Effect of Event Sponsorship on Students

By Khaled Mahmud & Tazbin Zaman Shouro

University of Dhaka

Abstract- Among all other marketing stunts, sponsorship is a popular one. Due to the increasing student population, the local and multinational companies have a unique opportunity to capture the attention of a massive customer base, to deliver superior value and retain them for life. Here, the influence of event sponsorships on students has been analyzed from some perspectives. It is seen that sponsorships are successful in their agenda of being remembered as a total of 41.8% of the students notice and remember them while 35.4% only notice but do not remember. Among various kinds of events, companies should mostly try to sponsor cultural events followed by sports and music events to get the most attention. As predictable, title sponsors are best remembered by most of the students (62.6%). Nonetheless, food/beverage sponsors are recalled better by a substantial portion which represents 24.5% of students. So, it is better to be a food/beverage sponsor if the company produces food/beverage. A large percentage of students (50.4%) tend to remember the name of the sponsor, but a small portion of them (26.7%) remember the company’s message.

Keywords: effect of sponsorship, students, sponsorship, dhaka, bangladesh.

GJMBR-E Classification: JEL Code: M39

Strictly as per the compliance and regulations of:
Effect of Event Sponsorship on Students

Khaled Mahmud & Tazbin Zaman Shouro

Abstract: Among all other marketing stunts, sponsorship is a popular one. Due to the increasing student population, the local and multinational companies have a unique opportunity to capture the attention of a massive customer base, to deliver superior value and retain them for life. Here, the influence of event sponsorships on students has been analyzed from some perspectives. It is seen that sponsorships are successful in their agenda of being remembered as a total of 41.8% of the students notice and remember them while 35.4% only notice but do not remember. Among various kinds of events, companies should Mostly try to sponsor cultural events followed by sports and music events to get the most attention. As predictable, title sponsors are best remembered by most of the students (62.6%). Nonetheless, food/beverage sponsors are recalled better by a substantial portion which represents 24.5% of students. So, it is better to be a food/beverage sponsor if the company produces food/beverage. A large percentage of students (50.4%) tend to remember the name of the sponsor, but a small portion of them (26.7%) remember the company’s message. That is why the sponsor’s intended message or communication, in any event, should be created and delivered well. Although most of the students do not show interest after the program is over, a substantial number (25.5%) looks up the company and some (11.3%) even dig deeper to know more. A good number of students (34.9%) are likely to get loyal too when they find the product satisfactory. Students, in general, are not very active about communicating their experience of the products, although a substantial portion (30.5%) looks enthusiastic. With some helpful recommendations, this paper expresses that sponsorships are indeed effectual and have a significant impact on the thought process of the buyers, especially when done right.

Keywords: effect of sponsorship, students, sponsorship, dhaka, bangladesh.

I. Introduction

Dhaka, the capital of Bangladesh, is one of the most populated cities in the country and has better opportunities in almost every sector than any other city. As a result, people migrate to Dhaka in hopes of better lives, better living conditions, and better education. Dhaka is home to the country’s best educational institutions. The University of Dhaka established in 1921, and the Bangladesh University of Engineering and Technology inaugurated in 1876, both state-controlled are two of the most prestigious institutions of the country that had contributed in the making of the future leaders of the country who have led the nation in various fields. As a result, every year a lot of students from all over the country come to Dhaka with a view to getting admissions in various educational institutions for their higher studies.

Due to the expansion of education facilities by the private sector, a lot of universities under private ownership has been in being since the inception of North South University, the country’s first private university in 1995. Since then, various privately owned universities are also providing educational facilities to a large segment of students in both the undergraduate and postgraduate level. However, such facilities are also concentrated in the capital with an objective of attracting the higher population base. Thus, Dhaka’s student base is further increasing.

This huge student population base gives local and multinational companies alike a unique opportunity to capture the attention of an enormous loyal customer base, to deliver higher customer value and retain them for life. They get the chance to create a Brand Image that everyone would follow. They can capitalize on this massive student base more since students nowadays have their income sources other than allowances from their parents. And they like to spend their income in various ways.

In the past, students generally brought books, stationeries, clothes, and other similar items for study. Now, students’ needs have increased for sure, since they require laptops and desktop computers, smartphones, and even vehicles. Advances in technology have surely led to a big increase in students’ expenses. Apart from that, tasting various kinds of foods and beverages have become a predilection for lots of students. Sponsoring an event not only makes the students aware of the company’s product but also introduces the company as a workplace to consider after graduation. The companies do not fail to grab all these opportunities.

Marketers have to use sponsorships at different times as a method for product communications. A lot of the sponsorships are directed toward student programs held in schools, colleges, and universities. Since students nowadays generally spend their time on the internet and social media rather than TV, sponsoring events in their institution is a successful way to reach them.

Marketers surely have very high expectations on the return from these sponsorships. The sum of money marketers spend for a program invokes curiosity since there are usually at best a thousand people at these programs. How could the spending be justified at such programs? Again, if compared to the amount of money

Author a: Associate Professor, Institute of Business Administration, University of Dhaka. e-mail: khaled@iba-du.edu
Author b: Undergraduate Student, Institute of Business Administration, University of Dhaka. e-mail: saaalkan@gmail.com
spent on every TV ad slot, it somehow is not that much. Nonetheless, a TV audience is much more in number. So, are the companies getting what they want, that is increased awareness from the students? This study is a fair chance to find that out.

The research aimed at discovering how effective sponsorships are for companies by looking into the customer’s perception. After attending a sponsored event, whether the students’ perception about the sponsor company gets positively influenced, whether the students’ have started buying the company’s product, whether they are willing to be a greater stakeholder of the company are the broad questions answered with the help of firsthand data. Research on the effectiveness of event sponsorship that is principally based on university students will surely fill a gap in the literature and instigate further research activities.

II. Literature Review

Sponsoring events has become a budding form of marketing, escalating rapidly in the latest few years, reaching the traditional marketing tools, as advertising and promotions (Roy and Bettina Cornwell, 2003). Sponsorship allows a company to get featured to the media and the general public in other markets that are dissimilar to its specific target market, and thus directly exposes the sponsoring company to diverse consumers outside its market segment (Fill, 2006). According to Meenaghan (1991), undertaking sponsorship activities is an investment, might be in cash or in kind, aimed at accessing the utilizable commercial potential connected to that activity.

Cornwell (2014) believes that an organization initiates sponsorship in the field of marketing with an investment in an event, activity, or person, classically with the prospect of recognition or partnership that supports the marketing objectives of that investor. Moreover, the process of designing a sponsorship program is systematic. It consists of four successive steps, namely setting objectives, determining budget, acquiring a sponsorship, and appraising the sponsorship (Shank and Lyberger, 2014). A study by Amoako et al. (2012) indicates that performance in marketing communication is positively influenced by sponsoring events which, in turn, enhances organizational value.

By surveying 334 children, Simões and Agante (2014) suggested that sponsorship can impact children’s perception and purchasing intentions of the advertised brand, especially in the case of unknown brands. Their research indicates that sponsorship influences buying intention for low-involvement products, while affects brand image for high-involvement products. It is also observed that most of the children do not recognize that sponsorship is intended to persuade them to buy the sponsoring company’s product (Simões and Agante, 2014).

Rodgers (2003) examined how internet sponsorships exert influence on the consumers and what role sponsor relevance plays in these effects. According to the findings, relevant Internet sponsors were found to be more influential than irrelevant Internet sponsors in terms of three dependent variables i.e. sponsor recall, attitude toward the sponsor and purchase intentions. Two context variables, Web site credibility and intent to return to the site, moderated the linkage factor on sponsor evaluations in that higher levels of the context variables translated to more positive evaluations for relevant sponsors (Rodgers, 2003).

Kahle and Homer (1985) showed the influence of similarity (in terms of beauty), while sponsoring, between the endorser and the product. Such similarity increases effectiveness of advertising, specifically brand recall, recall of arguments in the ad, brand attitude, and purchase intention. Consequently, a rise in brand awareness, brand preferences, brand recall, projection of the company’s image and above all goodwill, can be followed by an increase in sales, and subsequently an increase in organizational value. Such course of events indicate that sponsorship positively contributes to the marketing communication performance of a company (Amoako et al., 2012).

Roy and Cornwell (2004) checked event knowledge of consumers to determine whether experts and novices process information of sponsorships differently and whether a sponsor’s brand equity impacts perceptions of sponsor–event fit. Six sponsors (three of high equity and three of low equity) were paired with six events. After hypothesis testing, results indicated that experts engender more total thoughts about a sponsor–event combination. For high-brand-equity sponsors, experts and novices do not differ in sponsor–event congruence. Conversely, for low-brand-equity sponsors, event experts perceive less of a match between sponsor and event (Roy and Cornwell, 2004).

Gwinner and Eaton (1999) conducted an assessment on finding out the degree to which a sporting event's image might be transferred, through event sponsorship activity, to a brand. The subjects in the experiment were undergraduate students. Among them the portion that was in sponsorship pairing treatment identified resemblance on brand-event personality components more than the portion that was not revealed to the event-brand sponsorship link. The experiment underpinned the idea that sponsorship brings forth image transfer. Moreover, the transfer gets more robust when the event and the brand in the process proves to be harmonious on either an image or a functional basis.

Since major events offer unique marketing opportunities to the sponsoring companies, it also
tempts non-sponsoring companies which eventually look for prospects to get connected to the event (ambushing). Humphreys et al. (2010) focused on the effects of strategies that could be used by brands and events to prevent the pernicious effects of ambushing. The study found out a form of message which increases competitor recall while the event serves as a prompt and event recall while the competitor serves as a prompt, given that the message connects the competitor and the event. It also cautions sponsoring firms and event properties that communications aimed to avert ambushing may erroneously reinforce the relationship between an ambusher and an event in the memory (Humphreys et al., 2010).

Consumer behavior is strongly affected by attitudes, which has three components: cognitive (beliefs), affective (emotions) and behavioral tendencies towards the subject. Changing one or more of these components brings a change in attitude. According to Mason (2005), a positive association between the consumer’s preferred sports team and the sponsoring company’s product can be formed by corporate sport sponsorship. Thus, such sponsorship exerts influence on the affective (emotions) component of consumer behavior. It happens because the consumer’s emotional fondness for a sport event or team, that is being sponsored, is likely to be passed on to the product of the sponsoring company, or the company itself (Lardinoit and Derbaix, 2001). Moreover, the cognitive component can also be affected by altering brand beliefs/perceptions. Levin et al. (2001) asserted that there would be a greater impression on the attitude and accordingly the behavior of the consumer given the cognitive components such as thoughts or beliefs are prevalent in the consumer’s memory.

In the global system of sports, there are persons or entities related to the organization and the events it organizes. They can be categorized into internal stakeholders, for instance, athletes, clubs, employees, politicians and external stakeholders, for example, communities, media, sponsors, public opinion. Therefore, sponsorship cannot be termed as merely a bilateral relationship between the rights holder and the sponsor; it is rather a multilateral relationship concerning a considerable number of stakeholders in the whole procedure (Ferrand et al., 2006).

An experiment was conducted at the Ski World Championships where it was detected that event visitors who visited booths set up by sponsors or collected product samples seemed to have a higher level of brand equity than those visitors who were only in the vicinity. Coppetti et al. (2004) identified that the perceived rise in brand equity is dependent upon several factors:

- Executional design of the on-site sponsorship campaign,
- Position of the brand formed by brand awareness and image, and
- Marketing activities of rival companies within the same product category.

The study strongly suggested that proper on-site execution has a notable contribution to the success of the program. Coppetti et al. (2004) also suggests that on-site execution should be carried out in a manner so that it directs the consumer’s participation toward the brand. In addition, the sponsors ought to deliver a multisensory experience with their brand to event visitors which will eventually encourage them to remember the brand message.

Runsbech and Sjölin (2011) state that the impact of negative exposure, resulting from an occurrence related to the sponsored event could be followed by an image transfer, which can have a negative influence on the consumer’s attitude toward the sponsoring company. Yet, it does not necessarily indicate that the negative attitude will change buyer behavior. They also deduce that the degree of association transferal between the sponsored entity and the sponsor company would be modified by the intensity of media exposure. Based on the transferal, it gets determined which attitude could change.

III. Objectives

The objectives of the study are:

- To discover the extent to which the students remember event sponsors,
- To recognize the types of events and types of sponsorships most useful for sponsors,
- To analyse whether the students pay attention to sponsors,
- To evaluate whether the students buy the sponsors’ products after the event,
- To discern the students’ interest in being a greater stakeholder of the sponsor company.

IV. Methodology

The sample for this research was solely constituted of university students. The student community served as an appropriate population because:

- A substantial amount of buying power among students,
- High intention of trying out new products,
- Better connected than other groups, so more likely to help with the survey.

This study is primarily descriptive. Secondary information was used in doing the literature review. Primary data was collected by surveying students from various fields. Then, the data was interpreted and analyzed to get useful information. All the surveys were taken online, using google forms which presented the respondents with a well-structured questionnaire.
This research on university students has followed non-probabilistic convenience sampling method. Sample size of this study was 318. Students from various fields were approached to take part in the survey. Although BBA, MBA and BSc students constitute the biggest portion of the sample, it can be justified by the fact that most of the population are studying in these fields.

V. Primary Findings

a) Sample Overview

Dhaka is the house of the country’s best institutions at all levels of education. We have based our study mainly on the students of the University of Dhaka, together with contribution from students of many more universities all over the country.

As shown in the chart above most of our responses are based on students studying in BBA (59.7%), second and third highest being students studying MBA (15.1%) and BSc (14.2%) respectively. The rest came from students from BA (Humanities), MBBS, Masters other than MBA and other backgrounds. We chose to focus on these particular fields and institutions as they are the most exposed to various programs and product sponsorships. The programs include case and branding competitions, sports tournaments, graduation and fresher’s reception, cultural events, music concerts, etc. Students work collaboratively for organizing these events which require funds. Sponsors provide these funds and the students utilize them to arrange the events.

Figure 1

The respondents were almost evenly distributed in terms of their educational year. Most of the university educational programs continue for four years. Only a small number of degrees, e.g., MBBS, Pharmacy take five years to complete. That is why the fifth year has such a low response.

b) Funding of Events in Educational Institution

The universities organize various events for their students to attend and to understand the amount of exposure of the students to sponsorships we must first learn how the said events are financed.

According the chart above, Commercial Sponsors (67.7%) pay for most of the events. This indicates that companies like to invest in such programs as they believe they can successfully create a brand image or strengthen their image through financing these events. It also shows that these students have significant exposure to sponsorship and that the effect sponsorship has on their overall perception can be revealed through this study.
c) **Participants’ Remembrance of the Event Sponsors**

A vital part of this study is to find out if the students remember the sponsors after the event is over. The respondents were asked to rate, on a scale of 1-5, how much they remember the sponsors of the events they attend. This question asks for a generic reply which might give only an initial overview of the extent to which the students remember the sponsors of the events they attend.

The response could be interpreted in such a way where one-two says that they are indifferent on the matter meaning they neither notice nor remember the sponsor, three means they notice but do not remember and four-five means they both noticed and remembered the sponsors.

The diagram above shows that the most effective method for companies to advertise or increase their popularity would be to sponsor Cultural events as 55% of the students are likely to recall cultural events, followed by sports (45.3%) and musical (35.2%) events.

e) **Most Effective Type of Sponsorship**

A company can decide to sponsor an event in different ways such as being a Title Sponsor, a Gift Sponsor, a Food/Beverage Sponsor, or a Media Sponsor. The most effective type of sponsorship can vary according to the kind of event and the company itself.

### Figure 4

As shown in the graph above, the sponsorships are successful in their agenda of being remembered by a total of 41.8% students, while 32.7% only noticed the sponsors. It means that the majority of the sponsorships are successful in the initial stage of getting into the students’ mind.

### Figure 5

The chart above shows that the most effective type of sponsorship lies in being the Title (Main) Sponsor, with 62.6% of the people saying they remember title sponsors the most. Such a result is apparent since the title sponsor’s name is highlighted with the name of the event which certainly catches the eye. 24.5% of the respondents, which is a substantial number, recall the Food/Beverage Sponsor. Also, gift (6.9%) and media (6%) sponsors are better remembered than other sponsors by some individuals.

### VI. **Do the Students Pay Enough Attention?**

a) **Paying Attention to the Name of the Sponsor**

According to the study done, total 50.4% of the students (4 & 5 in the scale) pay proper attention to the name of the sponsor and 25.2% (3 in the scale) pay a moderate amount of attention, with the rest not paying attention enough to recall the sponsors later. The outcome implies that sponsoring an event will help the company increase its brand image as most of the students pay attention to the name of the brand that sponsored the event.
b) Paying Attention to the Message from the Sponsor

Now, just remembering the name of the brand is not what the company looks for when they decide to sponsor an event. They want to leave a lasting impression on their target audience through the messages they communicate. The message could be an overview of the company for projecting itself reputedly to the mass or information about any product(s) with a view to increasing the market share. Whether it being their motto, tagline or products, the sponsors want the audience to remember them through something more than their name.

The figure above shows that the audience does not, commonly, remember the message of the sponsor as shown by 38.9% responses (1 & 2 in the scale). 28.3% of the students do remember the message but are indifferent about it, while 26.7% of the students (4 & 5 in the scale) do get the message. It shows that furthering the company’s agenda through their message is difficult to do through sponsorships.

c) Further Query about a Sponsor

The next graph shows whether the students make further queries about the sponsor company after the event is over. If the students search for a company after the program is over, it means that they are curious about the company and the sponsorship is successful.

According to the graph, a total of 36.8% of the students are likely to look up the company after the event with 23% being unsure. 40.3% of the students do not seem interested in searching more about the company. This outcome suggests that sponsorships are moderately successful in case of making people more interested in the company and subsequently increase their brand knowledge.

VII. Do the Students Turn into Customers?

a) Better Position in the Customers’ Mind

When customers view a company as a sponsor of the event they are attending, it might leave a positive impression in their minds. “The company’s contribution as a sponsor portrays them as a successful company capable of sponsoring an event” - whether this perception affects the customer’s mind and takes the sponsor to a higher position compared to the competitors is answered by the following chart.
Here, the responses skew towards the positive side. 42.8% of the respondents seem to grow the idea that the sponsor is better than its competitors in the industry. Very few seem to disagree with this. So, the sponsor company gets an advantage over its competitors.

b) Searching for the Sponsor’s Product

Companies mainly sponsor an event to create a larger customer base, to increase their market share, to take away their competitors’ customers. Sponsoring an event can be called a success if the students look for their products the next time they go to a shop.

The graph shows that 8.5% of the people are very likely to search for the company’s product when they go shopping the next time, and 22% are also in favor of searching. 33.6% being unsure may mean that 

c) Trying Out the Product Later

Often, products like food or beverage are offered for free in the event for the promotion. The graph above shows the likelihood of the students trying out the product later. With 15.1% being very likely and 37.7% being likely to try out the product. It exposes that sponsorships are indeed useful in changing the buying behavior of the event attendees.

I tend to try out the product (at a later time) that was offered for free in the event by the sponsors.

318 responses

318 responses

The graph shows that 8.5% of the people are very likely to search when they do not find the product of their choice in the shop.

d) Acquiring Loyal Customers

One of the biggest targets of advertising campaigns is to gain the loyalty of the customers and acquire a customer for life. The following graph shows whether past sponsorships have been successful in doing that or not to the respondents of this study.

I have started regularly using a product (of a new brand) after experiencing it in an event.

318 responses

318 responses

318 responses
The graph shows that past sponsorships have partially succeeded in changing the loyalty of customers after sponsoring the event. 22.3% of the respondents have become loyal while 12.6% have turned into extremely loyal customers. These numbers prove that sponsorships are effectual in creating loyal customers.

VIII. Being a Greater Stakeholder

a) Word of Mouth

The following graph shows how much the event attendees advocate the sponsors’ product.

```
Figure 14
```

Here, the target group does not seem to be very enthusiastic about communicating the products they knew about or experienced in the events attended. 37.1% of the sample choosing option 3 indicated that they are mostly indifferent about talking to their close ones about the products and services of the sponsor companies. Still, 30.5% respondents (4 & 5 in the scale) seem to talk about the product which is a plus for the sponsor.

b) Buying their Stock

The sample of our study mostly disagrees on buying the stock of the sponsors in the share market.

```
Figure 15
```

Their choice might be affected by the typical behavior that the practice of buying shares is not much popular among the young generation in our country. Nonetheless, there is a portion of 19.9% who showed interest in purchasing the sponsor’s stock.

c) Joining their Workforce

Attracting the future generation toward them is one of the key reasons for the companies to sponsor events in educational institutions. And, a large portion of the respondents (33.3%) show their interest in joining the sponsor companies. The underlying reason might be that the sponsor companies seem to be more solvent, renowned and active to the attendants of the event. But, the second largest portion (30.5%) is indifferent to this matter. Such an outcome is fathomable because all the sponsors cannot portray themselves accurately to the students.

IX. Recommendations

Looking at the interpretations from the derived information, these are the recommendations for the sponsors:

If the company is a food/beverage company, it’s better to be a food/beverage sponsor than being a title sponsor. This is because a substantial number of students tend to remember the food sponsors over title sponsors. So, it is a decent chance to make people aware of the company’s products which might increase sales.

Academic events aren’t that beneficial to invest in compared to cultural, sports or musical programs. So, the sponsors should target at sponsoring cultural, sports, and musical events held at universities.

It is seen that pushing the message communicated in an event into the customers’ mind is suggestion for the sponsor companies is to prepare the communications as simple, strong and direct.
suggestion for the sponsor companies is to prepare the communications as simple, strong and direct.

Free product offerings in events are very effective since students often like to try the products they experienced in an event later, provided that they like the product.

Whenever free products are offered in an event, it should be of top quality because the sole purpose there is to advertise the best the company has. If the students get a negative perception of the product, and subsequently, the company, it would be nearly impossible to turn them into customers.

X. Conclusion

Nowadays, corporate houses fund a lot of events held in universities. However, they may time to time question the return on their investment in such events. This paper has addressed the issue of return on investment by examining reaction to a sponsor's promotional efforts in an event and the efficacy of the sponsorship. Thus, it tries to evaluate the impact that sponsorship has on the students of this generation. Finally, we can conclude that sponsorships have a noteworthy impression on the thought process of the buyers and bring about a noticeable change in the buying behavior of the customers.

REFERENCES Références Referencias


