than conventional advertising. This is debated in the section on sponsorship measurement.

Sponsorship, through the Sport, is a Common Denominator that Crosses Boundaries through the Sharing of Common Values

Sport sponsorship has a substantive non-verbal component. **Universal messages** of hope, pain, or victory can transcend language and national boundaries (Quester & Farrelly, 1998:540). Sponsorship crosses all barriers of bureaucracy, national prejudice and languages in the same manner as the sponsored activity (Association of Marketers, 1997). As a result, sponsorship can facilitate the building of trans- or multinational brands, a notoriously expensive and difficult process. Sponsorship can thus also be used as a catalyst for building corporate image and brand prominence on a global scale (Quester & Farrelly, 1998:541).

Coca-Cola South Africa justifies its sponsorship of soccer saying, "football is one of the few activities that truly transcend boundaries, such as culture, language and age. Enemies and rivals have recognised their commonalities through sport" (Becatti, 2006:18). Similarly, the naming rights sponsor of the CAPPCT, Pick 'n Pay, claim that "sport events have a unifying effect on people and manage to bridge social and cultural gaps, creating a togetherness otherwise difficult to achieve" (Cycle Tour, n.d.).

Noting the reasons for the growth of sponsorship as a marketing tool, it is important to know that there are distinctions as to the levels of sponsorship involvement and opportunities, which will impact or regulate the activities of the sponsor and the effectiveness of the sponsorship, as discussed in the next section.

2.3.4 Levels of Sponsorship Opportunities

The purpose of this section is merely to illustrate that there exist different levels of sponsorship opportunities within an event. This is generally not an area of academic debate, thus the following distinctions are agreed upon, although the exact names given to the opportunities might differ from case to case:

Primary / Naming Rights Sponsors

A sponsor of this type would pay for the right to include their corporate or brand name in the event title. This maximises the name exposure and links the company/brand with the event/sport more substantially. Many sponsors admit that one of the main reasons they choose to become a naming rights sponsor is to prevent their competition from claiming this right (Marketing: the clock is ticking for World Cup sponsorship, 1998).

Traditionally there has been a sole major sponsor, along with other secondary sponsors. Today the trend is toward **joint primary sponsorships**. These joint sponsorships may or may not include naming rights to the event. In the case of the CAPPCT, there is a joint naming rights sponsorship agreement with *Cape Argus* and *Pick 'n Pay* sharing the naming rights privileges.

Secondary Sponsors

The distinction between primary and secondary sponsors would be particular to each event, with specific right entitlements depending on the specific sponsorship contract for the event. Secondary sponsorship may include the rights of technical sponsors and/or official suppliers mentioned below. For the CAPPCT, the secondary sponsors, *Coca-Cola*, *Powerade* and *Medi-Clinic*, are referred to as “Principal Sponsors”. Each of these provide vital products or services to the event, fulfilling a similar role to the official supplier category, mentioned later.

Technical Sponsors

A technical sponsor would be entitled to supply official equipment to be used in the event. For example, a shoe manufacturer may buy the right to supply all footwear worn by participants in an event. This has the advantage of a **credible link** between the brand and the sport. This level of sponsorship is especially favoured for events which can act as a showcase for potential customers to see what the equipment can do (Marketing: the clock is ticking for World Cup sponsorship, 1998).

The CAPPCT makes use of a number of “IT Partners” involved in race logistics, timing and certification. *DigiCore*, *Verizon*, *SAAB*, *AV Direct*, *Plantronics* and *WebNow* are all considered IT Partners.

Official Suppliers

This type of sponsorship would be similar to the technical supplier, except that it would not supply equipment or other products linked directly with the sport, but more generic products such as the official supplier of soft drinks. Bloxham (Marketing: the clock is ticking for World Cup sponsorship, 1998) claims that if the official supplier is seen to be providing a service which is **fundamental** to the running of the event, the sponsor may be regarded by the public as being of greater value than other sponsors, because they are contributing more than just money.

Besides Coca-Cola, Powerade and Medi-Clinic already mentioned, the CAPPCT has a number of "Supplier Sponsors", in the form of *Value Logistics*, *Civair*, and *Reeds Motor Group*.

There may be a number of other categories of sponsors unique to each event that fulfil a role similar to official suppliers. For example, the CAPPCT has "Travel Partners" (*Southern Sun hotels*, *South African Airways*, and *EduSport Travel*) and "Sub Event Sponsors" (*Canal Walk* and *Pickfords*).

Broadcast Sponsors

As mentioned previously, sponsoring the broadcasting rights to particular events sometimes achieves **higher levels of exposure** than sponsoring the event itself (Ives, 1998:62). A distinction has developed in recent years between the event sponsor who owns the rights to the event itself, and the broadcast sponsor, who owns the rights to the broadcast of the event. The most likely reason for this is that broadcast sponsorship is usually the **most expensive component** of the total sponsorship cost.

Broadcast sponsorship is appealing to marketers because of the perceived benefits of communicating to consumers via the media, seen as an independent third party (Association of Marketers, 1997). A broadcast sponsorship package is often negotiated with the official broadcasters, and not with the event organisers. A typical package would include some of the following rights: opening and closing billboard flashes; logo displays for the duration of the event; picture squeezebacks; top-and-tails commercial breaks; mention in the television guide; and sometimes branding in the sports studio (Ives, 1998:62).

Broadcast sponsorship is mainly aimed at achieving **short-term awareness** objectives. Jones (Marketing: the clock is ticking for World Cup sponsorship, 1998) claims that broadcast sponsorship alone is not enough to obtain maximum exposure value. He claims a number of **parallel exploitation activities** are required in addition.

Franco Barocas, of ESPN Legends, states that television coverage is the most important element in a sport sponsorship opportunity, and that a television package has to be included (Adfocus: sponsors feeling the price pinch, 1998).

The CAPPCT is linked with the following Broadcast Sponsors, referred to as “Media Partners”: *SABC Sport* (television and radio), *Good Hope FM* (radio), *Bicycling SA* (magazine).

For each of the sponsors in the different categories, making the most of the sponsorship opportunity is a vital objective, as explained in the next section.

2.3.5 Exploiting the Sponsorship Opportunity

There are a number of marketing opportunities available to sponsors to exploit or leverage their sponsorship more effectively. These activities are sometimes referred to as “sponsorship-linked marketing”, or “sponsorship activation”, which Lee *et al.* (1997:162) described as “the orchestration and implementation of marketing activities for the purpose of building and communicating an association/ link to a sponsorship”.

There is an increasing amount of sponsorship-linked marketing surrounding sport events. It is estimated that for every dollar spent on sponsorship, at least another two dollars, or even up to another five dollars is spent on leverage activities (Paul, 2002:112; Lee *et al.* 1997:163).

The rest of this section now looks in more detail at some of the leverage activities that particularly relate to sport event sponsorship.

Corporate Hospitality

Meenaghan (1983:24) describes corporate hospitality as those opportunities whereby the company can make face-to-face contact with select publics in a prestigious, informal social context, thereby **strengthening and personalising relationships** with decision-makers, trade channels, and business associates. In this way, corporate hospitality can be extremely effective in facilitating **direct relationship building** with a wide array of targeted influentials.

Meerabeau *et al.* (1991:50) claim that corporate hospitality is currently the **least cost-effective** element of sponsorship, suggesting that it should be more **carefully targeted**, and memorable for its ingenuity rather than its lavish proportions.

Evaluation of this medium’s effectiveness has usually focused on how many of those who were invited actually attended, as opposed to how many sent a substitute, or those who sent an apology or an excuse. Parker (1991:30) claims that this measure is ineffective as

attendance could often be out of a sense of duty. It should be remembered that some of the guests would have been invited to many such events each year, and often by competitors. Parker thus recommends measuring the **attitudes**, among those who attended, towards the experience, and how this affected their views towards the sponsor.

A study by Crowley (1991:19) rated corporate hospitality as the most important exploitation instrument for **industrial companies**, although it is also widely used by consumer companies.

The CAPPCT allows for extensive use of Corporate Hospitality, with a few opportunities mainly for the major sponsors at the starting area of the race, and many opportunities at the finish area. There are larger areas available for race sponsors, as well as smaller opportunities for other companies only interested in a corporate tent or enclosure. Typically, companies make these areas available to staff members who have competed in the race, along with their families and friends, as well as other corporate guests. An example of corporate hospitality at the CAPPCT is seen in the picture below (*Figure 2.3*):

Figure 2.3: Pick 'n Pay hospitality area at the start of the race

Merchandising

Merchandising of branded equipment, clothing ranges, toys, and other promotional items provides a follow-through that would not be possible without the vehicle of sport sponsorship.

Chislett (1998:55) claims that these sponsorships allow the sponsor to turn the general public into 'walking billboards' for the negligible expense of manufacturing the clothes. This helps in creating top-of-mind **awareness** for the brand, and **reinforces the link** with the respective sport. Chislett (1998:55) concludes that, as an associated marketing spin-off, merchandising is an **effective** and **cheap** value addition to the initial sponsorship investment.

Signage

The **cost-effective brand exposure** that can be provided by signage in the form of perimeter boards or logos on the television screens makes signage an important element of any event sponsorship. As an example, during the Football World Cup 1998, a perimeter signage board could provide a sponsor with about seven minutes of exposure per match, shown in 150 countries, during 64 matches. This level of media exposure would be far too costly to be achieved through traditional advertising (Marketing: the clock is ticking for World Cup sponsorship, 1998).

However, it is believed that the use of signage at the event itself is almost reaching **saturation** point. In addition to rotating perimeter boards, innovations in signage include using three-dimensional signage on the field of play, inflatable billboards, as well as electronic or LCD perimeter boards. Ives (1998:60) suggests that the event managers should evaluate the scope for the use of signage and carefully **control** the amount of advertising used as well as who advertises.

The CAPPCT allows its sponsors extensive signage opportunities at the start and finish areas, as well as along the 104km race route. Certain sponsors, such as Coca-Cola, Powerade, SAA, Pick 'n Pay and Virgin Active, have branded refreshment or rest areas along the route. These are referred to as 'Power Zones'. The figure below (*Figure 2.3.2*) shows corporate branding and sponsorship-linked activities, such as the Cape Argus' dancing girls and 'Argie' character, at the start of the race.

Figure 2.4: Sponsor signage and sponsorship-linked activities at the race start

Although signage is obviously an important advertising tool, many industry participants suggest that "signage is dead", and that sponsors need to be directly involved with the sponsored properties, rather than just advertise on them. Some would argue that "a sponsorship's value is determined more by activities before and during matches (events) than by logos on a screen" (Marketing: the clock is ticking for World Cup sponsorship, 1998).

Besides these major activities, Duffy (2003:150-155) discusses a number of other common sponsorship-linked activities, that he refers to as 'sponsorship activation'. These include Direct Marketing, New Media (Internet and SMS), sales, trade and staff promotions, and product sampling and demonstration. This appears to link with the earlier discussion of Integrated Marketing Communications (see Chapter 2.2.2). Consumer reaction to the increasing amount of sponsorship-linked marketing is explored in the Attitude towards Commercialisation (see Chapter 5.2).

Having looked very generally at the theoretical background to sponsorship, the next section looks more closely at the South African sponsorship environment specifically.

2.4 The South African Sponsorship Environment

Neither Africa nor South Africa feature among the world's top sponsorship markets. According to Sport Business International (2001), the largest global sponsorship markets are: the Americas (42.5%); Europe (33.3%); and Asia (28%), while the individual countries contributing the largest amounts to the overall sponsorship spend are: the USA (33.3%); Japan (12.5%); and Germany (9.4%). However, within South Africa, sport sponsorship is at present the fastest growing segment of the communications mix, growing by 20.4% per annum between 1985 and 2003 (BMI Sport Info, 2004). *Figure 2.5* below compares the growth of sponsorship with advertising, which has grown at 16.8% during the same period, 1985 to 2003.

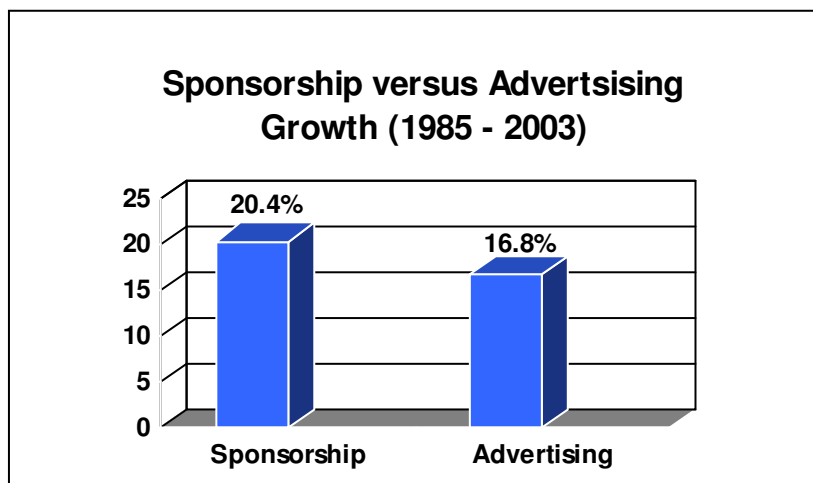


Figure 2.5: Sponsorship versus advertising growth (1985-2003) (BMI Sport Info, 2004).

Sport sponsorship is estimated to contribute between 18% and 20% of the South African annual communications spend (Ives, 1998:60). Total expenditure on sport sponsorship in 2003 was valued at R3,2 billion in South Africa. Of this, R1,7 billion was direct spend and R1,46 billion leveraging spend (BMI Sport Info, 2004).

Sponsorship is categorised as 'below-the-line' or 'non-traditional' advertising. Estimates are that of the total R13,4 billion currently spent (1998 figures) on all marketing annually in South Africa, above-the-line accounts for 53% and below-the-line for 47% (Adfocus, 1998). The major components of below-the-line marketing, from the largest to least, include direct response, exhibitions, **sponsorship**, promotional competitions, point-of-sale merchandising and packaging. Although below-the-line marketing is difficult to define and to measure, it is making up a growing proportion of marketing budgets (Adfocus: sponsors feeling the pinch, 1998).

The current South African situation shows that an influx of international sport competitions and raised domestic levels of competition since the isolation period (owing to Apartheid-era sanctions) have led to phenomenal growth of sports coverage on local television and satellite channels. There seem to be an ever-increasing number of events or opportunities for sponsors, and an almost guaranteed viewership. For South African marketers, this has opened the door to a whole range of opportunities that have existed globally for at least a decade already (Ives, 1998:60).

The South African Association of Marketers (ASOM) (1997) recognises sponsorship as becoming a highly effective and important promotional tool. They recognise sponsorship as a complicated area, and recommend that marketers apply the same disciplines, ethics, pricing and measurement to sponsorship as they do for traditional advertising.

Over the last few years, cellular telephone network operators, MTN and Vodacom, alcoholic drink producers, SAB-Miller, soft drink producers, Coca-cola, and financial institutions, ABSA and Standard Bank, have emerged as the biggest sponsorship spenders in the country (Du Plessis, 2003:27; Adfocus: sponsors feeling the pinch, 1998). This compares similarly to the international market, where the top sponsoring industries are: telecommunications; sports clothing; financial services; cars/ automobile; soft drinks (Sports Marketing Surveys, 2005:10).

The sponsorship of South African sport is centred on the major sports of rugby, cricket and soccer. It is sometimes argued that there is little sponsor interest in developing or smaller segment sports (Paul, 2002:112; Mlangeni, 1999). Internationally, the top sponsored sports are: soccer; American football; Olympics; golf; and motorsport (Sports Marketing Surveys, 2005:12).

While these factors are generally true for all sponsorship types, growth patterns differ for each sponsorship sector, as explained in the following section.

2.4.1 Growth Patterns in Sponsorship Sectors

Sport has traditionally been the largest and most widely used sector, accounting for 80% of total sponsorship spend in South Africa, and similarly, around the world. *Figure 2.6* below shows how the remaining 20% of sponsorship in South Africa is made up of broadcast (10%), arts and culture 7%, and 'other' sponsorship (3%) (BMI Sport Info, 2004; Thwaites, 1994).

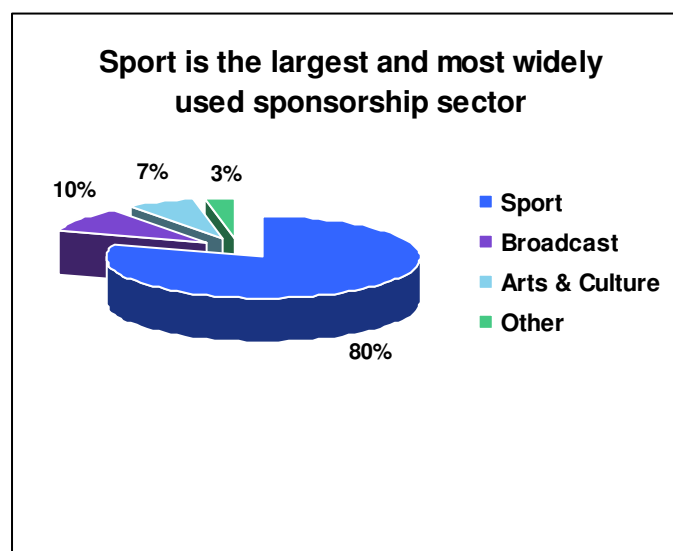


Figure 2.6: Sponsorship sectors (BMI Sport Info, 2004).

Thwaites (1994) suggests that sport exhibits a number of advantages over other sectors, such as:

- high levels of **visibility**;
- the ability to target a full **range** of demographic and psychographic segments;
- the potential to **target** mass markets or specific niches;
- easily usable for a **global** marketing approach;
- the ability to **transcend national boundaries** and **overcome cultural barriers**;
- attracting television coverage owing to its **low production costs**; and
- providing **entertainment** for the whole family.

However, although the sport sector remains the most popular, other sectors, such as music, theatre, dance, art, the environment and education, are becoming increasingly popular (Duffy, 2003:84). The high growth rate of this sector worldwide during the 1980s seems to have slowed. Reasons for this are explored in a later section on industry challenges.

Arts sponsorship is at present exhibiting a high growth rate, along with **social, environmental, and community** projects. Another growth area is **education**, with a wide range of sponsored activities taking place at primary and secondary levels in particular (Thwaites, 1994). An

interesting approach gaining favour in South Africa currently is to combine sport development with education sponsorship (Mlangeni, 1999).

BMI Sport Info (1999) research reports that while 36% of sponsors believe that sport sponsorships are more important than other sponsorships, an increasing number (also 36%) believe that all sponsorship opportunities are of equal importance. Confirming this trend, Hooper (2003) notes that more and more sponsors are viewing their sport and other sponsorship sports platforms such as cause-related marketing, education and social responsibility type sponsorships.

Figure 2.7 below shows that within sport, **event sponsorship** (46%) is the largest sponsorship type, followed by team (27%), personality (9%), and organisation (18%) sponsorship (Sports Marketing Surveys, 2005:13).

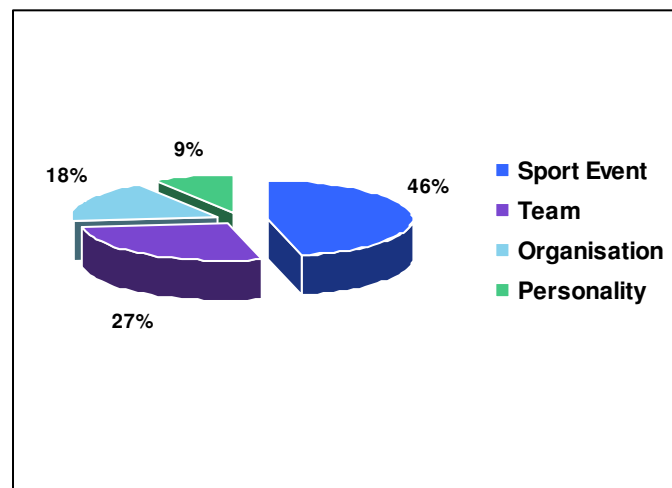


Figure 2.7: Share of sport sponsorship market by sponsorship type.

From the discussion above, it is clear that sport event sponsorship has been growing in favour as a marketing tool. However, the medium is not without its detractors, who base their criticism on the reasons outlined in the following section, namely the challenges and concerns facing the sponsorship industry.

2.4.2 Industry Challenges and Concerns

Measurement of Effectiveness

The issue of evaluating the effectiveness of sponsorship is an area of great debate. The **lack of empirical validation** for sponsorship effectiveness is the *most important reason for sponsorship often being viewed as less commercially valid than other communication elements* (Meenaghan, 1991:9). This challenge for the industry, as well as present evaluation techniques, is discussed in more detail later.

Restrictive Government Regulations

Government regulations in many countries, and especially in Europe, restrict sponsorship by tobacco and alcoholic beverage companies to some degree. As mentioned previously, the South African National Assembly passed the Tobacco Products Control Amendment Bill in 1998, outlawing all sponsorship by tobacco companies. There are ongoing discussions as to whether this regulation might be extended to alcohol manufacturers, as is the case in some other countries, for example, France (Association of Marketers, 1998).

Ambush Marketing

This is defined as the attempt of an organisation to create the impression of being an official sponsor of the event by affiliating itself with that event without having paid the sponsorship rights fee, or being a party to the sponsorship contract (Association of Marketers, 1997). Ambush marketing tactics are numerous, and can take many forms. These tactics create confusion in the market as to who the sponsor is, and hence dilutes the sponsorship investment. As such, ambush marketing can be extremely destructive. This problem has raised questions such as whether sponsorship associations are powerful enough in the consumer's mind to provide a real competitive advantage, and whether these associations can be protected and kept specific to the sponsored brand (Quester & Farrelly, 1998:540).

The most aggressive of ambush campaigns usually take place at the major world events. For example, Fullerton (2006:115) describes a case at the Sydney Olympic Games in 2000, Nike was an official sponsor of the event, as well as a personal sponsor of one of the star athletes, Cathy Freeman. However, Adidas launched an ambush marketing campaign, creating hospitality and media centres that made Adidas-sponsored athletes available to the press. Although these events took place away from official event venues, they were well covered by the international media. In addition, when receiving a gold medal at the official presentation, the Adidas-sponsored athlete, Ian Thorpe, obscured the team's Nike logo on his official uniform by draping an Australian flag over his shoulders.

Sponsors can protect themselves from ambush marketing to a certain degree, by being fully aware of, and taking full advantage of their sponsorship contractual rights. Trade Mark registration and licensing can also offer some protection. Within South Africa, the Merchandise Marks Amendment Act 2002 offers a greater deal of protection to sponsors than in many other countries of the world (Enslin, 2003).

The 'Chairman's Choice' Syndrome

Personal motives for the choice of sponsorship projects has long been associated with the industry. While there is undoubtedly evidence of an increasingly commercial approach by sponsors, the personal agenda of decision makers is still a factor in modern sponsorship decision making (Meenaghan, 1991:7). Butch Rice, of Research Surveys, agrees that most sponsors choose opportunities suiting their **own interests** or activities, not those that fit their brand personality (Kloot, 1999:15).

Sponsorship Oversupply

The enormous growth of sport sponsorship use has led many to believe that the use of sponsorship may be reaching saturation point. Franco Barocas (Adfocus: sponsors feeling the pinch, 1998) warns that it was easy to grow sponsorship in the early post-isolation period, but that it is becoming an increasingly tougher environment now that a huge international sport base has been established.

It is also argued that 'clutter,' the very problem in advertising that led to the favour of the sponsorship medium, has become a concern in the sport marketing industry, particularly with the increase in joint sponsorships and the proliferation of signage at sport events (Adfocus: sponsors feeling the pinch, 1998).

There is not only competition between different events, but also media clutter can often exist within one major event. For example, the 1998 Football World Cup made use of twelve official partners, eight official suppliers, nine suppliers of official products and services, and sixteen official equipment suppliers. However, none of these sponsors noted any disapproval with the situation (Chislett, 1998:58).

Sport Business International (2001) note that although the global sport sponsorship industry is growing, it may become more appropriate for some companies to find their own niche areas or association with other sponsorship industry sectors, as the majority of mass sport placements may already be considered branded.

Increasing Costs of the Medium

As sponsorship has grown in favour as a marketing tool, so to have the costs associated with the medium increased. For example, the worldwide average cost to acquire official rights to the Olympic Games is \$50 million per official partner (Sport Business International, 2001). It is claimed that today only 20 to 30 companies in South Africa can afford major sponsorships, and that many traditional sponsors are disillusioned at rocketing costs, especially the price of being sole sponsor of a major event (Adfocus: sponsors feeling the pinch, 1998). Critics agree that it is not good to only have a handful of companies sponsoring the majority of opportunities, and that consumers may become apathetic if the same sponsors sponsor everything (Media Forum: get with the game, 1999).

As a result of increasing costs, there has been a trend toward **shared sponsorships**, as is the case with the CAPPCT, with Pick 'n Pay and Cape Argus sharing the naming rights sponsorship. However, this, in turn, brings its own challenges in trying to standing out from co-sponsors, while not alienating them. For each additional co-sponsor, exposure and branding opportunities are significantly reduced (Adfocus: sponsors feeling the pinch, 1998).

In South Africa, BMI Sport Info (1999) research showed that there was a significant increase in the number of sponsors who believed the medium was becoming too expensive, from 25% of respondents in 1993, to 67% of respondents in 1999. According to the survey results, only ten per cent of sponsors in 1999 still believe that the costs of the medium are reasonable or acceptable.

Domination of Major Sports

There is concern that there is sponsorship oversupply only for a few major sports, while many lesser / developing sports receive little attention from sponsors. In South Africa, it has long been a concern that all the sponsorship money has gone to the major sports of rugby, cricket, and soccer (Paul, 2002:112; Chislett, 1998:53), and opportunities are few and far between for sponsors in the established sports (Adfocus: sponsors feeling the pinch, 1998).

The counter argument is that there is no limit to the sponsorship opportunities available. Wilber (1988:8) gives examples of how sponsorship has 'breathed new life' into some sports and created increased demand for others. He argues that sport sponsorship has the ability to create a defined consumer group where there existed no market before.

Although cycling is considered a minor sport in South Africa, the CAPPCT event is considered a major event in the country, and has a history of attracting sponsorship dating back to the very first event, nearly 30 years ago.

It is true that the major global sports are heavily sponsored, and as a result, marketers are being forced to create **innovative** ways to reach their target audience. This has led to the popularity of sponsoring alternative, emerging or 'off-beat' sports (Wilber, 1988:8). In South Africa, this can be seen in the increased sponsorship of extreme and adventure sports, such as the Red Bull Big Wave Africa contest, among others.

Sports Marketing Agencies

South Africa has seen a proliferation of sport marketing agencies in the last decade. In 1997, the Association of Marketers (ASOM) claimed that few of these agencies had the expertise or qualifications to manage and market events to potential sponsors. ASOM noted that the most common problems caused by these agencies included double-dealing, exorbitant commissions, and misleading sponsors. They indicated that they were looking into a form of accreditation for sport marketing agencies, although this has not materialised. However, over time, a number of the larger, and often international agencies, such as Octagon and IMG, have gained solid reputations and driven confidence in the industry.

The Media

Event sponsors are often not given first option to purchase the broadcasting rights, which sometimes leads to ambush marketing. Broadcasters may sell advertising time to the sponsor's competitors, again creating opportunity for ambush marketing.

Another concern of sponsors is that the media often abbreviate or omit the title sponsor's name from the event title (Association of Marketers, 1997). To counter this, some sponsors are forcing their namesake, through event titles that would be meaningless without the sponsor's name. For example, the 'Vodacom Cup' cannot be referred to as 'The Cup' (Ives, 1998:62). A concern for the CAPPCT is that many people and even the media commonly refer to the event as "The Argus", referencing the earliest name of the cycle tour.

Having looked at the sponsorship market in South Africa, as well as reasons for its growth and potential concerns for its future, the following section looks at the corporate and marketing objectives that sponsorship can achieve for sponsors.

2.5 Setting Sponsorship Objectives

Several authors (Meenaghan, 1983:15; Parker, 1991:22; Thwaites, 1994:748) have emphasised the need for rigorous research into potential sponsorship opportunities and the development of clear, concise and realistic objectives. Thwaites echoes the sentiment of many others in saying that the failure to develop and prioritise sponsorship objectives and to research

the strengths and weaknesses of particular forms of sponsorship will limit the effectiveness of programmes and hinder subsequent evaluation.

Paradoxically, Thwaites notes evidence of sponsorship objective setting as an afterthought, often representing post-facto justification. Meenaghan (1983:15) concludes that a **management by objectives** (MBO) approach was used less frequently in relation to sponsorship than for other elements of the marketing communication mix.

While there are indications that there is an increasingly more professional approach being taken towards sponsorship, Thwaites concludes that sport sponsorship objective setting is generally done on an ad hoc, intermittent basis and, it appears, unhinged from broader strategic considerations. He also generalises that objectives are set in broad terms, with limited evidence of application of relevant theory prescriptions.

Meenaghan favours a management by objectives approach, involving the setting of sponsorship objectives which serve as **benchmarks** against which the company can measure its performance. This approach recommends the **setting of objectives at each level** (corporate, functional, and sub-functional) of the organisation, such that the attainment of objectives at the subsidiary levels contribute to the attainment of the overall corporate objectives. He promotes an integrated approach, where sponsorship objectives are to be viewed as part of the marketing communication objectives, which should be determined by the marketing objectives, which, in turn, should be specified by the overall corporate objectives.

Meenaghan further states that sponsorship objectives should meet the standard requirements normally associated with objective setting. As such, sponsorship objectives should be **quantified, motivational, realistic, consistent**, and arranged in hierarchical form (in the case of multiple objectives), such that their achievement contributes to the attainment of the overall communications objective.

There exist two main schools of thought in terms of quantifying marketing communication objectives. The **sales** school believes that objectives should be quantified in terms of sales results to be achieved; the **communications** school recommends that they are quantified in communication terms, such as levels of awareness or attitudes to be changed (Meenaghan 1993:15). There is also support for quantifying the **target audience** when setting objectives (Crowley, 1991:11).

In general, sponsorship is perceived to be most appropriate as a marketing communications medium where the objectives are **strategic and longer-term**, and least appropriate where the objectives are tactical and short-term (Meenaghan, 1983:15).

In practice, any of the marketing communication elements can achieve more than a single objective at any one time. Sponsorship, perhaps even to a greater degree, offers the possibility of achieving **several objectives** in a single campaign (Meenaghan, 1983:15). Hooper (2003) concurs, saying that today's sponsorships are required to perform a multitude of tasks.

There is general agreement that sponsorship can contribute to a wide range of objectives at both corporate and brand levels. Thwaites (1994:748) claims that it is this **plurality of interacting objectives** that is a characteristic and positive feature of sponsorship. Thwaites highlights the characteristics and objectives of sponsorship at both corporate and brand levels in the table below (*Table 2.1*).

While sponsorship has the potential to fulfil a variety of objectives, specific forms of sponsorship are more appropriate to particular objectives. For example, community relations and the entertainment of opinion formers are appropriate objectives for arts sponsorship. It is believed that sport sponsorship offers a distinct advantage in promoting brand **awareness** and improving or maintaining brand image (Thwaites 1994:748).

Meenaghan (1983:17) classifies sponsorship objectives under a number of headings:

1. Broad corporate objectives
2. Product-related objectives
3. Sales objectives
4. Media coverage
5. Corporate hospitality
6. Personal objectives

Table 2.1: Characteristics and Objectives of Sponsorship at both Corporate and Brand Levels (Thwaites, 1994:749).

		Brand level	Corporate level
Objective Characteristics		Shorter-term	Longer-term
		Market led	Corporate affairs-led
		Decided at brand level	Decided at Board level
		Pay-back (return) tightly quantified	More speculative
		Aimed at brand and potential users	Aimed at opinion formers
Typical Objectives		Media coverage	Community involvement
		Sales leads	Public awareness
		Sales / market share	Increase / change public perception / image
		Target market awareness	Build goodwill among opinion formers / trade relations
		Guest hospitality	Staff relations / recruitment

Meenaghan does caution that such a rigid classification of objectives may disguise the fact that sponsorship objectives frequently overlap, and that a plurality of interacting objectives is a common feature of sponsorship campaigns. These objectives are now discussed further below:

1. Broad Corporate Objectives

Corporate image building may often involve the desire to influence society in a general way, but it often involves interaction with specific groups among the organisation's many publics.

As a Medium for Community Involvement

Sponsorship has more potential than any other communication medium for direct impact on the community. The mantle of 'good citizenship' is acquired by many companies who have involved themselves directly in improving the life of the community, either at local or national level. Sponsorship of this kind assumes much the same role as public relations (Meenaghan, 1983:19).

As one of the primary CAPPCT event sponsors, Pick 'n Pay say that the key attraction to the event for them is the fact that a great deal of money is raised for both charities and service

organisation projects. Pick 'n Pay has a policy of supporting the communities in which they operate as a way of giving something back to their customers (Cycle Tour, n.d.).

To Increase Public Awareness of the Company

Sport is enjoying such enormous global growth, providing an excellent platform from which to launch brand / product exposure (Chislett, 1998:53). For example, Duffy (2003:74) cites MTN's sponsorship of the 'Gladiator' sports game show in South Africa, achieved spontaneous awareness of its sponsorship that was measured at 55% of the national adult population. This made it one of the most recognised sponsorships in the country.

To Alter Public Perception

A sponsorship programme linked to a particular set of attributes can be used effectively to create a particular image, which can reinforce or change public perception of the company (Meenaghan, 1983:20). For example, Duffy (2003:51) claims that Hyundai's association with the world's largest sporting event, the FIFA World Cup, which attracts an audience of over 35 billion people, allowed the company to create the impression that it is a mega brand with a larger global reach than is actually the case.

To Build Goodwill among Opinion-Formers and Decision-Makers

The sponsorship of particular events or activities provides companies with opportunities for goodwill creation among influential individuals or groups in the business world (Meenaghan, 1983:20).

To Reassure Policy Holders and Shareholders

Many companies use the high visibility gained through their sponsorship as a means of reassuring their shareholders and policyholders. Investigations by Crowley (1991:20) revealed that company size, consumer or industrial focus, and export orientation are key factors determining the priority a company gives to particular target groups. This type of opportunity is of particular value to companies in the banking, insurance, and finance sectors (Meenaghan, 1983:21).

To Counter Adverse Publicity

Sponsorship can be used to deflect negative publicity by improving public confidence in the company through proving they are a useful asset to the community (Meenaghan, 1983:21). For example, sporting goods company, Nike, has embarked on a wide variety of sport sponsorship activities in an effort to counter the negative publicity that has tarnished its corporate reputation, which has suffered from the company's association with exploited young labourers in developing nations. 'NikeGO' is a corporate responsibility programme

that focuses on promoting sport activities and wellness among children, especially in developing nations (NikeGO, n.d.).

As an Aid to Staff Relations and Recruitment

A key benefit of sponsorship is its ability to assist employee relations, as well as influencing the perception of potential recruits. This is often achieved by sponsoring activities and events with which the staff, and potential recruits, can identify.

A sponsorship can encourage a sense of pride among staff in a company (Meenaghan, 1983:21). Duffy (2003:76) cites the results of the 2001 Cone/Roper Corporate Citizenship Study, which indicates that the majority of American employees expect their employers to play an active role in supporting social needs. Such involvement has a positive impact on staff morale, with employees more likely to be proud of their company.

Duffy (2003:76) claims that the most effective employee-focused efforts are those that provide employees with opportunities to become actively involved in the sponsorship campaign. As an example, Metropolitan Life involved their staff in competitions and performance rewards linked to their sponsorship of the South African Olympic Team in 2000. Prizes and performance incentives for staff included trips to attend the Olympic Games and official Olympic merchandise.

To Identify with a particular Market Segment

Some sponsorship activities provide opportunities to reach niche market segments very effectively. Sponsorship is also often seen as a positioning statement, where a sponsor tries to associate itself with a sport that is deemed to fit in with the profile of the target market concerned. The aim is to align the company with the lifestyle that followers of these sports are assumed to have (Chislett, 1998:55).

Pick 'n Pay aims to use its CAPPCT event sponsorship to appeal to cyclists and their families, many of whom are their shoppers: "We support events like the Cycle Tour as they not only cater to the needs of the cyclists, but also those of their families" (Cycle Tour, n.d.).

To Facilitate Prospecting for the Salesman

The public awareness of a company and its products created through sponsorship can assist the prospecting and selling tasks of the sales force by 'softening up' the market and gathering potential leads. This is often done through corporate hospitality opportunities (Meenaghan, 1983:22). Duffy (2003:78) explains how J&B Whiskey uses this approach very successfully around their sponsorship of the J&B Met, one of South Africa's leading annual social events, which has become J&B's biggest sponsorship worldwide. An invitation to the

J&B VIP Marquee, an exclusive hospitality offering, is much sought after and proves to be a valuable incentive for the J&B sales team to use in ensuring relationships with the trade are strengthened.

2. Product-Related Objectives

Many of the corporate objectives mentioned in the preceding list can be applied to a specific brand or product. This is especially so for the objectives of: increasing brand / product awareness; changing brand/product perception; identifying the brand / product with a particular market segment.

In addition to these objectives, sponsorship is effective as a means of achieving other marketing objectives such as: **positioning** a brand / product, **launching** a new product, and encouraging product use (Jefkins, 1994:158).

For example, Hyundai's sponsorship of the FIFA World Cup, previously mentioned, allowed the brand to be positioned alongside world-class brand leaders, such as Coca-Cola and McDonalds, positioning itself as a competitive and respected brand in its product category.

3. Sales Objectives

All expenditure on marketing communications should be viewed in terms of its contribution to corporate sales and profit objectives. Although it is argued that sponsorship's **impact on sales is indirect and longer-term**, many companies use sponsorship as a substitute for advertising with the objective of stimulating sales.

Meenaghan (1983:23) argues that sponsorship mainly assists the movement of the buyer towards the point of sale. Sponsorship is thus an important stimulus when **purchasing** is seen as a **multi-stage, multi-influence process**. Crowley (1991:13) claims that both **existing** and **potential** customers can be targeted. Sponsorship can be used as a **retentive medium**, reinforcing customer images and perceptions among existing customers, or as a **persuasive medium**, aimed at generating new customers through heightened awareness.

Sport Business International (2001) claims that there has been a general shift in the sponsorship industry, away from simple brand awareness strategies toward more direct and interactive, sales-led marketing motivations. Duffy (2003:69) argues that every sponsorship campaign contains opportunities to drive incremental revenues through the **direct sale** of products and services to the fans themselves either at the venue or through other media consumed by the fans. This is illustrated in MTN's 'Gladiators' sponsorship, which generated R6.9 million through the use of MTN phone lines and the sale of ring tones (Duffy, 2003:74).

4. Media Coverage

This is one of the primary objectives for sponsorship use. The achievement of media coverage could be viewed as an **intermediary objective**, towards the attainment of the ultimate objective of awareness and sales, for example. Sponsorship is favoured as a low **cost per exposure** medium, although it is argued that there is not the same degree of control of the message as with advertising (Meenaghan, 1983:24).

Certain types of media coverage may be valued more highly than other types. For example, television and daily newspaper coverage is usually preferred coverage than radio and the local press.

For example, MTN's sponsorship of the 'Gladiator' sports game show in South Africa generated television exposure for MTN valued at one and a half times the amount paid for the broadcast package (Duffy, 2003:74).

5. Corporate Hospitality

Sponsorship of events may provide companies with opportunity for guest hospitality in an appropriately informal environment. These guests typically include **opinion leaders** and **decision-makers** within the business environment, trade acquaintances, dealers, wholesalers, and retailers. Corporate Hospitality has already been discussed in greater depth in the section on Exploiting the Sponsorship Opportunity (2.2.5).

6. Personal Objectives

Personal objectives for the choice of sponsorship projects have long been associated with the industry. This was dealt with in the section on Industry Challenges and Concerns (Chapter 2.4.2).

A survey among the Fortune 500 companies (Lee *et al.*, 1997) revealed that the two main sponsorship objectives reported were to **enhance corporate image** (a corporate objective), and **increase brand awareness** (a marketing objective). A recent trend identified is a shift away from emphasising media objectives, to emphasising corporate objectives.

BMI Sport Info conducts regular research within the South African sponsorship market. Results from their survey in 2002 (Hooper, 2003), show that 88% of South African sponsors use the medium to obtain **awareness** objectives. The next most common objective is **image** creation or reinforcement, an objective of 68% of sponsors. The BMI Sport Info (2002) report notes that there has been a marked trend towards sponsors looking to achieve **two or three primary objectives** through their sponsorship opportunity, compared to only one or two objectives in the past. A number of other objectives are used to a far lesser degree, although the research

notes that sponsorship is increasingly being used to achieve multiple objectives. *Table 2.2* below shows these research findings from 1993 – 2002 (Hooper, 2003):

Table 2.2: BMI Sport Info report on the most common objectives of companies sponsoring sport (Hooper, 2003)

Objectives	Percentage of Sponsors (%)			
	1993	1997	1999	2002
Awareness	88	84	93	88
Image/ Brand Building	26	48	57	68
Community Involvement	20	23	31	43
Direct Sales Increases / Sales at Events	6	9	9	18
Create Goodwill and Loyalty	8	3	11	22
Hospitality	6	13	22	30
To Gain Market Share	4	4	5	5
Product Launches/ Tests	-	8	17	19
Involve Employees	-	2	2	3

As can be seen from the above discussion on the wide range of sponsorship objectives, sponsorship is acknowledged as an effective means of gaining attention and interest from a wide range of publics. Thwaites (1994:750) identifies a variety of constituencies reached by sponsorship, both internal and external to the sponsor company (illustrated in *Figure 2.8* below), which confirms the range of objectives already discussed.

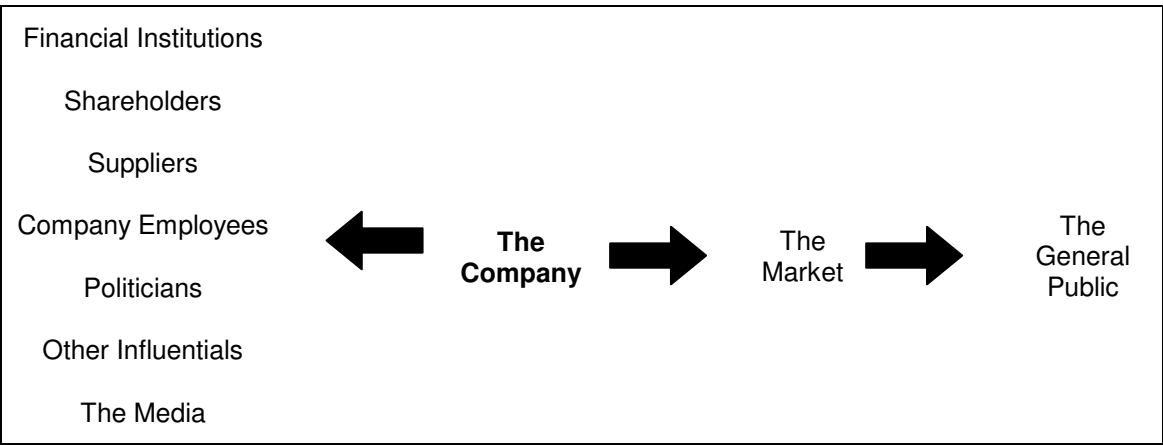


Figure 2.8: The Constituencies Reached through Sponsorship (Thwaites, 1994)

Prioritising the target audience should form an important part of sponsorship objective setting. It is also a determining factor in the selection of sponsorship opportunities, the exploitation strategy, and the measurement of effectiveness, to be discussed in the following section.

2.6 Measuring Sponsorship Effectiveness

The issue of evaluating the effectiveness of sponsorship is the area of greatest debate within the sponsorship discussion. This section begins by looking at the debate around sponsorship measurement and then looks more specifically at measuring consumer reactions and factors influencing consumer reactions.

2.6.1 *The Measurement Debate*

While the growth in the usage of sponsorship points towards the sponsors' belief in its effectiveness, there is a need to move towards a greater understanding / empirical validation of its effectiveness (Meenaghan, 1991:7). He also claims that there is a need to replace the traditional 'gut instinct' with a more rational management approach, based on the results of scientific analysis. Thwaites (1994) suggests that the major concern for the sponsorship industry is to illustrate the ability of sponsorship to provide commercial benefits that are both identifiable and measurable.

A fundamental point of debate is whether sponsorship effects are indeed capable of measurement. A view often voiced by practitioners is that they are not. Meenaghan (1983:48) provides several reasons in support of this view:

- The **simultaneous** use of sponsorship ingredients within both the communications and marketing mix: It is difficult to isolate the effects of sponsorship on its own as it is often used in conjunction with other media, as part of an integrated marketing communications plan.
- The **carry-over effect** of preceding or on-going marketing activities makes it difficult to isolate the effect from one medium alone.
- The **synergistic effects** of an integrated marketing communications plan will be greater than the effect from one medium alone.
- Exogenous or uncontrollable **environmental factors**.
- Creative management issues.
- The pursuit of **multiple objectives** makes different types of measurement suitable for different purposes, i.e. there is no one measurement method for all objectives.
- The discretionary nature of **media coverage** makes it difficult to plan or forecast the exposure and benefits deriving from media coverage.

These should all be important considerations in the development of any measurement model. Although it is agreed that the effects of sponsorship are subtle and difficult to observe (McDonald, 1991:31), there is probably a larger view in support of a range of evaluative techniques. Although these do have their own recognised limitations, they provide useful insights into the effectiveness of sponsorship programmes.

These techniques, documented in detail by McDonald (1991:33), Parker (1991:27) and Thwaites (1994:751), and regarded by many sources as unsophisticated, broadly consist of measurements of exposure, awareness, image, sales effectiveness, and guest feedback. This is often conducted through continuous media tracking, or ad hoc dipstick approaches before, during, and/or after the event.

The most popular method for evaluating sponsorship effectiveness is that of **Media Tracking** (Thwaites, 1991:751). This method records the number and length of media exposures, and compares this to the equivalent cost of rate card advertising. Often this measurement would include an assessment of the quality of the exposure, by analysing in which publications or programmes the coverage occurred, in what tone it was reported on, and by whom it was reported.

Another, and sometimes complimentary, method of evaluation focuses on the number of '**opportunities to see**' (McDonald, 1991:33). The appropriateness of these measures is questionable on the grounds that the effects of sponsorship cannot be measured in the same way as advertising. Sponsorship, by definition, has further reaching effects than advertising, as stated earlier in this review. These methods fail to measure the impact of the sponsorship on the target market, or the ability of sponsorship to change consumer perceptions on image, in particular.

Favourability Tracking usually consists of surveys conducted to measure spontaneous and prompted sponsorship awareness, familiarity, and favourability (Parker, 1991:33). Research techniques range from opinion polls to dealer audits, depending on the objectives of the sponsorship. This method has the ability to identify clearly peaks, troughs, and tail-off effects of sponsorship.

All of the above techniques fail to account for the **long-term nature** of the sponsorship impact. While spontaneous awareness of sponsor association may be low initially, long term association effects can exist even years after the sponsorship has ended. This has been noted in South Africa with Benson & Hedges, Gunston and Rothmans still remembered for their sport event sponsorships long after tobacco sponsorship was outlawed. Quester and Farrelly (1998) claim that measurement over a longer period of time will allow the identification of a pattern of accumulation and decay associations between the event and the sponsor. He also states that

evaluation techniques need to account for the fact that it may take time for consumer perceptions and attitudes to be developed, but that this impression can be long-lasting once a meaningful association is developed.

BMI Sport Info (1999) conducts regular spontaneous and prompted recall surveys of this nature across all racial segments within South Africa, producing a widely subscribed to report called 'Sponsortrack'.

Parker (1991:29) explains that a different measurement technique is required for measuring the sponsorship effectiveness among event attendants, mainly their attitudes toward the event and how this affects their view of the sponsor. Parker discourages these measurements being done at the event, where respondents could glance at perimeter boards etc. and have the answer provided. Parker recommends collecting names and telephone numbers of attendants, with a follow-up telephone interview a few days later. This should cover the attitudes toward the event, sponsorship awareness, and effects on image of the sponsor.

The measures outlined here are useful mainly as first-level evidence of the impact of the publicity in making the public more aware of the event and its link with the sponsor. What these measures actually tell us then is how effective the publicity surrounding the sponsorship has been (McDonald, 1991:33). While no better measures of effectiveness are documented, McDonald (1991:33) suggests that such a method will have to be based on individual sponsorship objectives, and a greater understanding of how consumers respond to sponsorship, compared to how sponsors want them to respond.

ASOM (1997) maintains that the **post-event measurement and evaluation** must be developed from the beginning of the sponsorship programme, focusing on the sponsor's objectives. They suggest four key areas to be measured:

1. **Exposure:** Who were exposed to the sponsorship? How visible was the sponsorship in terms of media exposure?
2. **Awareness:** Who were aware of the sponsorship? Did the target market notice the sponsorship?
3. **Attitude and perception:** Who changed their attitude or perception of brand image owing to the sponsorship?
4. **Sales:** Who purchased the brand as a result of the sponsorship? Did sales increase during the sponsorship period?

A study by Berndt and Koekemoer (2001:16) found that the most frequently used sponsorship evaluation tools used by sponsors in South Africa were advertising-based methods: media exposure (used by 46.7% of sponsors); awareness surveys (41.1%); and attitude surveys (34.4%). They further noted that the use of direct sales measurement was relatively limited.

Despite being advocated by some as the 'ultimate performance measure', Quester and Farrelly (1998) believe monitoring **sales patterns** is unlikely to provide a reliable measure of the sponsorship's effectiveness. He claims sales patterns are explained by a wide variety of factors, all of which are likely to interact, making any change in sales impossible to attribute to one single factor.

A measurement of sponsorship effectiveness needs to include an assessment of the success of all areas of the sponsorship programme. ASOM (1997) suggests that the following areas should be incorporated into the measurement process:

- The effect of the sponsorship on community and **public relations**;
- The effective use of **corporate hospitality** (as discussed earlier);
- The use of **merchandising**;
- The use of **product sampling**, and other communications of product service / attributes;
- The effect on **employee morale**; and
- The link formed with **opinion leaders**.

Although no formal theoretical model has been developed for the measurement of sponsorship effectiveness, it appears that these practitioner guidelines are getting closer to a true measurement of the widespread effects of a sponsorship programme. However, practitioners' measurement tools are being developed by sponsorship, advertising and research agencies, such as Octagon's 'Evalu8' (Duffy, 2003:213).

The preceding section has discussed the broad measures of awareness and favourability that abound. However, these are no substitutes for the measurement of perception and response (McDonald, 1991:34). The following section now looks at this area in greater detail.

2.6.2 Measuring Consumer Reactions to Sport Event Sponsorship

The discussion now turns more specifically to the relatively few empirical studies that have looked at the effect of sponsorship on the consumer. Most of these studies measure the impact of the sponsorship effort on the recall and recognition of sponsors. Turco (1995:9-11) examined both corporate image and purchase intention effects of sponsorship awareness, finding that respondents (event spectators) indicated that they had a more favourable image of

the company and that they would be more likely to purchase their products.

Lee *et al.* (1997:160) noted the increasing importance of understanding consumer reaction to the sponsoring organisation, and of investigating how sponsorship influences consumers. They identified three attitude constructs, based on their definition of sponsorship (see 2.2.1), namely: attitude towards the event; attitude towards commercialisation; and attitude towards behavioural intent (Lee *et al.*, 1997:163). This is now further explained:

Attitude towards the Event:

An event's image is represented by the public's overall, subjective perceptions of its activities (Gwinner, 1997). A consistently favourable or unfavourable response to an event is formed through the accumulation of individual's experiences over time. This factor relates to the consumer's **enjoyment** of the event, their **support** for the event, and their **belief** that it represents a high quality performance.

d'Astous and Bitz (1995) proposed three factors that influence the perceived image of the event: event type, event characteristics, and other individual factors.

- ***Event Type***

Direct / Other Experience with an Event Type:

A consumer's attitude towards an event represents a **summation of perceptions, associations, and experiences** with events of similar types (e.g. other cycle races or large-scale participation sport events), resulting in a general predisposition to respond to an event in a consistently favourable or unfavourable manner. These perceptions may relate to the consumer's enjoyment of the event, their support for the event, and their belief that the event presented a high quality of performance (Lee *et al.*, 1997). Event image can therefore be described as a **collection of image associations**. Perceived event image is thus an **enduring evaluation** (Gwinner, 1997).

Specific Experiences at the Event:

Apart from past or indirect experiences, it is likely that recent experiences will be most influential in shaping the consumer's overall event image perception. These new experiences can be divided into two parts: the specific activities engaged in or observed at the event; and all the interactions with other event attendees, participants and event staff. As perceived image is an enduring evaluation, it is also through these new experiences that past event images can be changed or modified.

The specific activities engaged in or observed may be the same for all participants, or they may be quite different, depending largely on the type of event. It is important to note that a

given consumer's specific event experiences or observations will shape their perceptions of event image.

The Number and Type of Other Spectators:

The number of spectators at an event may influence a spectator's assessment of an event, with an event possibly being regarded as more successful if it draws more spectators. The number of spectators may also influence perceptions of crowding and queues, for example.

The demographic and psychographic characteristics of other spectators are also proposed to have an effect on overall event image perceptions. The CAPPCT includes participants from a wide variety of demographic backgrounds.

- *Event Characteristics*

Event Size:

This would include the **duration** of the event, the level of media **exposure** (e.g. regional / national / international), the number of **activities** (e.g. matches), and the amount of physical **space** occupied. The main race plus the surrounding activities during the week leading up to the main race, mean that the CAPPCT can be considered more than a one-day event. The event gains large-scale local as well as international media coverage. The main event has one race distance, but different categories, including tandem cycles and others. The race occupies a large area of the city and surrounds, with a 104km race route, as well as two large areas for the start and end points.

Status of Participants:

The type or status of participants, for example, whether they are professional or amateur, or local or international, influences the consumer's attitude towards the event. Events with more professional, international participants are usually more highly regarded. The CAPPCT is a fairly unique event in that it includes all of these categories, with professional and amateur cyclists, mainly from within South Africa, but increasingly from other nations.

The Tradition or History of the Event:

A fairly long-standing event such as the CAPPCT may have a well-defined set of images associated with it compared to a new event. (See chapter 1 for an overview/ background to the event.)

The Venue:

Factors such as temperature, convenience, or physical conditions influence the attitude towards the event. The CAPPCT is an outdoor event, so these factors are often uncontrollable, climatic factors. The race is well-known for its scenic beauty along the

route. Controllable factors would exist at the start and end points of the race particularly.

The Promotional Appearance of the Event:

Gwinner (1997) proposes that the amount and type of publicity surrounding the event affect the perceived image of an event. The CAPPCT certainly gains very credible and sizable media attention locally and even internationally.

It should be noted that Gwinner (1997) also proposes that a range of other variable **individual factors** are also likely to affect an individual's event image perceptions. These may be related to the number of images an individual associates with an event; the strength of each particular image; and the unique experiences an individual associates with an event.

Attitude towards Commercialisation:

It has already been discussed that there is an increase in sponsorship-linked marketing activities surrounding sports events. This can be referred to as the 'commercialisation' of sport events. Meenaghan and Shipley (1999) explain that highly commercialised categories of sponsorship are adjudged by consumers to be similar to advertising, and deserving of less goodwill. Perceived over-exploitation of events reduces the level of goodwill accorded to the sponsor.

Attitude towards Behavioural Intent:

Consumers differ in their inclination to act on the sponsorship activity or messages of the sponsoring companies. For example, this could range from consumer awareness of sponsoring brands, to consumer willingness to purchase the products or services of sponsoring companies.

These constructs and their relationship to each other are depicted graphically in *Figure 2.9 below*:

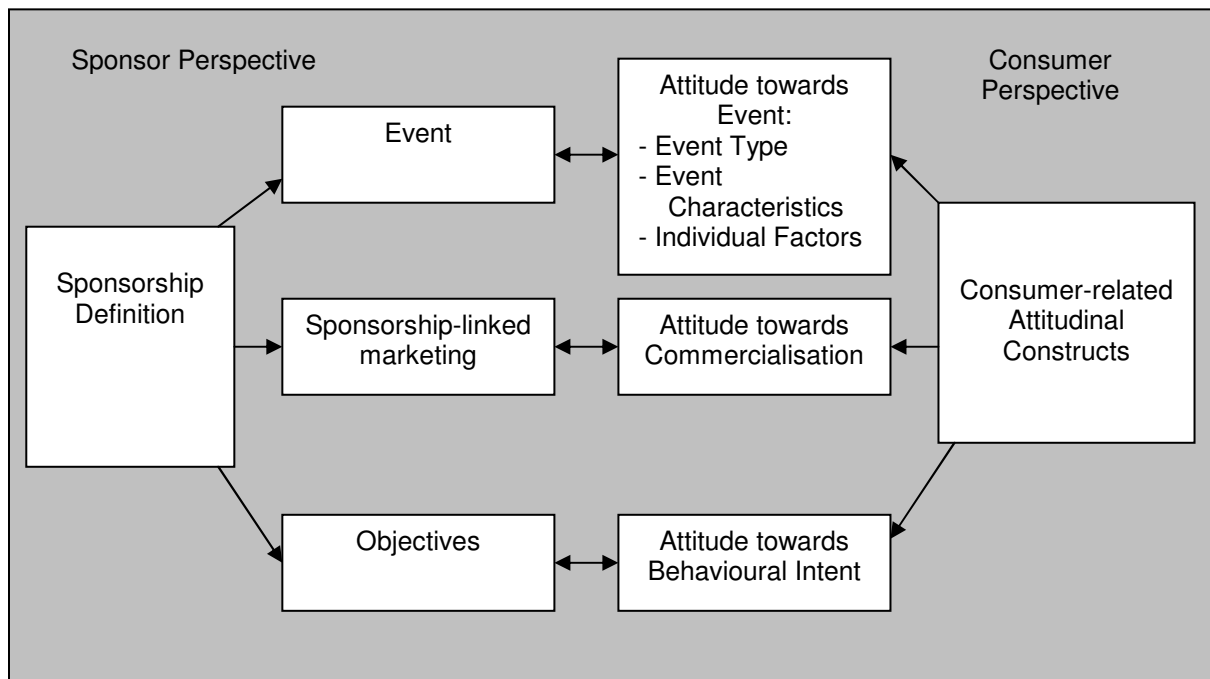


Figure 2.9: Relationship of attitudinal constructs (adapted from Lee *et al.* 1997:163)

The above constructs led the writer to propose the following sub-hypotheses for the first hypothesis, *H₀: Consumers have a positive reaction to sport event sponsors.*

*H_a: Participants have a highly **positive** reaction towards the CAPPCT **event**.*

*H_b: Participants have a **negative** reaction towards **commercialisation**.*

*H_c: Sponsorship induces a positive influence on the participants' **attitude towards behavioural intent**.*

Having looked at the measurement of consumer reactions, the following section investigates the factors that influence consumer reactions.

2.6.3 Factors Influencing Consumer Reactions to Sport Event Sponsorship

This section looks to provide insights to Research Question 2: What factors influence participant reactions to sport event sponsorship? The section combines the findings from many studies, but in particular, from d'Astous and Bitz (1995), Gwinner (1997), and Quester & Farrelly (1998). The factors from all of these studies are dealt with together, so as to propose a possible model of factors affecting consumer reactions to sport event sponsorship.

The Nature of the Sponsorship

Support for an event could be either **philanthropic** or **commercial**. Philanthropic support implies the support of a cultural, humanitarian, or social cause, usually in the form of patronage or charitable donation (see section 2.3.1). With this type of support, the

sponsor's participation is often less prominent, and may not be undertaken directly for the commercial benefits perceived, as is the case with commercial support, in the form of sponsorship. Philanthropic support is believed to have a more **positive impact** on consumer perceptions of image than the more commercialised sponsorship because of its greater likelihood to create positive feelings among consumers.

McDonald (1991:36) claims that consumers are happy to see a company promoting itself in ways that benefit others, and not solely themselves. Goodwill is increased when a sponsor focuses more on **social aspects**. McDonald recommends that this aspect of sponsorship should be evident in any programme, and that the public should be made aware of this wherever possible and appropriate. Speed and Thompson (2000:229) note that the stronger the respondent's perception that the sponsorship is "pro-social", the more favourable the impact on the sponsors' image.

In South Africa, some companies have sought to capture the additional 'goodwill' from a more philanthropic approach to their sponsorship, through an emphasis on **sport development** in disadvantaged communities. Often a commercial sponsorship is linked to a more philanthropic development programme for this reason. For example, MTN linked its sponsorship of the 1999 Davis Cup tennis with grassroots tennis development programmes; and Old Mutual launched the 'Save Chapman's Peak Fund' as an environmental cause-related campaign linked with their existing sponsorship of the Two Oceans Marathon (Duffy, 2003:106).

While it is not a purely philanthropic event, the CAPPCT exists mainly to fund charities in the region. While the CAPPCT would not be regarded as a purely philanthropic event, it is widely known that the event is linked with philanthropic fundraising for community projects, through various Rotary clubs. This has been one of the distinguishing features of the event since the Rotary Club of Claremont took on the organisation of the event in 1982. There is also an increasing emphasis on developing the sport and increasing the participation from previously disadvantaged groups. If participants are aware of this, and it is likely that many participants would be, then this could result in a more favourable disposition toward sponsors than for more purely commercial events.

As one of the two naming rights sponsors, Pick 'n Pay claims that the key attraction to the event is the fact that a great deal of money is raised for both charities and service organisation projects. Pick 'n Pay has a policy of supporting the communities in which it operates, as a way of 'giving something back' to its customers (Cycle Tour, n.d.).

The Origin of the Sponsorship

The event may either be created by the sponsor, or it may already exist by itself / be created by another source, such as the CAPPCT. Sponsors creating their own event are

able to keep **control** over all elements of the event, whereas the sponsorship of an existing event may limit the sponsor's involvement to that stipulated in the contract. An advantage of sponsoring an existing event is that the sponsor can evaluate *a priori* the value of the investment.

The public may perceive the sponsoring of existing events, such as the CAPPCT, as more **credible**, expressing **gratitude** to a sponsor for enabling an existing event to continue to take place (d'Astous & Bitz, 1995). Negative attitudes may be induced for events that are created specifically to promote the sponsor's image and products.

Frequency of the Sponsorship

Sponsorship can be **continuous**, or it can be a **once-off** investment. According to d'Astous & Bitz (1995), continuous sponsorship is likely to have more impact on the public because it takes time to become a credible sponsor. It is also agreed by many authors (d'Astous & Bitz, 1995; McDonald, 1991:37; Quester & Farrelly, 1998) that the benefits of sponsorship increase with time. D'Astous & Bitz (1995) claim that continuous sponsorship may be more beneficial to the sponsor as it may demonstrate a greater sense of **loyalty** and **involvement**, whereas a once-off sponsorship may leave an impression of commercial opportunism among consumers.

It may take time for consumers to connect a corporate image or brand with an event. However, this impression can be **long-lasting** once a meaningful association is developed (Quester & Farrelly, 1998). It has already been mentioned that a longer-term association with an event creates a more favourable image of the sponsor. Here it is proposed that a longer-term association with an event strengthens the event-brand association.

The event itself may be a once-off event, or it may occur regularly. A re-occurring event (annual, monthly, etc.) should have the benefit of establishing a link between the event and the brand more firmly due to repeated exposure. Meenaghan (1991:7), however, notes that the novelty of a once-off event may lead to greater attention from the media than for continuous sponsorship, which may lose attention over time.

The sponsors of the CAPPCT include some who have supported the event for many years, as well as other newer sponsors. The CAPPCT is an annual event, with the two primary sponsors, The Cape Argus and Pick 'n Pay both associated with the event for many years, Cape Argus being the sponsor of the first event, and Pick 'n Pay becoming a sponsor in 1991. The brands' connection with the event is reinforced annually.

The Synergy / Link between the Sponsor and the Event

Erdogan and Kitchen (1998:371) explain that by forging a connection between the event and a brand, sponsorship makes use of **Balance Theory**. This states that when a belief

may be unbalanced and unstable between two objects, the human mind unconsciously tries to link the lowly valued object (product) with the highly valued object (the event). As a result of this process, sponsorship creates a link, in the mind of consumers, between the company / brand and the event that the target consumers value highly.

A brand can have either a **functional** or an **image-related synergy** with an event. **Functional** synergy (or product relevance) occurs when a sponsoring product is actually used, or could potentially be used, by participants during the event. **Image-related** synergy occurs when the image of the event is related to the image of the brand.

Meenaghan (1991:9) claims that the **stronger the link** between the sponsor and the event, the greater the impact on corporate image. McDonald (1991:34) says that synergy is sought between the event and the company values: it is even better if the event can be linked directly to a product.

For example, Gary Haigh, Marketing Director for Guinness, justifies his company's sponsorship of rugby, claiming that rugby has strong associations with what Guinness stands for, which is "power, goodness, energy, and male bonding" (Crawford, 1999).

McDonald (1991:34) also claims that there is the converse, strongly negative effect if the two are seen as discordant. This is consistent with some celebrity endorsement literature which suggests that 'miss-matches' between endorser and brand decrease the effectiveness of the endorsement (Gwinner, 1997). However, a certain level of incongruence between the sponsor and the event might be beneficial to the sponsor's image. d'Astous and Bitz (1995) conclude that a moderate level of incongruence may be perceived as interesting and positive by consumers.

Gwinner (1997) suggests that sponsor-event synergy (functional or image-related) will enhance image transfer by anchoring the relationship more firmly in the consumer's mind. Erdogan and Kitchen (1998:73) suggest that in cases where no direct connection exists, the company should tell consumers what meaning should be drawn from the sponsorship through advertising and other marketing communications elements. Even if there is a direct connection, sponsors should **reinforce** the natural interpretation.

The naming rights sponsor, Pick 'n Pay, claims that the values adopted by the organising body, the Cycle Tour Trust, mirror those of Pick 'n Pay's own values, making it a 'perfect brand fit' (Cycle Tour, n.d.).

Consumer Interest and Involvement

d'Astous & Bitz (1995) propose that higher **consumer interest** in a sponsored event leads to more **active information processing** and presumably greater interest towards the sponsorship. It is therefore up to the marketer to support the sponsorship programme with

communications designed to increase consumer interest in the event. This is likely to lead to a more **positive image** of the sponsor.

If a brand image, through sponsorship, can be linked to those favourable feelings associated with a particular event, and if a longer-term meaning of what the event represents can be established and retained, then stronger associations will be established, and a persuasive influence may even be exercised over the purchase decision (Quester & Farrelly, 1998). Quester and Farrelly also suggest that it is likely that involvement in, and loyalty to, an event can transfer into **brand loyalty** toward a sponsor's products if a strong and persuasive association can be created in the minds of consumers.

Quester and Farrelly (1998) suggest that sponsorship communication is more likely to have a long-lasting effect if it elicits a strong **emotional response** by way of a 'positive mood state' towards the event. It is generally accepted that **emotion** is a critical ingredient in recall and attitude formation.

In addition, the association with an **involving event** may enhance information processing, or enhance the value attached to the product use experience. If the involving nature of the message context (the event) prompts a 'pleasant mood state,' the context (event) can **facilitate learning** to a greater degree, resulting in greater awareness and attitude development (Quester & Farrelly, 1998).

Quester and Farrelly (1998) warn that excessive physiological arousal and intensive involvement could hinder communication. It is suggested that a threshold of involvement may exist, beyond which the advantages of an involving context may be lost.

Participants in the CAPPCT are likely to have a high degree of interest as well as being actively involved in the event, and should therefore have a positive image of the event.

The Degree of Exclusivity

Gwinner (1997) reasons that multiple sponsors for a given event lessens the probability that a particular brand will be associated with the event, due to the additional stimuli each consumer must attend to and recall. Sole, or dominant position, sponsorship will increase the likelihood of meaning transfer from the event to the sponsoring brand by establishing the event-brand link more firmly. Speed and Thompson (2000:229) found that respondents suggested that their response would not be as strong toward sponsorship by firms they perceive to be engaging in a large number of sponsorships simultaneously. A large number of sponsorships suggest that the organisation has multiple, and possibly competing, commitments, therefore diminishing the credibility of the sponsor.

There are many different event sponsors for the CAPPCT, all of varying degree (see Chapter 2.2.4 for details). The two primary sponsors share the naming rights and the

majority of sponsorship benefits from the event.

Erdogan and Kitchen (1998:72) describe the impact of sponsorship on consumers as being a function of the following factors:

- the **strength** of the link created by the sponsorship;
- the **duration** of the link;
- **gratitude** felt by consumers because of the link; and
- **perception** change in the minds of consumers because of the link.

The writer believes the features of this model have been sufficiently incorporated into the earlier discussion, and that this model, although concise and supposedly more quantifiable, does not account for many of the important factors already mentioned.

Demographic Profile of Consumers

While no empirical studies were found to comment on the effect of consumer demographics on reactions to sponsorship, the *Sensor Study on Sponsorships* in the USA (Sports Marketing Surveys, 2005) in 2002 noted the following demographic factors that affected consumer reactions to sponsors:

Gender: Men appear more likely to notice sponsorships, while women are slightly more likely to buy sponsor's products.

Age: Noticing and buying responses tend to be higher among younger consumers.

Income: Higher income consumers are more responsive to noticing sponsorships, while middle income consumers are more likely to buy sponsor's products.

The features discussed in this section are summarised in *Figure 2.3*.

Table 2.3: Factors affecting Consumer Reactions
<ul style="list-style-type: none">• Nature of the sponsorship• Origin of the sponsorship• Frequency of the sponsorship• Synergy/ link between the sponsors and event• Consumer interest and involvement• Consumer demographic factors

From the discussion above, the writer proposes the following, second hypothesis (with related sub-hypotheses) that will be tested in this study:

*Ho: Consumer **reactions** to sport event sponsorship are influenced by:*

- *the **nature** of the sponsorship*
- *the **origin** of the sponsorship*
- *the **frequency** of the sponsorship*
- *the **synergy**/ link between the sponsors and event*
- *consumer **interest/ involvement** in the sport/ event*
- *the **demographic profile** of the consumer*

Summary

This chapter began with a broad overview of sport tourism and events that placed the CAPPCT in its context as a major event. Sport event sponsorship, featuring on both the supply and demand sides of the sport event marketing system, was defined, and reasons for its growth and favour as a sport event marketing medium were explored. Other foundational aspects of sponsorship relating to its use as a sport event marketing tool were discussed. The discussion then turned to look at the measurement of sponsorship effectiveness, outlining the areas of debate, the most common measurement tools and techniques, to finally looking more specifically at how to measure consumer reactions, and the factors that influence these reactions. Having arrived at the research hypotheses above, the report now sets out the methodology used in the investigation, in Chapter Three.

Chapter Three

RESEARCH METHODOLOGY

The review of the literature in the previous chapter began with a discussion of the broader concepts of sport and tourism and the sport event marketing system, as the setting for this study. The review then looked at sport event sponsorship in more detail, finally focussing on the measurement of sponsorship effects on consumers, and the factors that influence these reactions.

The literature reviewed indicated that there has been a dearth of research in the Special Interest Tourism market of sport tourism, especially in South Africa (Shaffie, 2005:4). Playing a key role in both the supply and demand side of the sport event marketing system, sponsorship has rarely undergone systematic study, and very few empirical studies have looked at the effect of sponsorship on the consumer (Lee, Sandler & Shani, 1997; d'Astous and Bitz, 1995).

This chapter now outlines the methodology used by the researcher to gather the empirical data for this study that aims to investigate consumer reactions to sponsorship, and to identify the factors that influence these reactions, among the participants of the CAPPCT 2006.

3.1 Introduction

The **primary objectives** of this investigation are to investigate consumer reactions to the sponsoring organisations, and to identify the factors that influence consumer reactions, among participants of the 2006 Cape Argus Pick 'n Pay Cycle Tour.

The writer has followed a sequence of steps as recommended by Churchill (1995:vii), forming the Research Process. The stages of this **Research Process** are as follows:

- Step 1: Formulate the Problem
- Step 2: Determine the Research Design
- Step 3: Design Data Collection Method and Form
- Step 4: Design Sample and Collect Data
- Step 5: Analyse and Interpret Data
- Step 6: Prepare the Research Report

The problem formulation (Step 1) and research objectives were dealt with in Chapter 1. The Research Design consists of **Exploratory** research (both primary and secondary) and **Descriptive** research. For the Descriptive research phase, the choice of data collection

method and form, sample design and data collection, and data preparation are detailed in this chapter.

3.2 Exploratory Research

Churchill (1995) explains that the purpose of exploratory research is:

- to increase the researcher's knowledge and **familiarity** with the subject
- to gain an **understanding** of the core issues and concepts at hand
- to facilitate the researcher in developing **hypotheses**
- to **clarify** concepts and provide a unified theoretical basis for the empirical component of the study

The exploratory research consisted of primary and secondary sources. **Experience interviews** constituted the primary sources, while a scholarly **literature review** was conducted of all relevant and available secondary sources.

Secondary Sources

A literature review formed the major part of the exploratory research process for this thesis. The literature search covered all available sources relevant to the study, including **conceptual literature**, in the form of journals, textbooks and other published materials, as well as **industry literature** and **published statistics**. These sources covered the key topics of:

- sport tourism
- sport event marketing
- marketing communications (current media use and industry trends)
- corporate sponsorship (the history, current use, and future trends of the medium)
- the professional sport industry (global and local)

External sources were sourced through CPUT libraries from a range of mostly academic libraries in the Western Cape, as well as articles accessed from the Internet. Internal sources, consisting mainly of industry literature and statistics, were gathered from various companies and trade sources.

Primary Sources

The writer conducted **experience interviews** with selected individuals, in order to gain insights into the knowledge and experience of those familiar with the general subjects of corporate sponsorship, and event marketing and management. These interviews were conducted in an informal, semi-structured manner.

An Experience Interview was conducted with Mr Anton Groenewald, CEO of the Events Trust, which manages the CAPPCT. Information gathered during this interview was included in Chapter Two. The researcher also attended the CAPPCT 2006 event in March 2006. This gave the researcher a good general idea of the event, the event marketing and organisation, and event participants. Observations made at the event have been used in the examples and explanations used in Chapter Two.

3.3 Descriptive Research

The Descriptive Research design consisted of **self-administered questionnaires**, administered on-line, on the CAPPCT website: www.cycletour.co.za.

The Research Objectives were:

1. To identify **reactions** to sport sponsorship among the event participants.
2. To propose a set of **features** that influences these reactions.
3. To identify the relative importance of **sport**, compared to other passions/ interests.
4. To identify future **research** opportunities for areas limited by the scope of this project.

In order to obtain the necessary information, the writer was required to make decisions with respect to the data collection method, sampling procedures, and the design of the questionnaires. These decisions are now discussed.

3.3.1 Choice of Data Collection Method

The primary decision in the choice of data collection is whether to employ communication (through a questionnaire) or observation. The **communication** method was chosen for this investigation, having the advantage of speed, versatility and cost, although possibly less objective and accurate than observation methods (Churchill, 1995:347).

As mentioned previously (*Chapter 2.6.1*), Parker (1991:29) discourages measurements of awareness or attitudes being done at the event. Rather, an interview after the event could cover the attitudes toward the event, sponsorship awareness, and effects on image of the sponsor.

The main methods of questionnaire classification are by **personal interview**, **telephone interview**, and **mail questionnaire**. These are the 'pure' methods of administration, with a number of other variations or combinations possible, such as online and e-mail surveys. Churchill (1995:360) acknowledges that each method of data collection has its uses, and none is superior in all situations.

Churchill further suggests that each potential method be evaluated in terms of **sampling control**, **information control**, and **administrative control**. After evaluation of the main alternatives, applying these criteria to this specific investigation, the researcher chose to administer the survey through **self-administered e-mail questionnaires**.

E-mail surveys as a research tool:

Illieva, Baron and Healey (2002:362) are of the opinion that web surveys are new modes of data collection rather than new methods of data collection. The only real difference from traditional distribution arises in how the distribution takes place, i.e. how the actual survey reaches its sample. E-mail was chosen as opposed to mail surveys owing mostly to its cost effectiveness and immediacy of response. However, there were many factors that were considered when deciding which instrument to use, with some factors only applicable to this particular study.

The use of e-mail surveys does give some drawbacks, and its legitimacy as a research tool is still being questioned. However, in practice, it appears that the medium is gaining popularity in use (Shaffie, 2005:67). The Internet has reached different levels of advancement in different parts of the world. In South Africa, Internet usage has not reached the extent of the developed nations in terms of access to computers and computer literacy. In many developed nations, Internet dial-up costs are zero, enabling users to spend more time online. However, according to Cobanoglu, Moreo and Warde (2002:441), the number of Internet users doubles each year, with the number of web-based surveys increasing as a result.

The following table shows a few of the current trends relating to Internet usage in South Africa as found by Webcheck, a division of Research Surveys (Web users aren't just whizzkids, 2006). They report that the profile of the South African Web user has become more like the 'man in the street' and less like a 'techno whizzkid' as it used to be.

The following table (*Table 3.3.1*) provides a profile of Internet users in South Africa:

Table 3.3.1: A profile of Internet users in South Africa

- Almost half of all Internet users are between the ages of 25 and 44. There is also an increase in the number of users over the age of 55.
- The majority of Internet users are English-speaking.
- The ratio of women to men is approximately 60:40.
- The average monthly household income is just over R13 000, which is a decreasing trend.
- 45% of Internet users have access only at home, 25% only at work, and 37% at both home and work.

The CAPPCT race organisers have a database of contact details for all race entrants, with e-mail addresses for most. They find that e-mail is a very effective means for contacting their participants and do so regularly. The CAPPCT website is a very successful one, with large numbers of participants visiting this site for registration, information and other purposes (Groenewald, 2006).

Shaffie (2005:68) summarises the several different ways in which online research can be carried out: Surveys can be conducted via e-mail, where the actual survey is in the body of the e-mail. Alternatively, surveys can be posted on a website and made available for completion by visitors to the website (leaving no control over the composition of the sample). Another option is to post the survey on a website, and distribute the URL (website address) to the selected sample, directing them to the online survey.

One needs to consider the following when deciding between the abovementioned options: Most e-mail accounts have a limited capacity as to the quantity of e-mails that it can hold. Furthermore, large e-mails take up large amounts of computer memory within these accounts. Therefore, large e-mails, including the survey in the e-mail are not the preferred method of electronic distribution. In addition, recipients who have slow internet connections will struggle to download large e-mails. E-mails that consist of the coded survey often also take a significantly longer time to download, which could result in respondent frustration and ultimate abandoning of the survey (Shaffie, 2005:69).

Shaffie (2005) conducted a study on profiling international participants of the 2004 CAPPCT. The study used a sample population of e-mail addresses obtained from the CAPPCT database of international participants. E-mails were sent out to each of the 1 167 elements within this

sample frame, containing a hyperlink to view the survey online. Three hundred and fifty responses were received, giving a response rate of 30%.

The method chosen for the purpose of this research followed that of Shaffie's closely. A general newsletter e-mail that included a paragraph on this study was sent to the entire CAPPCT data base. The e-mail explained the reason for the research and contained the link for respondents to click on, which would direct them to the actual HTML (Hypertext Mark-up Language) coded survey.

The survey itself was hosted on the same server as the official CAPPCT website. However, it was not visible or accessible to ordinary visitors to the site, because the link did not appear on the user interface of the website, thus making it accessible only to those who received the email, accessing it via the hyperlink. In effect, respondents were invited to visit the website and complete the survey. "Hiding" the survey and distributing the link allowed a greater degree of **control** to be maintained over who had access to the survey.

The physical design of the survey allowed the respondents to click the checkboxes in order to select their answers. The survey was designed in such a way that respondents only had to scroll down in order to view the rest of the survey, and on completion, click a 'Submit' button. All the submitted answers from respondents were then gathered and captured into a Microsoft Access database.

The table below (Table 3.3.2) lists some of the major advantages and disadvantages of electronic surveys (adapted from Shaffie, 2005:70-71):

Table 3.3.2: The advantages and disadvantages of electronic or e-mail surveys

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Reduced or removed administrative function of posting surveys and receiving responses. • Automatic data capturing, decreasing capturing errors. • Lower set-up and distribution costs, especially for large samples. • Faster response rates. • Better quality of response, with lower respondent error. • Flexibility of non-responses (non-responses produce a bounce-back e-mail that allows the researcher to replace that respondent with another). • Greater potential to activate the senses through the use of colour, graphics and sound. • Interviewer bias is eliminated. • Can reach respondents in remote or far away areas. 	<ul style="list-style-type: none"> • E-mail blocks on unknown addresses. • Internet usage patterns differ for all users • Internet access points differ, creating differing views of the survey or web page. • Anonymity of respondents is not always guaranteed. • Certain surveys might require more advanced computer literacy skills. • Coverage problems: no population in its entirety will have Internet access or e-mail addresses. • Complicated surveys can create frustrations for users. • If not all questions are displayed at once, users might become frustrated at not knowing how long the survey is. • Certain surveys might take a long time to download, causing users to quit or not complete the survey. • A higher number of non-deliverable emails result from users changing e-mail addresses more frequently than postal addresses.

3.3.2 Sampling Procedures

Churchill (1995:575) suggests a six-step procedure for drawing a sample:

- Step 1: Define the Population
- Step 2: Identify the Sampling Frame
- Step 3: Select a Sampling Procedure
- Step 4: Determine the Sample Size
- Step 5: Select the Sample Elements
- Step 6: Collect the Data

Defining the Population

'In general, the simpler the definition of the target population, the higher the incidence and the easier and less costly it is to find the sample' (Churchill, 1995:576).

The target respondents are all those individuals who have participated in the 2006 CAPPCT, and for whom there are e-mail addresses. It is anticipated that these individuals will have a high degree of interest in the sport of cycling and the event, will be most aware of sponsorship of the event, and have a fair degree of commitment to the sport and the event.

Identifying the Sampling Frame

The CAPPCT has gathered a database of all previous participants of the CAPPCT over the years, containing their contact details and other information. A database of all those with e-mail addresses is used regularly to send out bulk e-mail notices and newsletters to these previous participants. This list consists of approximately 30 000 individual cyclists from South Africa and internationally, making up the sampling frame. The e-mail was sent out to the entire list, although only the 2006 event participants were invited to respond.

Selecting a Sampling Procedure and the Sample

Sampling techniques can be divided into **Probability** and **Non-Probability** categories. *Table 3.3* below shows the most common types of sampling procedures that are found in both of these categories.

Table 3.3.3: Classification of Sampling Techniques (Churchill, 1995:579)	
Non-Probability Samples	Probability Samples
Convenience	Simple Random
Judgement	Stratified
Quota	Cluster
	Systematic

Probability samples are distinguished by the fact that each population element has a known, non-zero chance of being selected, and are thus hoped to provide a more objective estimation of the population than non-probability sampling. However, the CAPPCT organisers wanted the survey to be sent out to all participants for whom they had e-mail addresses, and did not want any probability selection made. As a result, this study chose to use a **convenience, non-probability** sampling approach. The advantage of this approach is that it allowed for the maximum number of possible responses, without a selection process of respondents. A

disadvantage would be that the results could be skewed towards respondent types that responded more frequently, such as older, more educated, white males, as happened to be the case.

The CAPPCT event managers are in regular contact with participants through e-mail. Participants are therefore accustomed to receiving e-mails from this address. This information is usually important to them, so that they would be unlikely to 'block' or filter e-mails from this source. In addition, the event organisers offered incentives to respondents, with all respondents entered into a lucky draw to win prizes. Cobanoglu & Cobanoglu (2003:482) examined several authors and found that the presence of incentives was found to increase response rates significantly. They warn that incentives should be positive (rewarding response), and negate the view that incentives might influence the responses of the consumer in the survey. Respondents were made aware of these incentives in the covering e-mail.

3.3.3 Designing the Questionnaire

As far as possible, the researcher attempted to design the questionnaire in order to minimise the disadvantages and maximise the advantages of e-mail surveys, as mentioned previously. (A copy of the questionnaire is included as *Appendix A*.)

The researcher largely followed the nine steps to developing a questionnaire, as proposed by Churchill (1995:397). These are:

- Step 1: Specify the **information** to be sought.
- Step 2: Determine type of questionnaire and method of **administration**.
- Step 3: Determine **content** of individual questions.
- Step 4: Determine form of **response** to each question.
- Step 5: Determine **wording** of each question.
- Step 6: Determine **sequence** of questions.
- Step 7: Determine **physical characteristics** of questionnaire.
- Step 8: **Re-examine** steps 1 to 7 and revise if necessary.
- Step 9: **Pre-test** questionnaire and revise if necessary.

Steps 1 and 2 have already been covered in this chapter. The content of the individual questions was based on the research objectives of the study. The specific objectives answered by each question are dealt with in Chapter Four.

Form of Response

Almost all questions were of an **undisguised** nature - the purpose of the investigation having been stated in the covering e-mail (see *Appendix A*). The nature of the self-administered e-mail survey made it necessary for there to be a high degree of **structure**. All questions were **closed-ended**, either **dichotomous** or **multichotomous** (fixed alternative). This is noted as a limitation of the questionnaire, but a more practical approach for e-mail surveys.

Churchill (1995:413) suggests that **fixed alternative** questions offer the advantages of:

- Reducing respondent workload;
- Providing the respondent with a clear range of alternatives; and
- Facilitating analysis, tabulation and coding effort.

A problem associated with fixed alternative questions is that although this form of question may prove reliable, it may lose **validity** if the options given fail to reflect the respondent's answer. To account for this, an '**other**' category, as well as an '**unsure**' option, was included in some of the multichotomous questions. Fixed alternative questions were used mainly to collect data on attitudes, intentions, awareness, behaviour, and categorical characteristics, where the responses sought were fairly **well-known**, **limited in number**, and **definable**. As far as possible, the alternative responses were **mutually exclusive**, and **collectively exhaustive**.

A **self-reporting attitude scale** was used to measure the intensity of feelings and beliefs of respondents towards a batch of statements (Question 10). A **Likert-type** rating scale was used to ask for the level of agreement with a batch of statements, from 'strongly agree' to 'strongly disagree,' with a neutral response allowed for. The second asked respondents to assign a number from 1 to 5 to reflect the degree of importance of a number of factors. The Likert-type scale used is displayed in Table 3.3.4 below:

Table 3.3.4: The Likert-type Rating Scale used in the Questionnaire
1 = Strongly Agree
2 = Agree
3 = Unsure
4 = Disagree
5 = Strongly Disagree

Question Wording

Churchill (1995:421) provides a set of guidelines in order to minimise the number of questions that are misunderstood and answered incorrectly:

- Use simple words;
- Avoid ambiguous words and questions;
- Avoid leading questions;
- Avoid implicit alternatives;
- Avoid implicit assumptions;
- Avoid generalisations and estimates; and
- Avoid double-barrelled questions.

Question Sequence

The researcher used the following recommendations on question sequence as stated by Churchill (1995:428):

- Opening questions were aimed at being as **simple** and **interesting** as possible.
- A **'funnel'** approach was used as far as possible: beginning with broader, less personal questions, later becoming more specific and personal.
- **Branching** questions were avoided, as this would especially complicate an online questionnaire unnecessarily. (These are questions where the answer determines which question the respondent will proceed to next.)
- Where necessary, **instructions** for the respondent were made as clear and obvious as possible.
- More **difficult** and possibly more **sensitive** and personal questions were placed toward the end of the questionnaire in the hope that the respondent would be more comfortable with the process by that stage.
- **Classification** questions (such as age and gender) were included at the end, for similar reasons to other potentially sensitive questions. Two of these (Questions 16 and 17) were included at the end as non-compulsory, owing to the possible sensitivity of this information.

Physical Characteristics

The physical characteristics of the questionnaire can affect how respondents react to it and the ease with which replies can be processed. The aims of evaluating the physical characteristics are to secure **acceptance** of the questionnaire and to **facilitate handling** and **control** of the questionnaire.

The designer made every effort to keep the layout simple, as one cannot account for different applications and monitor settings of the recipients, which could alter the view of the survey. A

covering letter was used, briefly explaining the survey. The **layout** was made as neat, clear and easy to read as possible, in order to improve the chances of acceptance.

No advanced technical knowledge was required to complete the survey. Recipients simply had to click on the option they wished to select, and at most, type the answer to a question for which there was not an option into a free text field. The researcher also attempted to eliminate frustration by designing the survey so that recipients could scroll down and see how close they were to completion.

In order to facilitate handling, the **length** of the questionnaire was a prime consideration. **Instructions** to respondents were clearly marked, and the questions clearly **numbered**. All of the questions required a response in the form of ticking the appropriate box, facilitating an easier, quicker survey.

Pre-Testing the Questionnaires

The questionnaire pre-test is a vital test of how the questionnaire performs under actual conditions of data collection (Churchill, 1995:436). The questionnaire was given to Dr Kamilla Swart and Mr Anton Groenewald for analysis before the pre-test was conducted. The amended paper questionnaires were then pre-tested among a range of individuals who could have formed part of the sample respondents (i.e. previous event participants), and others, who were not part of the CAPPCT database.

The pre-testing proved beneficial, in that changes were made to the slightly ambiguous **wording** of certain questions, as well as the **addition** and **elimination** of questions that were not specifically asked or repeated elsewhere respectively. The most useful recommendations came in the form of the **physical layout** of the questionnaire, where instructions were clarified and highlighted as a result. The amended questionnaire was then converted into **digital** format, and then tested in terms of its **functionality**, with minor further adjustments made.

3.3.4 Data Preparation and Analysis

Once all the submitted answers from respondents were gathered and captured into a Microsoft Excel database, the process of preparing the data for analysis began. This process took the form of the following steps:

1. Editing
2. Coding
3. Capturing the Data
4. Tabulation and Analysis

Editing

The basic purpose of editing is to impose some minimum quality standards on the raw data (Churchill, 1995:736). This involves the inspection and, if necessary, correction or follow up of each questionnaire. The most commonly encountered problems are usually **incomplete** sections of the questionnaire, or the obvious **misinterpretation** of the question. However, the e-mail survey eliminates these problems. No incomplete surveys can be submitted. The closed-ended questions help to clarify the possible responses, decreasing potential confusion.

Coding

Coding is the technical procedure by which data is **categorised** - usually transformed into numerals that can be tabulated and counted (Churchill, 1995:740).

In the case of this study, all questions were **pre-coded**. Certain questions (Questions 3, 13, and 17) included an 'other' category that required **post-coding**. Responses to these questions were coded according to more general categories, rather than the exact responses, in order to provide some meaningful evaluation. Most often, unique responses were coded together in an 'other' response category. The questionnaire in *Appendix A* includes the codes used for each response.

Capturing the Data

All data was captured directly into a Microsoft Access database, which was then imported directly into the SPSS programme (the statistical software package recommended for investigations in the social sciences). No manual data capturing was necessary, eliminating the possibility of capturing error. Basic statistical functions, such as maximum, minimum, and means, were used to check that the data had been entered and imported correctly.

Tabulation and Analysis

All tabulation and analysis was done using the SPSS package. The following forms of analysis were used:

Simple Tabulation

This consists simply of **counting** the number of individual cases that fall into the various categories, where the tabulation for each variable is independent of the tabulation for other variables. This process included **frequency counts**, calculation of means, medians, and maximum and minimum values. This information was produced in tables and histograms, allowing the researcher to develop description of the data and a profile of the respondents.

Cross-Tabulation

This was performed in order to ascertain whether two variables were significantly dependent on each other. Cross-tabulations were produced for each response with each of the demographic factors, as well as selected other responses where appropriate. The Pearson Chi-Square test for significance was used, with probability values compared to a 0,05 (95%) significance level, such that significant association (statistical dependence) was accepted where p was less than 0,05.

The following two, more advanced, multivariate techniques were used for deeper analysis, where appropriate:

Factor Analysis

This is a data reduction technique that identifies underlying constructs in the data set. The data is reduced to a smaller set of significant factors that explain the variance among the variables.

Correspondence Analysis

This is a perceptual mapping technique. A contingency table is created to identify the relationships between two categorical variables, with a scree plot produced to graphically represent these relationships.

Summary

This chapter detailed the exploratory and descriptive research methods used in this study. The descriptive research design consisted of self-administered questionnaires, administered on-line, on the Cycle Tour website: www.cycletour.co.za. Emails containing a hyperlink to the survey on the Cycle Tour website were sent out to sent to a total population of approximately 30 000 participants, whose details appeared in the event organiser's database of participants, inviting 2006 race participants to complete the survey. The discussion looked specifically at the use of e-mail as a data collection tool, identified the sampling procedures used, explained the questionnaire design and outlined the data analysis methods used.

Having reviewed the methodology of this investigation, the following chapter now sets out the findings as well as an analysis and discussion of the data received, seeking to satisfy the research objectives that were set out in the first chapter.

Chapter Four

PRESENTATION, ANALYSIS AND DISCUSSION OF RESEARCH FINDINGS

The preceding chapter detailed the exploratory and descriptive research methods used in this investigation. The descriptive research design consisted of self-administered questionnaires, administered on-line, on the Cycle Tour website: www.cycletour.co.za. Emails containing a hyperlink to the survey on the Cycle Tour website were sent out to a total population of approximately 30 000 participants, whose details appeared in the event organiser's database of participants, inviting 2006 race participants to complete the survey.

This chapter now sets out the findings, analysis and discussion of the responses received. The discussion is set out under the headings of the research objectives. Specific statistical findings have been included only where relevant and appropriate. Tables and figures have been used to present the findings as clearly as possible.

4.1 Response

Out of the emails sent out to 30 000 previous participants, only 213 valid responses from CAPPCT 2006 participants were received. The responses were received during a five-week period, from 15 August to 19 September 2006. The researcher tried to ensure that more responses were received. However, no responses were received after this date. The poor response rate could be attributed to the following:

- The email sent out was a general newsletter (rather than a specific email about the research) that included a paragraph on the survey. The event organisers were not willing either to send out a specific email or to send out additional emails to encourage responses.
- The email was sent out in mid-August, nearly 5 months after the event had taken place. The reason for this was that the website was being re-configured, and this process was delayed significantly. The intention however was to use the research as part of the launch for the new website. The emails coincided with the application of entries for the 2007 race, which should have generated additional interest from participants.

A Summary Profile of the Respondents

The respondents are mostly people who have participated in the CAPPCT a number of times, with a total of 32.4% of respondents having cycled in 3 to 5 events and 36.2% of respondents having cycled in 6 or more events. This means that two-thirds of respondents (66.8%) have cycled in 3 or more events. Only 21.6% were first-time participants, and another 9.9% competing for a second time. The respondents tended to regard themselves as 'recreational' (53.1%) or 'amateur' (37.6%) cyclists, with only 9.4% rating themselves as 'semi-professional', and none rating themselves as 'professional'. *Table 4.1.1* summarises this in a cross-tabulation of number of events participated in and rating as a cyclist.

Table 4.1.1: Cross-tabulation of number of total respondents by cyclist rating and event participation (n=213)

Number of times participated:	Rating as a cyclist:			
	Recreational	Amateur	Semi-professional	Total:
Once	19.5	8.5	2.8	21.6
Twice	5.2	4.2	0.5	9.9
3-5 times	16	13.1	3.3	32.4
6 or more	21.6	11.7	2.8	36.2
Total:	53.1	37.6	9.4	100

Respondents were asked what other sports, besides cycling, they participate in, either socially or competitively. The full list of sports and participation figures is shown in *Table 4.1.2* below.

Table 4.1.2: Participation in other sports (n=213)

Sport:	Participate socially (%)	Participate competitively (%)	Total participation (%)
Gym	46	4.7	50.7
Mountain biking	39	6.1	45.1
Hiking	39.4	2.8	42.2
Running	22.5	7.5	30
Golf	18.8	6.6	25.4
Squash	20.7	2.3	23
Swimming	18.8	4.2	23
Watersports	14.6	1.9	16.5
Tennis	15.5	0.5	16
Cricket	8.9	1.9	10.8
Triathlon	7	2.8	9.8
Soccer	6.1	1.4	7.5
Other	8.2	3.3	11.5

The sports that received the largest participation figures were gym (50.7%), mountain biking (45.1%), hiking (42.2%) and running (30%). It is interesting to note that all of these sports are

similar in nature to the sport of cycling, being mostly individual sports, and apart from gym, sports that can be performed outdoors, or in the natural environment. All sports received far higher responses for 'social' as opposed to 'competitive' participation.

The list of 'other' sports (11.5%) mentioned, are listed in *Table 4.1.3* below. None of these sports being mentioned by more than 1.5% of respondents.

Table 4.1.3: 'Other' sports mentioned	
Sport:	% (n=213)
Adventure racing	1
Bowls	0.5
Climbing	0.5
Duathlon	1
Fishing	1.5
Horse racing	0.5
Karate	0.5
Kite-surfing	0.5
Motor rally	0.5
Netball	0.5
Orienteering	0.5
Paddling	0.5
Scuba diving	1
Table tennis	0.5
Touch rugby	0.5
Walking	1.5
Total:	11.5

In an attempt to find out the level of involvement of respondents with the event as well as the sport of cycling, participants were asked to answer a series of questions (Questions 5.1- 5.5) as either true or false. *Table 4.1.4* below shows the results from these questions.

Table 4.1.4: Respondent involvement in the sport and event (n=213)		
Statement:	True (%)	False (%)
5.1: People in my community think very highly of the Cape Argus Pick 'n Pay Cycle Tour.	93	7
5.2: It is considered prestigious to participate in the Cape Argus Pick 'n Pay Cycle Tour.	91	9
5.3: Taking part in the Cape Argus Pick 'n Pay Cycle Tour is very important to me.	92	8
5.4: I think about the sport of cycling all the time.	43	57
5.5: I cycle as often as I can.	70	30

From these results, the writer suggests that the respondents have a high level of **involvement** with the event. Respondents believe that the CAPPCT is a prestigious event (91% agreement), held in high regard by their community (93%). Taking part in the event is of great importance to them (92%). It is not certain whether respondents are highly involved in the sport of cycling, as

only 43% agreed that they think about cycling all the time, although 70% cycle as often as they can.

4.2 Demographic profile of respondents

Table 4.2.1 gives a breakdown of the respondents by **age** and **gender**. The figures represent a respondent profile that is 82% male and 18% female. Nearly 59% of respondents fell within the two categories of ages, 31 to 40 years (28.2%) and 41 to 50 years old (30.5%). This is similar to the average age of total race participants, which is 40 years for males, and 37 years for females. Only 2.8% and 0.5% were within the younger age categories of 12 to 17, and 18 to 20 years respectively. A further 12.2% were 21 to 30 years old, while the oldest categories (51-60, and over 60) accounted for 19.2% and 6.6% respectively.

Table 4.2.1: Cross-Tabulation of respondents by age and gender (n=213)

Gender (%)	Age (%)							Total (%)
	12-17	18-20	21-30	31-40	41-50	51-60	Over 60	
Male	2.8	0.5	7.5	24.3	23	17.8	6.1	82
Female	0	0	4.7	3.9	7.5	1.4	0.5	18
Total (%)	2.8	0.5	12.2	28.2	30.5	19.2	6.6	100

Given that the responses were gathered electronically, it is interesting to note that the response pattern seems to fit the profile of Internet users in South Africa (see Table 3.3.1) which notes that almost half of all Internet users are between the ages of 25 and 44.

A cross-tabulation of the respondents by historic **race** classification and **income** is shown in Table 4.2.2. Owing to the sensitivity of the race classification question, this question was marked as optional. However, only 8.1% of respondents chose not to answer this question. The table represents a respondent profile that is very skewed toward 'White' (84%), high-income earners, with nearly half the respondents (49.9%) earning more than R20 000 per month. Once again, it is interesting to note how the response pattern compares to the profile of Internet users in South Africa (see Table 3.3.1), which notes that the average monthly household income of all Internet users is R13 000.

Table 4.2.2: Cross-Tabulation of Respondents by Race and Income (n=213)

Income (%)	Race (%)					Total (%)
	Not answered	Black	White	Coloured	Indian	
None	0.5	0	1.8	0	0.5	2.8
1 – 4 000	0.5	0	3.8	0	0	4.3
4 001 – 8 000	1	0	4.2	0.5	0	5.7
8 001 – 12 000	0.5	0.5	10.3	2.7	0	14
12 001 – 16 000	2.3	0	11.7	1.5	0	15.5
16 001 – 20 000	1	0	6.5	0.5	0	8
>20 000	2.3	1	45.6	0.5	0.5	49.9
Total	8.1	1.5	84	5.7	1	100

The high-income classification is also reflected in the distribution of qualifications and employment categories (Table 4.2.3 below). Fifty-two per cent of respondents have at least a university degree or a post-graduate degree, with another 37% having obtained a certificate, diploma or other industry training. Respondents with High school (7.4%) and Primary school (3.3%) certificates made up only 10.1% of respondents. The biggest employment categories are 'administration/ manager' (20.2%), 'professional/ doctor' (20.2%), and 'businessperson' (14.1%), which accounted for over half the respondents.

Table 4.2.3: Cross-tabulation of respondents by Qualification and Employment (n=213)

Employment (%)	Qualification (%)					Total
	Primary school	High school	Certificate, diploma, industry	University degree	Post-graduate degree	
Sales/marketing	0	1	7.5	2.3	0.5	11.2
Home executive	0	0	0	0	0.5	0.5
Education/research	0.5	0	0	0	2.8	3.3
IT	0	0	0.5	0.5	0.5	1.4
Engineering	0	0	0	1	0	1
Student/ scholar	2.3	0.5	0	0.5	1.4	4.7
Retired	0.5	0.5	1	1	0.5	3.3
Administration/ manager	0	1.9	8.9	5.2	4.2	20.2
Businessperson	0	1	5.6	3.3	4.2	14.1
Professional/ doctor	0	0	2.3	7.5	10.3	20.2
Artisan/ technician	0	1.4	5.6	0.5	0	7.5
Self-employed	0	1	5.6	3.7	1	11.3
Other	0	0.5	0	0.5	0.5	1.4
Total	3.3	7.4	37	26	26.3	100

These demographic results were not as representative of the general race profile as hoped. This is certainly a limitation in this study, and perhaps related to the electronic method of survey. All of the following findings will therefore need to take this respondent profile into

consideration.

Cross-tabulations using these demographic criteria (age, gender, race, income, employment and education) were conducted on all responses. However, few of these were statistically significant. These are presented where relevant in the following sections.

4.3 Identifying reactions to sponsorship

Having looked at the respondent profile, this section now looks at **Research Objective #1: To identify reactions to sport sponsorship among the event participants.**

The first measure of consumer reaction was to gauge respondents' **awareness** of the event sponsors. The question (Question 6) was a prompted awareness test, with a list of all the official sponsors of the event presented to respondents. Respondents were asked to select all of the sponsors that they were aware of. *Table 4.3.1* shows the percentage of respondents that were aware of each of the official sponsors, with the top five percentages highlighted.

Table 4.3.1: Prompted awareness of event sponsors	
Brands associated with the Cycle Tour:	Yes (%) (n=213)
ABSA	17.4
Africon	2.3
AV Direct	1.4
Bibo	8.5
Canal Walk	23
Cape Argus	96.2
Coca-Cola	77.9
Dell Computers	7
Digicore	11.3
Medi-Clinic	48.8
Pick 'n Pay	96.7
Powerade	86.4
SAA	28.2
SAAB Grintek	2.8
Good Hope FM	28.2
SA FM	9.4
Metro FM	4.2
Radio 2000	8
SABC Sport	34.3
Southern Sun	15.5
Spur	17.4
Value Car Hire	10.3
Verizon	4.7
Virgin Active	38.5

The two primary, naming rights sponsors, Cape Argus (96.2%) and Pick 'n Pay (96.7%), received the highest levels of awareness, as would be expected. Powerade (86.4%) and Coca-

Cola (77.9%) also showed high levels of awareness, with Medi-Clinic (48.8%) the only other awareness percentage of magnitude.

It was thought that perhaps the number of times participated might influence the awareness of sponsors, and particularly the long-term sponsors, such as Pick 'n Pay and Cape Argus. The literature suggested that the benefits of sponsorship increase with time and that higher consumer interest and involvement in an event (such as active participation) over time leads to greater interest in the sponsorship (d'Astous & Bitz, 1995). However, a cross-tabulation of sponsor awareness and the number of times participated revealed no cases of statistical significance, according to the Chi-Square Test ($p < 0.05$).

The literature suggested that males appear more likely to notice sponsors than females (Sports Marketing Surveys, 2005). However, a cross-tabulation of sponsor awareness and gender revealed only three significant results, although these were for sponsors that received fairly low levels of awareness. Canal Walk (a large local shopping centre) was more significantly noted by females (36.8%) than males (20%). Medi-Clinic (a chain of medical centres), was similarly more significantly noted by females (55.3%) than males (47.4%). Digicore (an IT consulting company) registered higher awareness among males (13%) than females (5%). These awareness differences may then have more to do with the type of product/ service offered by the sponsor than sponsorship in general. *Table 4.3.2, Table 4.3.3 and Table 4.3.4* below set out the significant ($p < 0.05$) cross-tabulations with these sponsors and gender:

Table 4.3.2: Cross-tabulation of Canal Walk awareness by gender

Gender (%)	Canal Walk (%)	
	No	Yes*
Male (n=175)	80	20
Female (n=38)	63.2	36.8
Total (n=213)	77	23

* Significant difference: Pearson Chi-Square ($p=0.013$)

Table 4.3.3: Cross-tabulation of Medi-Clinic awareness by gender

Gender (%)	Medi-Clinic (%)	
	No	Yes*
Male (n=175)	52.6	47.4
Female (n=38)	44.7	55.3
Total (n=213)	51.2	48.8

* Significant difference: Pearson Chi-Square ($p=0.024$)

Table 4.3.4: Cross-tabulation of Digicore awareness by gender

Gender (%)	Digicore (%)	
	No	Yes*
Male (n=175)	87.4	12.6
Female (n=38)	94.7	5.3
Total (n=213)	88.7	11.3

* Significant difference: Pearson Chi-Square ($p=0.031$)

The literature suggested that younger consumers appear more likely to notice sponsors than older consumers, and that higher income consumers are more responsive to noticing sponsorships than lower income consumers (Sports Marketing Surveys, 2005). However, cross-tabulations with sponsor awareness by age, qualification, employment category and race did not reveal any significant results. Sponsor awareness by income found only one significant result, with middle-income earners (R8 001 – R12 000) significantly more aware of Radio 2000 as a sponsor (26.7%) than other income brackets (see *Table 4.3.5* below). This may perhaps be attributed rather to the demographics of the radio station listeners than sponsorship awareness in general.

Table 4.3.5: Cross-tabulation of Radio 2000 awareness by income

Income (%)	Radio 2000 (%)	
	No	Yes*
None (n=6)	83.3	16.7
1 - 4 000 (n=9)	88.9	11.1
4 001 - 8 000 (n=12)	91.7	8.3
8 001 - 12 000 (n=30)	73.3	26.7
12 001 - 16 000 (n=33)	100	0
16 001 - 20 000 (n=17)	94.1	5.9
>20 000 (n=106)	95.3	4.7
Total (n=213)	92	8

* Significant difference: Pearson Chi-Square ($p=0.003$)

Perception of Sponsors:

Further to the respondent awareness of sponsors, respondents were asked if they held a more **favourable perception** of the sponsoring companies or brands as a result of their association with or sponsorship of the Cycle Tour (Question 7). Just over seventy per cent (71.4%) of total respondents agreed that they held a more favourable perception of these companies because of their sponsorship. The results are shown in *Table 4.3.6* below.

Table 4.3.6: Perception of sponsors

Favourable Perception	Per cent (%) (n=213)
Yes	71.4
No	28.6

Cross-tabulation analysis revealed no statistically significant differences (according to the Chi-Square test) between the favourable perception of sponsors and the gender of the respondents. However, the results do suggest that there is a less favourable perception among people in the categories 31-40 years (60%) and 51-60 years (63%), while younger respondents (12-30) and the oldest respondents (over 60) were much more positive in their response (82% and 86% respectively). *Table 4.3.7* below shows the cross-tabulation of favourable perception by age.

Table 4.3.7: Cross-tabulation of perception by age

Favourable perception	Age (%)							Total (n=213)
	12-17 (n=6)	18-20 (n=1)	21-30 (n=26)	31-40 (n=60)	41-50 (n=65)	51-60 (n=41)	over 60 (n=14)	
No	33.3	0	15.4	40	21.5	36.6	14.3	28.6
Yes	66.7	100	84.6	60	78.5	63.4	85.7	71.4

Although not significant, there appears to be a trend of diminishing favourable perceptions to sponsors by education level, from lower to higher levels. Respondents with university or postgraduate degrees responded slightly less favourably (67.3% and 69.6%) than those with school (71.4% and 75%), certificates, diplomas or industry training (74.7%). *Table 4.3.8* below shows the cross-tabulation of perception by education.

Table 4.3.8: Cross-tabulation of perception by education level

Favourable perception	Education level (%)					Total (n=213)
	Primary school (n=7)	High school (n=16)	Certificate, diploma, industry (n=79)	University degree (n=55)	Post-graduate degree (n=56)	
No	28.6	25	25.3	32.7	30.4	28.6
Yes	71.4	75	74.7	67.3	69.6	71.4

There was not anything in the literature to suggest how income may affect reaction to sponsorship. Although not significant, the findings tend towards a trend of higher income earners being less favourable toward sponsors than middle or lower income earners. The data shows that 79% of respondents earning less than R12 000 per month have a favourable perception toward sponsors, as opposed to 69% of respondents earning more than this amount. *Table 4.3.9* below shows the cross-tabulation of perception by income.

Table 4.3.9: Cross-tabulation of perception by income

	Income (%)							
Favourable perception	None (n=6)	1 - 4 000 (n=9)	4 001 - 8 000 (n=12)	8 001 - 12 000 (n=30)	12 001 - 16 000 (n=33)	16 001 - 20 000 (n=17)	>20 000 (n=106)	Total (n=213)
No	16.7	44.4	25	13.3	33.3	35.3	30.2	28.6
Yes	83.3	55.6	75	86.7	66.7	64.7	69.8	71.4

There was no literature found to support any evidence of 'race' affecting consumer reactions to sponsorship. However, there were too few respondents from different race groups in this study to make any meaningful observations about the influence of race on sponsor perception. This would be a worthwhile factor to explore in further studies. It is still interesting to note that there may be differences in perceptions between races, noted by the fact that 91.7% of 'Coloured' respondents held favourable perceptions of sponsors, as opposed to 70.4% by 'White' respondents. *Table 4.3.10* below shows the cross-tabulation results of perception by race.

Table 4.3.10: Cross-tabulation of perception by race

	Race (%)					
Favourable perception	No race selected (n =17)	Black (n=3)	White (n=179)	Coloured (n=12)	Indian (n=2)	Total (n=213)
No	23.5	33.3	29.6	8.3	100	28.6
Yes	76.5	66.7	70.4	91.7	0	71.4

As mentioned previously, the literature suggests that more involved consumers have a more positive reaction to sponsorship (see 2.6.3: Consumer interest and involvement). A cross-tabulation with number of times participated in the event, however, did not reveal anything of statistical significance, although it is interesting to note that the least favourable responses were recorded by first-time race respondents. This is shown in *Table 4.3.11* below.

Table 4.3.11: Cross-tabulation of perception by participation

	Number of times participated (%)				Total
Favourable perception	Once (n=46)	Twice (n=21)	3-5 times (n=69)	6 or more (n=77)	(n=213)
No	37	19	26.1	28.6	28.6
Yes	63	81	73.9	71.4	71.4

Lee *et al.* (1997:160) identified three attitude constructs that are involved in the formation of consumer attitude or response towards the sponsor. These constructs are: attitude towards the **event**; attitude towards **commercialisation**; and attitude towards **behavioural intent**. The following section now looks at each of these constructs in turn.

- **Attitude towards the event:**

A consumer's attitude towards an event is represented by the consumer's overall, subjective perceptions of the event's activities (Gwinner, 1997). A consistently favourable or unfavourable response to an event is formed through the accumulation of individual's experiences over time. This factor relates to the consumer's **enjoyment** of the event, their **support** for the event, and their belief that it represents a high **quality** performance.

Referring back to the response to Question 5.1, 5.2, and 5.3 (mentioned in Chapter 4.1), it is evident that the participants believe that the CAPPCT is a prestigious event (91% agreement), and an event that is held in high regard by their community (93%). Taking part in the event is of great importance (92%) to respondents. This is set out in *Table 4.3.12* below:

Table 4.3.12: Attitude towards the event (n=213)		
Statement:	True (%)	False (%)
5.1: People in my community think very highly of the Cape Argus Pick 'n Pay Cycle Tour.	93	7
5.2: It is considered prestigious to participate in the Cape Argus Pick 'n Pay Cycle Tour.	91	9
5.3: Taking part in the Cape Argus Pick 'n Pay Cycle Tour is very important to me.	92	8

- **Attitude towards commercialisation:**

There is an increase in sponsorship-linked marketing activities surrounding sport events. This can be referred to as the 'commercialisation' of sport events (Lee *et al.*, 1997:163). Meenaghan and Shipley (1999) explain that highly commercialised categories of sponsorship are adjudged by consumers to be similar to advertising, and deserving of less goodwill. Perceived over-exploitation of events reduces the level of goodwill accorded to the sponsor, negatively impacting the consumer response toward the sponsor.

Question 9 asked respondents to state their agreement (true or false) with a series of statements trying to account for the participant's reaction towards event commercialisation, including possible reasons why respondents would not have a favourable perception of sponsors and event sponsorship. The statements posed with the percentage of respondents in agreement or disagreement is tabulated in *Table 4.3.13* below.

Table 4.3.13: Reasons for negative perception of sponsors		Agreement (%) (n=213)
9.1	Companies that sponsor this event should not try to commercialise it.	54
9.2	The Cycle Tour brand or logo should not be used for commercial purposes by the sponsor.	35.2
9.3	I feel that the event is too commercialised.	14.1
9.4	Instead of using their money on sponsorship, the company should improve the quality of their products/ services.	8.9
9.5	I would prefer to see the sponsors spending their money on 'grassroots' cycling development.	24.9

From the table, it is clear that the only statement with moderate agreement (54%) from respondents was 9.1: “Companies that sponsor this event should not try to commercialise it.” The general disagreement with the statements is consistent with the high level of favourable perception toward sponsors already discussed. While respondents agree that companies should no try to commercialise the event, they do not appear to believe that: this particular event is too commercialised (14.1%), or that the Cycle Tour brand or logo should not be used for commercial purposes (35.2%). Respondents appear to support the use of sponsorship in this event, disagreeing with the statements that sponsors should rather spend their money on improving the quality of their products/ services (8.9%) or that they would prefer to see sponsors spending their money on grassroots cycling development (24.9%).

After cross-tabulations were performed on the response to these statements by the demographic factors of respondents, as well as the number of times participated, there was only one statistically significant result. *Table 4.3.14* below shows the cross-tabulation of the results by age, with the responses appearing to suggest that degree of disagreement with Statement 9.3 increases by age, i.e. older respondents were more likely to feel that the event was too commercialised.

Table 4.3.14: Cross-tabulation of 'commercialisation' by age								
9.3: “I feel that the event is too commercialised.”	Age							
	12-17 (n=6)	18-20 (n=1)	21-30 (n=26)	31-40 (n=60)	41-50 (n=65)	51-60 (n=41)	over 60 (n=14)	Total* (n=213)
False	83.3	0	73.1	93.3	87.7	85.4	78.6	85.9
True	16.7	100	26.9	6.7	12.3	14.6	21.4	14.1
*Pearson Chi-Square ($p=0.040$)								

- **Attitude towards behavioural intent:**

The third construct involved in the formation of consumer perception of sponsorship, is the attitude of consumers toward their behavioural intent (Lee *et al.*, 1997:163). Consumers differ in their inclination to act on the sponsorship activity or messages of the sponsoring companies.

For example, this could range from consumer awareness of sponsoring brands, to influencing consumer perceptions of the sponsor, or to consumer willingness to purchase the products or services of sponsoring companies.

Question 10 attempted to get an indication of the participants' attitude towards behavioural intent. Participants were asked their agreement with a range of statements, using an eight-item, 5-point Likert-type scale, from 1 (strongly agree) to 5 (strongly disagree), with 3 being 'unsure'. *Table 4.3.15* below summarise the mean response for each of the statements.

Table 4.3.15: Attitude towards behavioural intent			
	“Knowing of the sponsor’s involvement in the cycle tour has...”	Mean response (n=213)	Mode (%)
10.1	Made me more aware of the company/ brand and its products	2.2	2 (60.1%)
10.2	Made me more likely to buy the company’s products	2.55	2 (41.3%)
10.3	Given me greater satisfaction in using the company’s products	2.52	2 (42.7%)
10.4	Changed my perceptions of the company	2.56	2 (39.9%)
10.5	Made me more likely to support this company over its competitors	2.26	2 (55.4%)
10.6	Allowed me to interact/ communicate with/ relate to the company on a more personal level	2.87	3 (30%)
10.7	No impact on my purchasing decisions	2.97	4 (33.8%)
10.8	Affected/ influenced me more than the company’s conventional advertising	2.42	2 (39%)

As illustrated in the table above, the mean scores indicate a level of agreement with each of the statements, although statements 10.6 and 10.7 tend toward 'unsure'. However, when we look at the mode scores, statements 10.6 and 10.7 received the largest responses being 'unsure' and 'disagree' respectively. There appears to be strongest agreement that the sponsorship has (with mean scores in brackets): made participants aware of the sponsors (2.2) and more likely to support the sponsor over competing companies (2.26). The responses to statements 10.2 and 10.7 (with mean scores in brackets) support the fact that: respondents are more likely to buy the sponsors products (2.55), and do not agree that sponsorship has no impact on their purchasing behaviour (2.97).

The results indicate that (with mean scores in brackets): respondents were uncertain as to whether the sponsorship allowed them to interact/ communicate with or relate to the company on a more personal level (2.87), although they do tend to agree that the event sponsorship has affected/ influenced them more than the company’s conventional advertising (2.42).

A **factor analysis** was conducted on the statements used in Question 10 in an attempt to reduce the number of constructs. However, only one component was found, accounting for only 55% of the variation. The factors most closely related to this component were 10.2: ‘buy’ and 10.5: ‘support over competitors’. Although not statistically significant, the analysis may be an indication that the two statements essentially test a very similar “consumer purchasing behaviour.”

Cross-tabulations of these responses by respondent demographics and number of participations revealed the following results. Although there was no statistically significant result for analysis by **gender**, *Table 4.3.16* below shows some interesting differences between the responses of men and women, with men responding considerably more positively than women to the factors mentioned, especially in relation to 10.1 and 10.5. This seems to confirm the literature suggestion that men appear more likely to notice sponsorships (Sports Marketing Surveys, 2005). The same study also suggested that women are more likely to purchase sponsors’ products, which, although not supported in these findings, may partially explain the smaller difference between male and female response to 10.2 and 10.3.

Table 4.3.16: Attitude towards behavioural intent by gender			
	“Knowing of the sponsor’s involvement in the cycle tour has...”	Male: Agreement (%) (n=175)	Female: Agreement (%) (n=38)
10.1	Made me more aware of the company/ brand and its products	73	66
10.2	Made me more likely to buy the company’s products	52	44
10.3	Given me greater satisfaction in using the company’s products	54	45
10.5	Made me more likely to support this company over its competitors	70	52

Analysis by **age** showed a significant relationship (Chi-Square, $p=0.032$) with statement 10.4, which related to change in consumer perception. A combined total of 64% of respondents below the age of 31 disagreed that the sponsorship changed their perceptions of the brand, as opposed to 26% of respondents over the age of 31. This might suggest that sponsorship tends to have a greater affect on brand perceptions of older consumers. The full cross-tabulation is shown in *Table 4.3.17* below.

Table 4.3.17: Cross-tabulation of ‘perception change’ by ‘age’.

“Knowing of the sponsor’s involvement in the cycle tour has changed my perceptions of the company”								
Age (%):	12-17 (n=6)	18-20 (n=1)	21-30 (n=26)	31-40 (n=60)	41-50 (n=65)	51-60 (n=41)	over 60 (n=14)	Total* (n=213)
Strongly agree	0	0	3.4	8.3	20	0	0	8.9
Agree	67	100	34.6	33.3	44.6	34.1	57.1	40
Unsure	0	0	31	31.8	24.7	35.5	14.3	29.1
Disagree	33	0	31	18.3	9.2	24.4	28.6	19.2
Strongly disagree	0	0	0	8.3	1.5	0	0	2.8

*Significant difference: Pearson Chi-Square (p=0.032)

This was confirmed in a **Correspondence Analysis** of these two factors (‘age’ and ‘perception change’). *Figure 4.3.1* below shows a graphical representation of the factors by two dimensions. The circle shows that agreement with the statement (perception 1 and 2) is most closely related to age 4 (41-50 years).

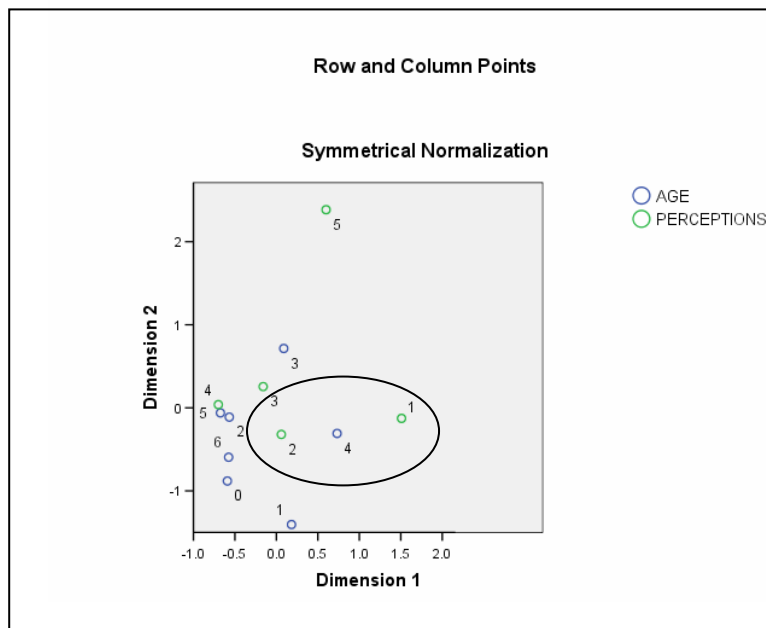


Figure 4.1: Correspondence Analysis of perception by age

Although not statistically significant, a cross-tabulation of the reaction to sponsorship by education level found that the most positive responses were from respondents with the lower education levels. Respondents with only high school-level education responded positively (81.3%) to statement 10.1: “Made me more aware of the company/ brand and its products”, as opposed to 65.4% of respondents who had a university degree and 73.2% with a post-graduate degree. This may indicate a trend toward more highly educated consumers becoming less

aware of sponsors. However, this was not supported by the earlier analysis of the event sponsor awareness. The full cross-tabulation is shown in *Table 4.3.18* below.

Table 4.3.18: Cross-tabulation of ‘made me more aware’ by ‘education’.						
“Knowing of the sponsor’s involvement in the cycle tour has made me more aware of the company/ brand and its products”						
Education (%):	Primary school (n=7)	High school (n=16)	Certificate, diploma, industry (n=79)	University degree (n=55)	Post-graduate degree (n=56)	Total (n=213)
Strongly agree	0	0	12.7	12.7	14.3	11.7
Agree	57.1	81.3	62	52.7	58.9	60.1
Unsure	28.6	12.5	19	16.4	7.1	15
Disagree	14.3	6.2	6.3	10.9	19.7	11.3
Strongly disagree	0	0	0	7.3	0	1.9

The result from a Correspondence Analysis of these two factors (‘education’ and ‘made me aware’) is depicted graphically in *Figure 4.3.2* below. The circle shows that agreement with the statement (aware 2) is most closely related to qualification 1, 2 and 3 (school or non-university).

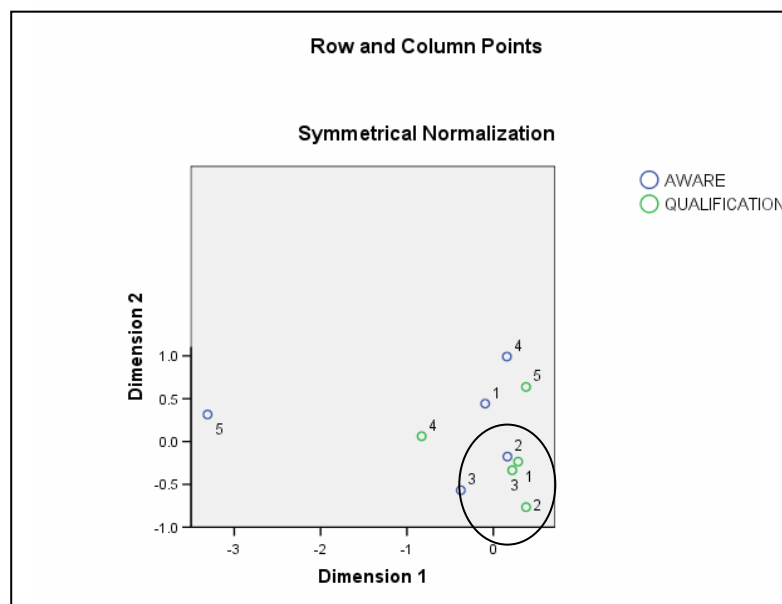


Figure 4.2: Correspondence Analysis of awareness by qualification

Education level also appears to show a trend in affecting Factor 10.4: “changed my perceptions of the company”, although not statistically significant. The most positive respondents were those with high school-level education, with a combined 68.7% agreement/ strong agreement with the statement, as opposed to 38.2% of respondents with a university degree. This may indicate a trend toward sponsorship having less of an influence in changing brand perceptions

with more highly educated consumers. The cross-tabulation of responses to statement 10.4 by 'education' is shown in *Table 4.3.19* below.

Table 4.3.19: Cross-tabulation of 'perception change' by 'education'.						
"Knowing of the sponsor's involvement in the cycle tour has changed my perceptions of the company"						
Education (%):	Primary school (n=7)	High school (n=16)	Certificate, diploma, industry (n=79)	University degree (n=55)	Post-graduate degree (n=56)	Total: (n=213)
Strongly agree	0	6.2	11.4	5.5	10.7	8.9
Agree	57.1	62.5	39.2	32.7	39.3	40
Unsure	14.3	18.8	31.6	30.9	28.6	29.1
Disagree	28.6	12.5	17.8	23.6	17.8	19.2
Strongly disagree	0	0	0	7.3	3.6	2.8

Cross-tabulation analysis by income and employment revealed nothing of interest or significance. However, analysis by race showed the following interesting, but not statistically significant, differences between 'White' and 'other race' respondents (Black, Coloured and Indian), in *Table 4.3.20* below, with other race respondents appearing to react more positively to sponsorship than white respondents.

Table 4.3.20: Attitude towards behavioural intent by race			
	"Knowing of the sponsor's involvement in the Cycle Tour has..."	White: agreement (%) (n=179)	Other race: agreement (%) (n=34)
10.2	Made me more likely to buy the company's products	48.7	64.7
10.3	Given me greater satisfaction in using the company's products	50.6	64.7
10.7	No impact on my purchasing decisions	35.2	17.6

Cross-tabulation analysis by **number of times participated** revealed the following differences between first-time participants and those who have cycled the event previously, as set out in *Table 4.3.21* below. Respondents who have cycled in two or more events agreed more positively than first-time cyclists, that they are more aware of the sponsoring company (75.4%), are more likely to buy the company's products (52.1%), and have greater satisfaction in using the company's products (55.1%). First-time cyclists agreed more strongly that the sponsorship has influenced them more than the company's conventional advertising (63%). From these results, it appears there may be a trend toward sponsorship having a greater impact on participants who have competed more often. This would be consistent with the literature that

notes the long-term nature of sponsorship effects (d’Astous & Bitz, 1995; McDonald, 1991:37; Quester & Farrelly, 1998). Continuous sponsorship is likely to have a greater impact on consumers because it takes time to become a credible sponsor (refer to Chapter 2.5: *Frequency of the Sponsorship*).

Table 4.3.21: Attitude towards behavioural intent by event participation			
	“Knowing of the sponsor’s involvement in the Cycle Tour has...”	Once: agree (%) (n=46)	Twice or more: agree (%) (n=167)
10.1	Made me more aware of the company/ brand and its products	58.6	75.4
10.2	Made me more likely to buy the company’s products	45.6	52.1
10.3	Given me greater satisfaction in using the company’s products	43.5	55.1
10.8	Affected/ influenced me more than the company’s conventional advertising	63	49.1

Results from a **Correspondence Analysis** of the two factors, 10.1: ‘awareness’ and ‘number of times participated’ produced a statistically significant result (Chi-Square, $p=0.028$). This is depicted graphically in *Figure 4.3.3* below. The circles show that agreement with the statement (aware 2) is most closely related to participation 2 and 3 (more than once), whereas statement 3 (‘unsure’) is most closely related to participation 1 (first time).

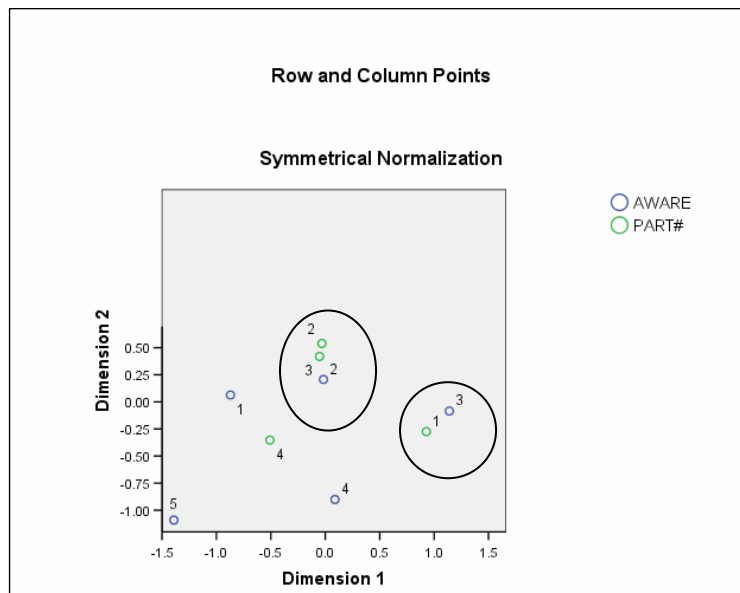


Figure 4.3: Correspondence Analysis of awareness by participation

This section has looked at the consumer reactions to sponsorship, from the general awareness responses (with high levels of awareness received for the major sponsors) to the perception of

sponsorship (where highly positive perceptions of sponsors were noted), as well as the three specific constructs that contribute toward the overall perception: The attitude towards the event was highly positive; Respondents did not believe that that event is over-commercialised; Consumer attitude towards behavioural intent noted positive intentions to an array of behavioural components.

Having discussed the findings relating to consumer reactions to sponsorship, the following section now looks at the specific features that affect these reactions.

4.4 Features influencing reaction to sponsorship

In the previous section, the discussion centred on the reaction of respondents to sponsors, from the general awareness responses, to the perception of sponsorship, as well as the three specific constructs that contribute toward the overall perception. This section now looks at: **Research Objective #2: To propose a set of features that influences participant reaction to sponsorship.**

Question 8 was designed to determine the factors influencing consumers’ favourable perception of sponsors. Respondents were asked to state their agreement or disagreement (true or false) with a batch of possible reasons for their favourable perception. All of the reasons given showed a high level of agreement, with all responses over 90%. The responses are shown, with the percentage of respondents in agreement, in order of agreement percentage, in *Table 4.4.1* below.

Table 4.4.1: Reasons for favourable perception of sponsors		
	Statement:	Agreement (%) (n=213)
8.2	I appreciate the sponsor’s commitment to this event over the years.	97.7
8.1	I am grateful to the sponsor for making it possible for this event to take place.	96.2
8.5	By sponsoring this event, the sponsor has made a positive contribution to society.	95.8
8.3	I appreciate that the sponsor has shown their commitment to cycling through a range of other activities, projects and initiatives.	94.8
8.4	I have enjoyed participating in events sponsored by this company/ brand.	92

These high levels of agreement support the literature relating to factors influencing consumer reactions to sponsorship.

4.4.1 Nature of the sponsorship:

The high level of agreement with statement 8.5 (95.8%) may support the theory relating to the nature of the sponsorship. The literature suggests that consumers react more positively to sponsorship that is more philanthropic rather than commercial in nature (d'Astous & Bitz, 1995). McDonald (1991:36) claims that consumers are happy to see a company promoting itself in ways that benefit others, and not solely themselves. Goodwill is increased when a sponsor focuses more on social aspects. Speed and Thompson (2000:229) note that the stronger the respondent's perception that the sponsorship is "pro-social", the more favourable the impact on the sponsors' image. While the CAPPCT would not be regarded as a purely philanthropic event, it is widely known that the event is linked with philanthropic fundraising for community projects, through various Rotary clubs. This has been one of the distinguishing features of the event since the Rotary Club of Claremont took on the organisation of the event in 1982.

4.4.2 Origin of the sponsorship:

Agreement with statement 8.1 (96.2%) might provide support for the literature relating to the origin of the sponsorship, that states that consumers may perceive the sponsoring of existing events as more credible, expressing gratitude to a sponsor for enabling an existing event to continue to take place (d'Astous & Bitz, 1995).

4.4.3 Frequency of the sponsorship:

The agreement with statement 8.2 (97.7%) shows that respondents value sponsors who are committed to sponsoring an event over time, supporting the literature reviewed relating to the frequency of the sponsorship, which states that a longer-term association with an event creates a more favourable view of the sponsor (Quester & Farrelly, 1998). Both of the primary sponsors of the CAPPCT, namely Cape Argus (since 1978) and Pick 'n Pay (since 1991), have been sponsors of the event for at least 15 years, which may explain the highly positive responses.

4.4.4 The synergy/ link between the sponsors and event:

The literature proposed that the stronger the synergy or link between the sponsor and the event, the greater the impact the sponsorship would have on consumers (Meenaghan, 1991:9). The high level of agreement with statement 8.3 (94.8%) may support this claim. The two primary sponsors, Cape Argus and Pick 'n Pay, are committed to other cycling events and have

show a commitment to cycling development. The event itself contributes significantly to the development of cycling through its relationship with the Pedal Power Association (PPA).

4.4.5 Consumer interest and involvement

The agreement with statement 8.4 (92%) relates to consumer interest/ involvement with the event. d’Astous & Bitz (1995) propose that higher consumer interest or involvement in an event results in greater interest in the sponsorship and a more favourable perception of the sponsors. It has already been established that the respondents can be considered “high involvement” consumers (see 4.1: Summary profile of respondents), which might account for the highly positive reaction toward the event sponsorship.

Cross-tabulation analysis of all these responses with gender, age, education level, income, race and employment did not show anything of significance, with all categories very similar in their highly positive responses. Although not statistically significant, a cross-tabulation of response 8.4 by ‘participation’ (see Table 4.4.2 below) indicates that first-time participants (82.6% agreement) were not as supportive of this statement as other participants (ranging from 92.2% to 97.1%), once again supporting the longer-term nature of sponsorship effects.

Table 4.4.2: Reasons for favourable perception by participation					
8.4: “I have enjoyed participating in events sponsored by this company/ brand.”					
Response:	Participation: (%)				
	Once (n=46)	Twice (n=21)	3-5 times (n=69)	6 or more (n=77)	Total (n=213)
False	17.4	4.8	2.9	7.8	8
True	82.6	95.2	97.1	92.2	92

This section has looked at the possible features that affect consumer reactions to sponsorship. There was general support for the features suggested by the literature, notably: the frequency, nature and origin of the sponsorship, as well as the event-sponsor synergy, and consumer interest or involvement with the event. The following section now looks at a quite different aspect of the investigation, namely determining the relative importance of sport as an interest among participants.

4.5 Relative importance of sport to respondents

Having looked at the reactions of participants to sponsorship and the features that influence these reactions in the previous two sections, this section now looks at something separate, in **Research Objective #3**: *To identify the relative importance of sport, compared to other passions/ interests.*

Question 4 asked respondents to rank a series of eight general interests in order of their importance to them. *Table 4.5.1* below sets out the interests along with the mean and mode responses.

Table 4.5.1: Ranking of general interests (n=213)	Mean response	Mode rank (%)
Sport	2.7	1 (38)
Nature	2.99	1 (23)
Travel	3.52	3 (19.2)
Education	3.95	1 (17.8)
Food and drink	4.2	4 (19.2)
Music	4.46	4 (19.7)
Art and culture	5.25	8 (25.4)
Movies	5.32	8 (20.7)

The results show sport to be the number one interest of participants. It is interesting to note that ‘nature’ was ranked second, as the CAPPCT race route markets itself on its scenic beauty, which might be an additional factor attracting participants to enter. Third ranked is travel, which is also interesting as the event attracts participants from all over the country, and increasing numbers from outside the country. Perhaps these aspects can be emphasised in future event marketing.

A **factor analysis** was conducted on the statements used in Question 4 in an attempt to reduce the number of interests. Three significant components were identified. However, these components only accounted for a combined total of 65.8% of the variation. Nevertheless, the result does provide some useful observations. Component 1 grouped the interests: ‘music’, ‘art and culture’, and ‘movies’ together. This component could possibly be labelled ‘**entertainment**’. Component 2 linked ‘sport’ and ‘nature’. This may be particular to cyclists or participants of this event, being an outdoor sport and an event that takes place in a spectacular natural environment. A possible label for this factor could be ‘the **outdoors**’. The third component was most highly related to ‘food and drink’, and not significantly to any others.

Cross-tabulation analysis did not reveal any significant differences in these preferences by **gender**. When the **age** categories were combined to form two groups, younger than 31 years, and older than 30 years, cross-tabulations revealed 5 statistically significant differences. Four of these are set out in *Table 4.5.2* below, which lists the top four general interests by age. The fifth significant difference was ‘food and drink’, ranked 7th by younger respondents and 5th by older respondents (Pearson Chi-Square: $p=0.018$).

It is interesting to note that the top four interests feature the same elements for both categories, just ordered differently. Sport and travel are more highly ranked by younger respondents, while nature and education receive higher rankings by older respondents.

Table 4.5.2: Top four general interests by age (n=213)			
<31 years	Mode rank (%) (n=33)	>30 years	Mode rank (%) (n=180)
Sport*	1 (48.5)	Sport	1 (36.6)
Travel**	1 (21)	Nature	1 (25)
Education***	3 (24)	Education	1 (18)
Nature****	3 (21)	Travel	3 (22)

* Pearson Chi-Square: $p=0.008$
 ** Pearson Chi-Square: $p=0.017$
 *** Pearson Chi-Square: $p=0.026$
 **** Pearson Chi-Square: $p=0.01$

Analysis of the interests by **education** level, when the data was combined to form two groups, ‘school or non-university’, and ‘university’, showed no statistically significant results. However, *Table 4.5.3* below shows the top four interests of the two groups, with some differences of interest. From the table it can be seen that sport and education are of greater interest to less educated respondents, while nature and travel are more important to higher educated respondents.

Table 4.5.3: Top four general interests by education level (n=213)

School or non-university	Mean (n=102)	University	Mean (n=111)
Sport	2.59	Sport	2.81
Nature	3.15	Nature	2.85
Education	3.59	Travel	3.32
Travel	3.73	Education	4.28

Analysis of interests by **income**, revealed one significant result, for ‘travel’ ($p=0.035$). Travel appears to be of greater interest to higher income earners. While all income groups ranked sport as their primary interest, ratings for lower income groups were slightly higher than for higher income groups, although this was only nearly statistically significant ($p=0.055$).

Comparing interests by **race** groups provided three results of significance, namely sport ($p=0.021$), nature ($p=0.011$) and travel ($p=0.032$). While sport was the primary interest of all groups, it was rated slightly lower by ‘white’ respondents (mean=2.73) than other races (mean=2.33). Nature and travel were rated more highly by ‘white’ respondents (mean=3.02; 3.53) than other races (mean=3.42; 3.75). There were no significant differences between interests and **employment** categories as well as number of times participated.

This section discussed the relative importance of sport as an interest among participants. Sport was found to be the number one interest among all respondents, although slight differences were noted among respondents regarding the priority of other interests. The following section summarises the major findings discussed throughout this chapter.

4.6 Summary

This chapter presented, analysed and discussed the findings from the primary investigation, under the headings of the research objectives. The discussion first looked at the response pattern that totalled 213 valid responses, and identified possible reasons for this response pattern. A demographic profile of respondents showed that respondents were mostly male (82%), between the ages of 31 and 50 (58%), well educated i.e. have at least a university degree (52%), high income earners i.e. earn more than R20 000 per month (49.8%).

The discussion then looked at the reaction of respondents to sponsors, noting very high levels of prompted awareness for the two primary sponsors (more than 96%), and good awareness of secondary sponsors, Coca-Cola (77.9%) and Powerade (86.4%), with far lower responses to

other sponsors and suppliers. Respondents noted a very high level of favourability toward sponsors (71.4%).

All of the reactions to sponsorship tested revealed positive responses, with 'awareness' the top reaction, followed by 'support' of the sponsor and being 'influenced' more than conventional advertising. There was also support for the influence of consumer buying behaviour. Slight differences were noted between male and female respondents, in particular.

The discussion continued to look at features influencing these reactions to sponsorship. All of the statements posed received very high levels of agreement, supporting the literature on these features. Sport was found to be the number one interest among all respondents, although slight differences were noted among respondents regarding the priority of other interests.

The following chapter now discusses the conclusions drawn from the findings of the investigation, under the headings of the research objectives and hypotheses.

Chapter Five

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The preceding chapter presented, analysed and discussed the findings from the primary investigation, under the headings of the research objectives. A summary profile of the 213 respondents found the respondents to be mostly male, between the ages of 31 and 50, well educated, and high income earners. The discussion then looked at the reactions of participants to the event sponsorship, noting very high levels of prompted awareness and a very high level of favourability toward sponsors. All of the reactions to sponsorship tested revealed positive responses, with 'awareness' the top reaction, followed by 'support' of the sponsor. There was also support for the influence of consumer buying behaviour. Analysis of the features affecting these reactions, showed very high levels of agreement for the factors suggested in the literature. Finally, sport was found to be the primary consumer interest among respondents.

This final chapter now summarises the study, presenting conclusions drawn from the primary and secondary findings of this study, and setting out recommendations and implications for industry practitioners and future research. The discussion from the previous chapter is used as a basis for acceptance or rejection of the major research hypotheses, and their sub-hypotheses, set out under the corresponding research objectives.

5.1 Research Objective 1: To identify reactions to sport event sponsorship among the event participants.

Major Hypothesis 1:

Ho: Participants have a positive reaction to event sponsors.

This hypothesis cannot be rejected. There was a very high awareness rating for the two joint primary sponsors, Pick 'n Pay and Cape Argus, with over 96% of respondents aware of these sponsors. Just over seventy per cent (71.4%) of total respondents agreed that they held a more favourable perception of the sponsoring companies because of their sponsorship.

There was very high agreement with a range of statements given to explain this favourable reaction, with agreement ranging between 92% and 98%. These statements were:

- “I appreciate the sponsor’s commitment to this event over the years.”
- “I am grateful to the sponsor for making it possible for this event to take place.”
- “By sponsoring this event, the sponsor has made a positive contribution to society.”
- “I appreciate that the sponsor has shown their commitment to cycling through a range of other activities, projects and initiatives.”
- “I have enjoyed participating in events sponsored by this company/ brand.”

Analysis did not reveal any significant deviations from this positive response by demographic factors, although there was slightly less agreement from first-time participants.

The researcher thus concludes that the awareness and favourability towards event sponsors among participants is significantly high to accept this first hypothesis.

As discussed in the literature review, the reaction to sponsors is broken up into three components: reaction towards the event, reaction towards commercialisation, and reaction toward buying behaviour. These are now dealt with in turn, as sub-hypotheses:

Sub-hypotheses:

*Ha: Participants have a highly **positive reaction** towards the event.*

This sub-hypothesis cannot be rejected.

A consumer’s attitude towards an event is represented by the consumer’s overall, subjective perceptions of the event’s activities (Gwinner, 1997). A consistently favourable or unfavourable response to an event is formed through the accumulation of individual’s experiences over time. This factor relates to the consumer’s **enjoyment** of the event, their **support** for the event, and their belief that it represents a high **quality** performance.

There was very high agreement with the following statements posed, ranging from 91% to 93% agreement:

- “People in my community think very highly of the Cape Argus Pick ‘n Pay Cycle Tour.”
- “It is considered prestigious to participate in the Cape Argus Pick ‘n Pay Cycle Tour.”
- “Taking part in the Cape Argus Pick ‘n Pay Cycle Tour is very important to me.”

Once again, this high level of agreement did not significantly differ by any demographic factors tested.

Hb: Participants have a negative reaction towards commercialisation.

This sub-hypothesis **cannot** be accepted.

There is an increase in sponsorship-linked marketing activities surrounding sport events. This can be referred to as the 'commercialisation' of sport events (Lee *et al.*, 1997:163). Meenaghan and Shipley (1999) explain that highly commercialised categories of sponsorship are adjudged by consumers to be similar to advertising, and deserving of less goodwill. Perceived over-exploitation of events reduces the level of goodwill accorded to the sponsor, negatively impacting the consumer response toward the sponsor.

From the findings, it appears respondents do not believe that the event is too commercialised. They would not like sponsors to rather spend their money on improving their products/ services, and would generally not prefer sponsors to rather spend their money on 'grassroots' cycling development than on event sponsorship.

Hc: Sponsorship induces a positive influence on the participants' attitude towards behavioural intent.

This sub-hypothesis cannot be rejected. Consumers differ in their inclination to act on the sponsorship activity or messages of the sponsoring companies. For example, this could range from consumer awareness of sponsoring brands, to influencing consumer perceptions of the sponsor, or to consumer willingness to purchase the products or services of sponsoring companies (Lee *et al.*, 1997:163).

It appears that the strongest consumer reaction to sponsorship may be greater **awareness** of the company or brand. Respondents showed high levels of agreement with the two statements: "*Knowing of the sponsorship...*

- *made me more **aware** of the company/ brand and its products."*
- *made me more likely to **support** this company over its competitors."*

Although less significantly than awareness, respondents also agreed that the sponsorship influenced their purchasing behaviour, and image perceptions of the sponsors, agreeing with the statements: "*Knowing of the sponsorship...*

- *made me more likely to **buy** the company's products."*
- *gave me greater **satisfaction** in using the company's products."*
- *changed my **perceptions** of the company."*

There was general disagreement that sponsorship had no impact on the respondent's purchasing decisions. Linking these responses with the earlier strong agreement for support over competitors, it does appear that sponsorship impacts the respondent buying behaviour directly.

Respondents appeared unsure as to whether the sponsorship allowed them to interact/communicate with/ relate to the sponsor on a more personal level, but agreed that sponsorship was more effective in influencing them than conventional advertising.

Having looked at the reactions of respondents to the event sponsorship, the discussion now turns to look at the factors that affect or influence these reactions, which are set out under Research Objective 2, and its relating hypotheses.

5.2 Research Objective 2: To propose a set of features that influences these reactions.

Major Hypothesis 2:

Ho: The **reaction** of participants to the sponsor is influenced by:

*5.2.1: the **nature** of the sponsorship*

The findings appear to **support** this hypothesis. The literature suggests that consumers react more positively to sponsorship that is more philanthropic rather than commercial in nature (d'Astous & Bitz, 1995). McDonald (1991:36) claims that consumers are happy to see a company promoting itself in ways that benefit others, and not solely themselves. Goodwill is increased when a sponsor focuses more on social aspects. Speed and Thompson (2000:229) note that the stronger the respondent's perception that the sponsorship is "pro-social", the more favourable the impact on the sponsors' image. While the CAPPCT would not be regarded as a purely philanthropic event, it is widely known that the event is linked with philanthropic fundraising for community projects, through various Rotary clubs. This has been one of the distinguishing features of the event since the Rotary Club of Claremont took on the organisation of the event in 1982.

There was significant agreement among respondents (95.8%) that, by sponsoring this event, the sponsor has made a positive contribution to society. An even higher percentage (96.2%) of respondents was grateful to the sponsor for making it possible for the event to take place. This would seem to indicate agreement that the sponsors are making a meaningful and positive contribution by sponsoring the event. This may well be a significant reason for the highly positive reaction to sponsors.

The large majority of respondents (85.9%) do not believe that the event is too commercialised. There was general disagreement with the statement that the event brand should not be used for commercial purposes by the sponsors (64.8% disagreement). Respondents would not prefer sponsors to rather spend their sponsorship money on cycling development programmes

or events (75.1% disagreement). It would be interesting to compare these findings to an event that is more commercial in nature.

*5.2.2: the **origin** of sponsorship*

The findings appear to **support** this hypothesis. The literature relating to the origin of the sponsorship states that consumers may perceive the sponsoring of existing events as more credible, expressing gratitude to a sponsor for enabling an existing event to continue to take place (d'Astous & Bitz, 1995). With this event in existence before the influence of commercial sponsorship, this may be a significant determining factor of the highly positive reaction to sponsors. Further studies would need to investigate and contrast these reactions to those for a sponsor-created event.

*5.2.3: the **frequency** of the sponsorship*

The literature reviewed proposed that a longer-term association with an event creates a more favourable view of the sponsor (Quester & Farrelly, 1998). This hypothesis cannot be rejected, on the basis that 97.7% of respondents appreciate the sponsor's commitment to the event over the years. This was the most significant factor in explaining the favourable response to sponsors.

The naming rights sponsors, Cape Argus and Pick 'n Pay, have sponsored the event for 28 and 15 years respectively. Both of these sponsors received very high levels of awareness/recognition (96.2% and 96.7% respectively). These sponsors receive the most publicity at the event and spend the most money on their sponsorship activities. It would not be correct to judge the awareness received by these long-serving sponsors with newer sponsors, which receive less exposure at the event. However, the length of the sponsorship duration may be a significant factor in the high awareness levels.

It would be interesting to test differences in awareness for an event with equal-status sponsors that differ in their frequency/ duration of sponsorship.

*5.2.4: the **synergy/ link** between the sponsor and event*

The literature proposed that the stronger the synergy or link between the sponsor and the event, the greater the impact the sponsorship would have on consumers (Meenaghan, 1991:9). This hypothesis cannot be rejected, on the basis that a very high percentage of respondents (94.8%) agreed that the sponsors have shown their commitment to cycling through a range of other activities, projects and initiatives. The two primary sponsors, Cape Argus and Pick 'n Pay, are committed to other cycling events and have shown a commitment to cycling

development. The event itself contributes significantly to the development of cycling through its relationship with the Pedal Power Association (PPA).

*5.2.5: consumer **interest/ involvement** in the event*

It would appear that this hypothesis can be **accepted**. Greater **consumer interest** in a sponsored event leads to more active information processing and presumably greater interest in the sponsorship. This is likely to lead to a more **positive perception** of the sponsor (d'Astous & Bitz, 1995). It is therefore up to the marketer to support the sponsorship programme with communications designed to increase consumer interest in the event.

It was proposed that the respondents can be considered “high involvement” consumers, which might account for the highly positive reaction toward the event sponsorship. Respondents have a high level of **interest** and **involvement** in the sport of cycling and with the event. Nearly all respondents agreed that their communities think very highly of the event (93%), and that it is considered prestigious to take part in the event (90.6%). Taking part in the event was judged important by 91.5% of respondents. Just less than half of the respondents (42.7%) think about cycling all the time, while more than two-thirds (69%) of respondents cycle as often as they can. Along with this high level of interest and involvement, respondents reacted in a highly favourable manner toward sponsors of the event, as already mentioned.

*5.2.6: the **demographic profile** of the participants*

There is an indication that this hypothesis cannot be rejected. The high favourable perception of sponsors was generally agreed upon across all demographic factors tested (gender, age, race, education, income and employment). Although the perception results did not show significant differences between these demographic factors (using the Pearson Chi-Square test), there were a number of interesting findings that may indicate trends that could be tested for significance in further studies. These are:

- Respondents with higher education levels (university or postgraduate degrees) responded less favourably in terms of perception of sponsors than those with lower levels (school, certificates, diplomas or industry training).
- Higher income earners responded less favourably toward sponsors than middle or lower income earners.
- Different race groups may vary in their reaction toward sponsors.

When examining the specific reactions toward sponsorship, the following observation was shown to be statistically significant ($p=0.032$):

- sponsorship tends to have a greater affect on brand perceptions of older consumers

Other interesting findings relating to respondent demographics were:

- Men showed more positive reactions toward sponsorship than women, in general, with men especially being more aware of the sponsor brand/ company, and being more likely to support the sponsor over competing brands.
- More highly educated consumers appeared to be less aware of sponsors.
- Sponsorship appeared to have less of an influence in changing brand perceptions among more highly educated consumers.
- Respondents of other race groups appeared to react more positively to sponsorship than 'white' respondents.

5.3 Research Objective 3: To identify the relative importance of sport compared to other passions/ interests.

Major Hypothesis 3:

*Ho. Sport is a primary consumer **passion** among participants.*

This hypothesis cannot be rejected. Sport was rated the top interest of participants, with 38% of respondents rating sport as their number one interest. Although the mean scores varied slightly by demographic factors, sport was rated the top interest across all demographic factors.

It is interesting to note that 'nature' was ranked second, as the CAPPCT race route markets itself on its scenic beauty, which might be an additional factor attracting participants to enter. Third ranked was travel, which is also interesting as the event attracts participants from all over the country, and increasing numbers from outside the country. Perhaps these aspects can be emphasised in future event marketing.

Summary:

The participants of the CAPPCT 2006 have a highly positive reaction to event sponsors. There are three components of this positive reaction, confirming the study by Lee, Sandler and Shani (1997):

- Participants have a highly positive reaction toward the event;
- Participants do not believe that the event is over-commercialised; and
- The event sponsorship has a positive influence on the participants' attitude towards behavioural intent.

Analysing the behavioural intent, found that participants showed high levels of awareness of and support for sponsors. The sponsorship has influenced the image perceptions of and satisfaction with sponsors, and increased the likelihood of future purchases.

The findings appear to support the factors suggested by d'Astous and Bitz (1995) that influence these consumer reactions. These are:

- The **nature** of the sponsorship;
- The **origin** of the sponsorship;
- The **frequency** of the sponsorship;
- The **synergy**/ link between the sponsor and event; and
- Consumer **interest** and **involvement** in the event.

The study also proposes that in addition to these factors, a range of consumer **demographic** factors may influence these reactions.

The study also found that **sport** is the number one interest/ passion among participants.

5.4 Research Objective 4: To identify future research opportunities for areas limited by the scope of this study.

From the findings and conclusions of this study, the researcher proposes the following areas for future research:

- An investigation of an event regarded as more **commercial** in nature: The findings could be compared to the findings of this study.
- A comparison of consumer reactions to exclusive and no-exclusive event sponsorship: The literature suggested a factor that influenced consumer reactions to be 'the **degree of exclusivity**', however, this factor could not be tested in this study.
- Studies that are conducted not only to test consumer responses, but rather to test consumer reactions by means of **experiments** and **monitoring** consumer behaviour.
- Tests conducted before and during or after an event to measure changes in **image perceptions** and **purchase behaviour**: Tests of consumer awareness are easier and more common, while it is more difficult to test changes in image perceptions and purchase behaviour.

- A study that tests the findings identified in this investigation relating to **consumer demographics** by identifying an event with a more diversified respondent demographic profile: There is very little literature in this area, and none found in South Africa, which has an extremely diverse population.

5.5 Implications for Industry Practitioners

It is envisaged that this investigation of participants' perceptions of sponsorship, and factors influencing these perceptions will provide the **Cycle Tour Trust** with a greater understanding of event sponsorship, as well as understanding the event participants and how they react to the event sponsorship. This information should prove useful in providing feedback to current sponsorship, and aid in the retention of current sponsors or procurement of future sponsors. For example, the following conclusions from the study could be useful for the Cycle Tour Trust in the following ways:

5.5.1: The high levels of sponsor awareness and highly positive reaction to event sponsorship among participants encourages the sustained affiliation of the two primary sponsors specifically, as well as encouraging the longer-term benefits of association for more recent sponsors. This is supported by the influence of the origin, nature and frequency of the sponsorship - all factors that appear to influence the consumer reaction to sponsorship.

5.5.2: The highly positive reaction toward the event itself is a very useful statistic that can be used to promote the value of the event among potential sponsors wanting to associate themselves with successful and respected events.

5.5.3: Participants appear to view the nature of the event as more philanthropic and less commercialised in nature, which may aid the high favourability response. As a result, event managers should not try to over-commercialise the event in the future, and even re-enforce the philanthropic links and origins of the event through event marketing strategies.

5.5.4: Understanding that participants reaction positively to event sponsors, from high levels of awareness and support, to influencing their image perceptions and purchasing behaviour intent, provides event managers with information that should prove very useful when negotiating with sponsors.

5.5.5: Participants noted that they were unsure whether the event sponsorship allowed them to interact/ communicate with/ relate to the sponsors on a more personal level. Event sponsors could therefore be encouraged to implement more effective experiential leveraging activities.

5.5.6: Besides sport being their primary interest, participants also rank 'nature' and 'travel' as high interest areas. This could serve to encourage the event managers to promote the natural and scenic beauty of the event, and link with tourism and travel partners in marketing the event, and adding value to the event experience of participants.

In a broader context, the study contributes toward the limited knowledge base of event sponsorship in South Africa, providing useful insights for **event managers** wanting to secure and leverage event sponsorship, as well as **corporate marketers** currently involved in event sponsorship or wanting to use sport as a brand-building opportunity. For example, the findings could provide useful insights for corporate sponsors in some of the following ways:

5.5.7: The investigation has shown that participants in a sport event react very positively toward the event sponsors. While the response might vary slightly according to demographic factors of the participants, there is general agreement in their support for the sponsors. The specific reactions range from high levels of awareness and support, to influencing image perceptions, as well as purchasing behaviour intent. This should serve to encourage the rationale of sponsorship as a corporate brand-building opportunity.

5.5.8: When selecting sponsorship opportunities, companies should seek events that are highly respected by participants and spectators and are not regarded as over-commercialised. A philanthropically-linked event might induce better reactions from consumers.

5.5.9: The event participants are most interested in sport, above all other interests. This positive reaction to sport and to sponsorship should encourage the use of sport event sponsorship, as opposed to other types of sponsorship, amongst corporations.

The findings relating to the factors that influence consumer reactions to sponsorship provides corporate event sponsors with a few **guidelines** for effective sponsorship campaigns, for example:

5.5.10: Ensure that the sponsorship is seen as a **meaningful** contribution to society. Where relevant, select an event that is more philanthropic than commercial in nature, having an existing philanthropic link, or creating such a link for a commercial event, as this could influence consumer reactions positively.

5.5.11: Approach the sponsorship opportunity as a long-term **commitment** and investment, acknowledging that consumer reactions are positively influenced by the duration or frequency of the sponsorship.

5.5.12: Ensure that there is a natural **synergy** between the event and the sponsor, as a credible link between the sponsor and event could influence consumer reactions positively.

5.5.13: The sponsorship programme should be supported with communications designed to increase consumer **interest** in the event, as this could influence consumer reactions positively.

The **methodology** used for this study should be generally adaptable for events that have a database of e-mail addresses (or even a frequently visited Internet website) for event participants or spectators. This type of study could at least provide event management with a starting point for obtaining an indication of consumer reactions toward the event and its sponsors. Results could provide useful insights of specific sponsors and help in the sponsor negotiation and recruitment process, as proposed above.

As part of the **broader study** of key events in the region, the study provides a more holistic understanding of sponsorship as a key element of the sport event marketing system. It is hoped that the results will be useful for stakeholders of major events in South Africa, particularly in light of the FIFA World Cup in 2010.

5.6 Concluding Remarks:

The first chapter of this study presented the rationale, background and introduction to the study and the event under investigation. The objectives and hypotheses of the investigation were set out, as well as an overview of the methodology and delineation and significance of the study.

The second chapter presented the literature review, providing a unified theoretical basis for the empirical component of the study. Beginning with broader theoretical discussions on the link between sport and tourism and sport event sponsorship, the discussion then focused in more detail on the sponsorship medium, finally looking at explorations and measurement of consumer reactions to sponsorship, as well as the factors that influence these reactions.

The third chapter set out the research methodology, detailing the procedure used to gather the primary data. In particular, the use of Internet-based or e-mail questionnaires as a research tool was evaluated.

Chapter Four presented the findings from the primary investigation, and the analysis and discussion thereof.

This chapter, Chapter Five concludes the thesis by summarising, setting out the conclusions and making recommendations based on the findings, discussed under the headings of the research objectives and hypotheses. The chapter also looks at the implications of this study for industry practitioners and recommends areas for further research.

It is envisaged that this investigation of participants' reactions to sponsorship, and factors influencing these reactions, will provide the Cape Town Cycle Tour Trust with a greater understanding of the effectiveness of the event sponsorship, which will aid the vital event management functions of sponsor feedback, satisfaction and procurement. By contributing toward the limited knowledge base of sport event sponsorship in South Africa, the study provides useful insights for corporate marketers wanting to use sport as a brand-building tool, as well as sport event managers wanting to procure and leverage sponsorship opportunities.

The CAPPCT is one of a few major sport events that occur annually in South Africa, still having the potential for greater development through a better understanding of sport event sponsorship. Current and potential sponsors in turn will gain a better understanding of the effectiveness of the medium, rationalising their investment commitment to sport events.

As part of a broader study of key events in the Western Cape region and KwaZulu Natal, the study provides a more holistic understanding of the management of sport events. South Africa is recognising the impact of the sport tourism market on the economy and as a nation-building tool. It is hoped that the results of this study will be useful for stakeholders of future major events in South Africa, particularly in light of the FIFA World Cup to be hosted in South Africa in 2010.

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APPENDIX A: COVERING EMAIL AND QUESTIONNAIRE

[Note: The following 'covering letter' for the questionnaire appeared as a segment of a general newsletter sent out to all event participants on the CAPPCT database.]

Cape Argus Pick 'n Pay Cycle Tour 2006 - Questionnaire for Participants

If you participated in the 2006 race, we are extremely interested in your views and opinions relating to certain aspects of the event. We would like to ask you to take a few minutes to complete an online questionnaire. All you need to do is to click on the following web link: www.cycletour.co.za/survey/survey.asp and follow the instructions as given. To thank you for your assistance, if you provide your details at the end of the survey, you will be entered into a draw to win a hamper of event 'goodies'!

Please note that this survey is for race participants only, and that you need to be at least 18 years of age (or have the consent of your parent/ legal guardian) to enter the survey.

Thank you for taking the time to complete this survey! Please take note of the instructions for each question. Once you have completed the survey, click the SUBMIT button.

Cape Argus Pick 'n Pay Cycle Tour 2006 - Questionnaire for Participants -

Thank you for taking the time to complete this survey. Please note that this survey is for race participants only. You need to be at least 18 years of age (or have the consent of your parent/ legal guardian) to enter the survey.

Please take note of the instructions for each question. Once you have completed the survey, click the SUBMIT button.

Q1	How many times have you participated in the cycle tour?	Select ONE:	Coded:
	Once	<input type="radio"/>	1
	Twice	<input type="radio"/>	2
	3 - 5 times	<input type="radio"/>	3
	6 or more times	<input type="radio"/>	4

Q2	How would you rate yourself as a cyclist?	Select ONE:	Coded:
	Recreational	<input type="radio"/>	1
	Amateur	<input type="radio"/>	2
	Semi-professional	<input type="radio"/>	3
	Professional	<input type="radio"/>	4

Q3	What other sports do you participate in regularly, either SOCIALLY or COMPETITIVELY?	YES, SOCIALLY	YES, COMPETITIVELY	NO	
3.1	Cricket	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/ 0
3.2	Golf	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/ 0
3.3	Gym	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/ 0
3.4	Hiking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/ 0
3.5	Hockey	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/ 0

3.6	Mountain Biking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.7	Rugby	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.8	Running	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.9	Soccer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.10	Squash	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.11	Swimming	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.12	Tennis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.13	Tri-athlon	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.14	Watersports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/0
3.15	Other (please specify): _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	15+

Q4	Please rank your general interests in the following categories in order of importance to you, from 1 (most important) to 8 (least important):								
		1	2	3	4	5	6	7	8
	Art and Culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Food & drink	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Movies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Music	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Nature	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Sport	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Travel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q5	State whether you believe the following	TRUE	FALSE	Coded
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	statements are TRUE or FALSE for you:			
5.1	People in my community think very highly of the Cape Argus Pick `n Pay Cycle Tour.	<input type="radio"/>	<input type="radio"/>	1 /0
5.2	It is considered prestigious to participate in the Cape Argus Pick `n Pay Cycle Tour.	<input type="radio"/>	<input type="radio"/>	1 /0
5.3	Taking part in the Cape Argus Pick `n Pay Cycle Tour is very important to me.	<input type="radio"/>	<input type="radio"/>	1 /0
5.4	I think about the sport of cycling all the time.	<input type="radio"/>	<input type="radio"/>	1 /0
5.5	I cycle as often as I can.	<input type="radio"/>	<input type="radio"/>	1 /0

Q6	Which of the following companies/ brands do you associate with the cycle tour?	YES	NO	Coded
6.1	ABSA	<input type="radio"/>	<input type="radio"/>	1 /0
6.2	Africon	<input type="radio"/>	<input type="radio"/>	1 /0
6.3	AV Direct	<input type="radio"/>	<input type="radio"/>	1 /0
6.4	Bibo	<input type="radio"/>	<input type="radio"/>	1 /0
6.5	Canal Walk	<input type="radio"/>	<input type="radio"/>	1 /0
6.6	Cape Argus	<input type="radio"/>	<input type="radio"/>	1 /0
6.7	Coca-Cola	<input type="radio"/>	<input type="radio"/>	1 /0
6.8	Dell Computers	<input type="radio"/>	<input type="radio"/>	1 /0
6.9	Digicore	<input type="radio"/>	<input type="radio"/>	1 /0
6.10	Medi-Clinic	<input type="radio"/>	<input type="radio"/>	1 /0
6.11	Pick `n Pay	<input type="radio"/>	<input type="radio"/>	1 /0
6.12	Powerade	<input type="radio"/>	<input type="radio"/>	1 /0
6.13	SAA	<input type="radio"/>	<input type="radio"/>	1 /0
6.14	SAAB Grintek	<input type="radio"/>	<input type="radio"/>	1 /0
6.15	Good Hope FM	<input type="radio"/>	<input type="radio"/>	1 /0
6.16	SA FM	<input type="radio"/>	<input type="radio"/>	1 /0
6.17	Metro FM	<input type="radio"/>	<input type="radio"/>	1 /0
6.18	Radio 2000	<input type="radio"/>	<input type="radio"/>	1 /0
6.19	SABC Sport	<input type="radio"/>	<input type="radio"/>	1 /0
6.20	Southern Sun	<input type="radio"/>	<input type="radio"/>	1 /0
6.21	Spur	<input type="radio"/>	<input type="radio"/>	1 /0
6.22	Value Car Hire	<input type="radio"/>	<input type="radio"/>	1 /0

6.23	Verizon	<input type="radio"/>	<input type="radio"/>	1 / 0
6.24	Virgin Active	<input type="radio"/>	<input type="radio"/>	1 / 0

Q7	Do you have a more favorable perception of these companies or brands as a result of their association with or sponsorship of the cycle tour?		Selected	coded
	Yes	<input type="radio"/>		1
	No	<input type="radio"/>		0

Q8	State whether you believe each of the following statements are TRUE or FALSE for you:	TRUE	FALSE	Coded
8.1	I am grateful to the sponsor for making it possible for this event to take place.	<input type="radio"/>	<input type="radio"/>	1 / 0
8.2	I appreciate the sponsor's commitment to this event over the years.	<input type="radio"/>	<input type="radio"/>	1 / 0
8.3	I appreciate that the sponsor has shown their commitment to cycling through a range of other activities, projects and initiatives.	<input type="radio"/>	<input type="radio"/>	1 / 0
8.4	I have enjoyed participating in events sponsored by this company/ brand.	<input type="radio"/>	<input type="radio"/>	1 / 0
8.5	By sponsoring this event, the sponsor has made a positive contribution to society.	<input type="radio"/>	<input type="radio"/>	1 / 0

Q9	Once again, please state whether you believe each of the following statements are TRUE or FALSE for you:	TRUE	FALSE	Coded
9.1	Companies that sponsor this event should not try to commercialise it.	<input type="radio"/>	<input type="radio"/>	1 / 0
9.2	The cycle tour brand or logo should not be used for commercial purposes by the sponsor.	<input type="radio"/>	<input type="radio"/>	1 / 0
9.3	I feel that the event is too commercialised.	<input type="radio"/>	<input type="radio"/>	1 / 0

9.4	Instead of using their money on sponsorship, the company should improve the quality of their products/ service.	<input type="radio"/>	<input type="radio"/>	1 /0
9.5	I would prefer to see the sponsors spending their money on 'grassroots' cycling development.	<input type="radio"/>	<input type="radio"/>	1 /0

Please state your level of agreement or disagreement with each of the following endings to the following statement:

Q10	Knowing of the sponsors' involvement in the cycle tour has...	Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Coded:
10.1	Made me more aware of the company/brand and its products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/3/4/5
10.2	Made me more likely to buy the company's products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/3/4/5
10.3	Given me greater satisfaction in using the company's products/ services.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/3/4/5
10.4	Changed my perceptions of the company.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/3/4/5
10.5	Made me more likely to support this company over its competitors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/3/4/5
10.6	Allowed me to interact/	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/3/4/5

	communicate with/ relate to the company on a more personal level.						
10.7	No impact on my purchasing decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/3/4/5
10.8	Affected/ influenced me more than the company's conventional advertising.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1/2/3/4/5

Please indicate the following Demographic information for us:

Q11	Please indicate your gender:	Select one	coded
	Male	<input type="radio"/>	1
	Female	<input type="radio"/>	2

Q12	Please indicate your age bracket:	Select one	Coded
	12 – 17 years	<input type="radio"/>	0
	18 – 20	<input type="radio"/>	1
	21 – 30	<input type="radio"/>	2
	31 – 40	<input type="radio"/>	3
	41 – 50	<input type="radio"/>	4
	51 - 60	<input type="radio"/>	5
	Over 60 years	<input type="radio"/>	6

Q13	Please indicate your highest education qualification:	Select one	Coded
	No formal education	<input type="radio"/>	0
	Primary school completed	<input type="radio"/>	1
	High school completed (Matric certificate)	<input type="radio"/>	2
	Certificate, diploma or industry training	<input type="radio"/>	3
	University degree (or equivalent)	<input type="radio"/>	4
	Post-graduate degree	<input type="radio"/>	5

Q14	Please indicate your monthly income in Rands (SAR):	selected	Coded
	None	<input type="radio"/>	0
	R1 – R4 000	<input type="radio"/>	1
	R4 001 – R8 000	<input type="radio"/>	2
	R8 001 – R12 000	<input type="radio"/>	3
	R12 001 – R16 000	<input type="radio"/>	4
	R16 001 – R20 000	<input type="radio"/>	5
	More than R20 000	<input type="radio"/>	6

Q15	Where do you live?	selected	Coded
	South Africa	<input type="radio"/>	1
	Other country: (specify) _____	<input type="radio"/>	2+

*This question is NOT compulsory:

Q16	If you are South African, please indicate your historical racial classification, if you are willing to do so:	Select one	Coded
	Black	<input type="radio"/>	1
	White	<input type="radio"/>	2
	Coloured	<input type="radio"/>	3
	Indian	<input type="radio"/>	4

Q17	Please select the answer that most closely describes your current employment status/ area of employment:	Select one	Coded
	Unemployed	<input type="radio"/>	0
	Sales/marketing	<input type="radio"/>	1
	Student/ scholar	<input type="radio"/>	2
	Retired	<input type="radio"/>	3
	Labour/ unskilled	<input type="radio"/>	4
	Administration / manager	<input type="radio"/>	5
	Businessperson	<input type="radio"/>	6
	Professional / doctor	<input type="radio"/>	7
	Artisan/ technician	<input type="radio"/>	8
	Self-employed	<input type="radio"/>	9
	Home executive	<input type="radio"/>	10
	Other (please specify): _____	<input type="radio"/>	11+

In order to participate in the competition to win a lucky draw prize, you need to provide your ID number. All data is for non-commercial purposes, and your earlier responses will remain confidential.

ID Number:	
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Thank you for your participation in this survey!

APPENDIX B:

THE CAPPCT RACE ROUTE

APPENDIX C: **INDEX OF EVENT SPONSORS**
