**Executive Summary**

*Sponsorship*, in advertising and marketing, has enjoyed considerable currency with managers, especially in the context of sporting events. However, this strategy option is constantly challenged by *ambush marketing* (which seeks an unofficial association with the event) as well as by a *neither* strategy (i.e. firms not undertaking either *sponsorship* or *ambush marketing*). At the core of all the three strategies is the expectation that a firm’s association (official or unofficial) or non-association with a sporting event will result in certain benefits for the brand.

This study measures and compares consumer responses to the three strategy options available to a firm for a sporting event. This research uses the Resource Advantage (RA) Theory to examine the interrelationships among the three types of firms and the environment in which these firms compete. RA theory posits that when a firm has a resource that is rare among competitors, then that resource has the potential for producing competitive advantage for that firm (Barney, 1991). The Hierarchy of Effects (HOE) model is used to formulate hypotheses regarding the possible consumer responses to the three strategy options. The HOE model predicts that consumers usually go through the stages of cognition, affect, and purchase intention after being exposed to a piece of promotion (i.e. communication). *Sponsorship* can be a source of competitive advantage as it may lead to greater consumer awareness, positive attitude, and a higher intention to purchase. Some firms may try to engage in *ambush marketing*. On the other hand, some other firms may choose to follow a *neither* strategy.

This study is set in the context of an international sporting competition, the ICC Cricket World Cup held in South Africa, in 2003. It finds that while *sponsorship* is effective in creating awareness, it does not lead to liking and/or preference for the brand. *Others* are able to break the clutter in the world of intense competition where event-related promotions are seen as a means of fulfilling marketing objectives. Moreover, the relationship between attitude and intention to purchase is not significant for any of the three strategy options. These findings indicate that any association with an event provides scope for elementary messages which may be suitable for increasing awareness but does not lead to higher order effects of building positive attitude and intention to purchase.
Sponsorship, in advertising and marketing, has enjoyed considerable currency with managers, especially in the context of sporting events. Many scholars, however, raise questions about consumer response to sponsorship (d’Astous & Bitz, 1995), especially with rising costs, increasing clutter, and growing media fragmentation. Moreover, sponsorship, as an advertising and marketing strategy option, is constantly challenged by ambush marketing (which seeks an unofficial association with the event) as well as by a neither strategy (i.e., firms not undertaking either sponsorship or ambush marketing). At the core of all the three strategies is the expectation that a firm’s association (official or unofficial) or non-association with a sporting event will result in benefits like brand awareness (e.g., Levin, Joiner, & Cameron, 2001), increased sales (e.g., Nicholls, Roslow, & Dublish, 1999), and enhanced brand equity (e.g., Meenaghan, 1998). These strategies have generated significant interest in the practitioner and academic communities (e.g., Farrelly, Quester, & Greyser, 2005). However, there is limited research on consumer responses to the three distinct strategy options. What consumer responses do the three strategies evoke? Does sponsorship guarantee greater awareness? Does a sponsorship strategy promise superior buyer intention, as compared to an ambush or a neither strategy?

This study measures and compares consumer responses to the three strategy options available to a firm for a sporting event. It uses the Resource Advantage (RA) Theory to examine the interrelationships among the three types of firms and the environment in which these firms compete. RA theory posits that when a firm has a resource that is rare among competitors, then that resource has the potential for producing competitive advantage for that firm (Barney, 1991). The Hierarchy of Effects (HOE) model is used to formulate hypotheses regarding the possible consumer responses to the three strategy options. The HOE model predicts that consumers usually go through the stages of cognition, affect, and purchase intention after being exposed to a piece of promotion (i.e., communication). Sponsorship can be a source of competitive advantage as it may lead to greater consumer awareness, positive attitude, and a higher intention to purchase. Some firms may try to nullify this advantage by imitating the resource, for instance, by engaging in ambush marketing. On the other hand, some other firms may choose to follow a neither strategy and continue with their regular marketing programme in the hope of being different.

Cognition, affect, and intention to purchase thus offer insight into consumer responses towards the three strategy choices. Previous research has mainly focused on sponsor and ambusher firms and has paid relatively less attention to other firms (Meenaghan, 1998). Similarly, emphasis has been placed on consumer responses to recall and recognition, that is, the cognition (or awareness – the two terms are used interchangeably) construct (d’Astous & Bitz, 1995), and relatively less attention has been paid to consumer afect (or attitude – the two terms are used interchangeably) and intention to purchase. This research addresses this gap within the scope of a single investigation and contributes to the current promotion literature by testing whether the HOE model holds in case of one or all the strategy choices.

This investigation is set in the context of an international sporting competition, the ICC Cricket World Cup held in South Africa, in 2003. Fourteen countries participated in the competition that took place over a period of about one and a half months (February 8, 2003 to March 23, 2003). Analysing the data collected from 527 respondents in eight cities across India, this study finds that though sponsors achieve a position of competitive advantage in terms of consumer awareness against ambushers, and ambushers attain competitive advantage against others, the relationship between awareness and attitude is significant only for others and not for sponsors or ambushers. Put differently, while sponsorship is effective in creating awareness, it does not lead to liking and/or preference for the brand. Others are able to break the clutter in the world of intense competition where event-related promotions are seen as a means of fulfilling marketing objectives. Moreover, the relationship between attitude and intention to purchase is not significant for any of the three strategy options. These findings indicate that any association with an event provides scope for elementary messages which may be suitable for increasing awareness but does not lead to higher order effects of building positive attitude and intention to purchase.

THREE STRATEGIES

An event property offers opportunity of association with it through sponsorship to attain marketing objectives. A sponsor chooses to invest in a property as part of its marketing and communication strategy (Farrelly et al., 2005). The sponsor and the property enter into a contractual agreement that involves certain rights and exclusivity to un-
dertake specific activities (e.g. rights to use the word “official,” rights to particular event advertising, promotions, and publication inclusions) as circumscribed by the ambit of the contract (McKelvey & Grady, 2008).

Apart from being a sponsor, the other strategy choices available to a firm to respond to the market environment is to follow an ambush or a neither strategy. Ambushers are those that cannot attain the status of a sponsor (i.e. official), but nonetheless want to associate themselves with the property in the hope of deriving similar benefits as reaped by the sponsor. The term ambusher was introduced into marketing parlance by Bayless (1988) to describe the association that a company tries to establish with a property, albeit under the false pretence to capitalize on its popularity or prestige (Farrelly et al., 2005). The ambusher engages in this by purchasing advertising time during the event broadcast (Meenaghan, 1996), running event theme related advertisements and consumer promotions (Shani & Sandler, 1998), advertising in and around the event venue (McKelvey & Grady, 2008) such that they “seek to confuse the buying public as to which companies really hold official sponsorship rights” (McKelvey, 1994, p. 20). The others are the firms that follow neither of the above strategies and do not attempt to associate with the event or leverage it for marketing purposes but continue with their marketing programmes independent of the event.

**RESOURCE ADVANTAGE THEORY**

The RA theory (Hunt & Morgan, 1995) provides the theoretical grounding for the market environment in which firms exist and make choices regarding the specific strategy to pursue. At the heart of the RA theory are the concepts of resources, market position, and financial performance. Resources are the tangible and intangible assets available to a firm that enable it to efficiently and/or effectively produce a market offering that has value for certain market segment(s) thereby giving it comparative advantage (Barney, 1991). These resources when exploited effectively can place the firm in the market position of competitive advantage leading to superior financial performance.

Since all firms seek superior financial performance, competitors of a firm that has comparative advantage will attempt to neutralize their rival’s advantage by obtaining the same value-producing resource, if readily available, or by imitating the resource. Usually, only a limited number of firms are given exclusive sponsorship rights.

Firms, which are unable to obtain official sponsorship rights, can become ambushers. Others choose to pursue a neither strategy, and do not undertake event-related promotions.

**Hierarchy of Effects Model**

Though RA theory posits ‘superior financial performance’ as a parameter for measuring competitive advantage, financial performance is rarely the result of only one element of marketing strategy. Firms’ revenues and profits are influenced by a variety of factors like price (Ross, 1984), advertising (Mela, Gupta, & Lehman, 1997), and new product launches (Ogawa & Piller, 2006) among others, and cannot be attributed to the promotion strategy alone. Promotion literature indicates that communication programmes including sponsorship have a direct or indirect effect on sales through their influence on intervening mental constructs from awareness to purchase (Bendixen, 1993). Communication effects happen in a hierarchy moving the consumers from one stage to another, and are captured in the HOE model. Though different researchers have given different versions of the HOE model, the stages have been generalized as always predicting a sequence of cognition (i.e. awareness) → affect (i.e. attitude) → intentions (i.e. to recommend or purchase a brand/intend to purchase a brand) (Lavdige & Steiner, 1961; Smith, Cheng, & Yang, 2008).

**HYPOTHESES**

Usually, Sponsors are firms with greater financial resources, and leverage their association with the event by aggressively marketing the sponsorship. Most sponsors get free commercial time besides the right of first refusal for advertising slots. Advertising can help create the link between a sponsor and an event by explaining the logic of the association (Crimmins & Horn, 1996). Ambushers also wish to associate with the event and engage in heavy advertising, or run promotions related to the event (Meenaghan, 1998). These firms may buy advertising time but will be constrained by the rules of event property like free commercial time to sponsors and right of first refusal to sponsors (Nicholls, Raslow, & Dublish, 1999). As already discussed, the HOE model suggests that communication effects happen in a sequential manner. In such a market environment, consumer awareness of sponsors is expected to be higher than that of ambushers (d’Astous & Bitz, 1995; Grohs, Wagner, & Vsetecka, 2004) and con-
sumer awareness of *ambushers* is expected to be higher than that of *others* (Sandler & Shani, 1989). This paper brings together the RA theory and the HOE model to suggest the following hypotheses:

**H1 (a):** Consumer awareness of *sponsors* is higher than that of *ambushers*.

**H1 (b):** Consumer awareness of *ambushers* is higher than that of *others*.

The HOE model establishes that awareness leads to attitude. One of the major objectives of sponsorship is to build a positive attitude towards the products offered by the *sponsors* (Simonin & Ruth, 1998). Promotion literature also indicates that sponsorship increases consumer liking and preference for *sponsor’s* brand. It develops feelings and emotions towards *sponsors* thus building affinity (Nicholls et al., 1999). It follows that since consumer awareness is likely to be higher for *sponsors* and *ambushers* than for *others*, consumer attitude towards *sponsors* and *ambushers* is expected to be significant while that towards *others* is not significant. Therefore, the following hypotheses are formulated:

**H2 (a):** The relationship between awareness and attitude is significant for *sponsors* as well as for *ambushers*.

**H2 (b):** The relationship between awareness and attitude is not significant for *others*.

The HOE model also establishes that attitude leads to intention to purchase. The final objective for *sponsors*, *ambushers*, and *others* is the same – to ensure that consumers purchase their products (Levin, Joiner, & Cameron, 2001). Intention to purchase is the closest measure to actual sales (Cornwell, Weeks, & Roy, 2005). *Sponsors* and *ambushers* hope that positive attitude towards their brands will lead to greater consumer willingness to buy and try out their products (d’Astous & Bitz, 1995). Since consumer attitudes are expected to be significant towards *sponsors* and *ambushers*, it is expected that consumers would be more willing to buy products offered by these firms than those offered by *others*. Therefore, this study hypothesizes that:

**H3 (a):** The relationship between attitude and intention to purchase is significant for *sponsors* and *ambushers*.

**H3 (b):** The relationship between attitude and intention to purchase is not significant for *others*.

Figure 1 presents the path model that is tested in this investigation. Each construct in the model is measured by two indicators, while E1 to E8 are the associated errors. The authors clarify that this research does not make any predictions about the directions of the hypothesized relationships in H2 and H3. The directions are expected to be positive as predicted by the HOE model.

**METHOD**

**Data Collection**

In order to test the above hypotheses, data were collected from the viewers of the ICC World Cup held in March, 2003. All respondents had access to satellite cable connection to watch these matches. Trained student volunteers collected data using structured questionnaires. Purposive sampling technique was used to ensure equal representation of male and female respondents across three age groups (15-25, 25-35, and 35-45). Each student volunteer was instructed to strive for as much equal representation across gender and age as possible. All participants were under 45 years of age, and the mean age was 33.8 years. All respondents had at least a high school education, where almost 86 percent were college graduates and 45.9 percent were females. The average number
of matches watched by respondents was 16.5. Only matches that were watched for at least two hours were considered towards the respondents’ viewership total. All respondents were approached between April 15 and April 30, 2003 for participating in the study. A total of 683 respondents were approached for participating in the study, and a total of 527 usable responses were obtained from eight cities across India.

Even though the event took place outside the country, cricket as a sport demands a high level of attention from consumers as well as from firms in India. The Indian cricket team was an important entrant and went on to play the final match, which ensured a large viewership throughout the entire event. All matches were broadcast live in India.

Description of Measures

In order to identify specific firms that were to be designated as sponsors, ambushers, and others, a list of firms was drawn up by the authors. First, two independent judges identified from that list the official sponsors based on the firms’ official and declared their associations with the sporting event. Second, non-sponsor firms undertaking event-related advertising or purchasing heavy advertising time during the event broadcast, were designated as ambushers. Third, firms that did not belong to either of the above categories but undertook advertising during the event were designated as others. Therefore, each judge had to categorize a specific firm as a sponsor, an ambusher or, an other. Inter-rater agreement was calculated by taking the number of agreements (of categorizations) between the two raters, and dividing it by the total number of categorizations to be made. This fraction is expressed as a percentage. The inter-rater agreement was 82.7 percent, which indicates an excellent level of agreement (Landis & Kock, 1977; Fleiss, 1981). The two judges met and decided to include only those firms that they unanimously agreed upon as appropriately fitting into the three categories. The names of those specific firms were included in the final questionnaire.

It is reasonable to expect that consumers in the marketplace would be usually aware of marketing activities of several firms. However, they might not always be accurate in their knowledge about the strategies pursued by these firms, that is, consumers might not always be correct about whether firms are sponsors, ambushers, or others. Therefore, the data collection instrument did not ask consumers to identify these three types of firms. Rather, consumers responded to questions worded in the context of sponsors only. Post-hoc, this study categorized firms according to their actual roles as sponsors, ambushers, and others, in the marketplace.

This study measured awareness (cognition) through: recall and recognition (MacKenzie, Lutz, & Belch, 1986) (Table 1). For free recall, respondents were asked one open-ended question: “Name the brands that you think are sponsors of the ICC Cricket World Cup 2003” (adapted from Sandler & Shani, 1989). For the second question, the set of response categories included firms that were identified by the two judges and were the same for all respondents. The order of the responses was counterbalanced to avoid bias.

Consumers’ attitude (affect) towards perceived sponsors was evaluated through two statements (adapted from Osgood, Suci, & Tannenbaum, 1957) on a five-point scale, and their intention to purchase (purchase intention) was measured through two items on a seven-point scale (adapted from Rodgers, 2003/2004).

RESULTS

To test H1, brand recall and brand recognition measures for the three types of firms were compared with each other through a series of t-tests (see Table 2). For measuring recall, the reported brand names were categorized post-hoc, according to the type of firm: sponsors, ambushers, and others. For example, if a respondent recalls four brands as ‘sponsors’ out of which two are official sponsors, one is an ambusher and one is an other, then the recall scores for sponsors is two, ambushers is one, and others is one. A similar procedure was followed for measuring recognition.

An examination of the paired t-tests for both recall and recognition between the firms for sponsors and ambushers confirm that there is a significant difference between the two sets of firms across all product categories (Table 2). Consumers recall and recognize more sponsors for all product categories except for the product category, Telecommunications, where they identify more ambushers than sponsors. Overall support was obtained for H1(a). This discrepant finding for the Telecommunications category
was further examined. Advertising expenditure data for this specific category shows that the ambusher’s monetary investments are more than three times that of the sponsor, which could be a possible reason for this finding.

Table 1: Description of Measures

<table>
<thead>
<tr>
<th>Construct</th>
<th>Measure</th>
<th>Description</th>
<th>Reliability (Cronbach’s α)</th>
<th>Scales Adapted from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognition</td>
<td>Recall</td>
<td>Name the brands that you think are sponsors of ICC Cricket World Cup 2003.</td>
<td>0.71</td>
<td>Sandler &amp; Shani</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Which of the following brands do you think are sponsors of ICC Cricket World</td>
<td></td>
<td>(1989)</td>
</tr>
<tr>
<td></td>
<td>Recognition</td>
<td>Cup 2003? Please tick all that are applicable.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cognition</td>
<td>Recognition</td>
<td>Which of the following brands do you think are sponsors of ICC Cricket</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>World Cup 2003? Please tick all that are applicable.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ambushers</td>
<td></td>
<td></td>
<td>0.64</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td>0.34</td>
<td></td>
</tr>
<tr>
<td>Affect</td>
<td>Attitude1</td>
<td>During the ICC World Cup, sponsors have improved the image of their brands</td>
<td>0.76</td>
<td>Osgood, Suci, &amp;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in the minds of consumers through sponsorships.</td>
<td></td>
<td>Tannenbaum (1957)</td>
</tr>
<tr>
<td></td>
<td>Attitude2</td>
<td>During the ICC World Cup, sponsors have improved the image of their</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>brands in my mind through sponsorships.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5 point scale: No Improvement = 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Very Strong Improvement = 5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intention</td>
<td>Intent1</td>
<td>I will consider ICC World Cup sponsor companies’ products for my</td>
<td>0.60</td>
<td>Rodgers</td>
</tr>
<tr>
<td></td>
<td>Intent2</td>
<td>I will buy ICC World Cup sponsor companies’ products.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>If ICC World Cup sponsor companies launch new products, I will</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intent3</td>
<td>consider those products for my next purchase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3 point scale: 1=Agree; 2=Neutral; 3=Disagree)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Results of Paired T-Tests for Awareness about Products

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Sponsors vs. Ambushers t-tests on Recall</th>
<th>Ambushers vs. Others t-tests on Recall</th>
<th>t-tests on Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soda</td>
<td>Pepsi vs. Coca Cola 18.613*** 21.567***</td>
<td>Coca Cola vs. Mountain Dew 8.479*** 2.567***</td>
<td></td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>LG vs. Samsung 15.505 *** 13.808***</td>
<td>Samsung vs. Videocon 7.979 *** 7.470***</td>
<td></td>
</tr>
<tr>
<td>Motorcycles</td>
<td>Hero Honda vs. Bajaj 14.805 *** 17.693***</td>
<td>Bajaj vs. TVS 0.816 0.500</td>
<td></td>
</tr>
<tr>
<td>Airlines</td>
<td>South African Airways vs. Sahara Airlines 5.239 *** 7.608***</td>
<td>Sahara Airlines vs. Air India 6.219 *** 10.945***</td>
<td></td>
</tr>
<tr>
<td>Satellite Television Channel</td>
<td>Set Max vs. ESPN -1.735* 28.267***</td>
<td>ESPN vs. Zee 1.000 6.297***</td>
<td></td>
</tr>
</tbody>
</table>

T-tests reported
*** p < 0.000; ** p < 0.005; * p < 0.05

1 Source: Television Audience Measurement. Access on July 24, 2003 through www.tamindia.com
examination of the paired t-tests for both recall and recognition for the brands of *ambushers* and *others* show that there is a significant difference between the two across all product categories, where consumers recall and recognize more *ambushers* than *others*. Thus, there was overall support for H1(b).

For testing the HOE model, this investigation followed the method used by Olorunniwo and Hsu (2006) and divided the overall sample into two sub-samples: S1 and S2, with approximately 40 percent (n = 211) and 60 percent (n = 316) of the overall useable responses. Sample S1 was used for EFA while sample S2 was used to confirm the factor structure identified by EFA and to test the proposed path structural model.

Table 3 reports the reliability and validity of each scale. Cognition is captured separately for *sponsors*, *ambushers*, and *others*, while affect and intention are captured for all firms perceived as *sponsors*. Coefficient alphas for affect (0.76) and intention (0.60) are higher than or equal to the generally recommended benchmark of 0.60. In case of cognition, separate alpha values are reported for *sponsors* (0.71), *ambushers* (0.64), and *others* (0.34). Though the alpha value for *others* is lower than the recommended benchmark, strong theoretical reasons underlie the rationale for measuring cognition with recall and recognition (Byrne, 1998). Next, the HOE model was tested separately for *sponsors*, *ambushers*, and *others*.

### Sponsors

A principal component factor analysis performed on the scales reveals that all items factored as expected with loadings exceeding 0.8 for each item on their respective scales (Table 3). Recall and recognition load strongly on a single factor indicating unidimensionality for the construct cognition (0.88 and 0.88). Overall, the factor analysis results suggest unidimensionality for the three constructs for *sponsors*.

Factor structure was assessed by factor analysis for each construct using principal component extraction and varimax rotation (i.e. an orthogonal rotation). Specifically, the scree test and the eigen value-one criterion were both used to identify the number of factors. If an item in a proposed dimension showed a significant loading (the absolute value of factor loading higher than or equal to 0.4) on more than one factor, then that item was deleted because it confounded the notion of a unique construct. None of the items had a factor loading of more than 0.4 (Olorunniwo & Hsu, 2006) on any factor other than the ones expected. This procedure resulted in a three-factor solution. A total of 76.55 percent of the underlying variance is explained by these three factors.

Subsequently, confirmatory factor analysis (CFA) was employed to assess the dimensionality and validity of the measures. In particular, a CFA can assess the convergent and discriminant validity of the studied constructs in the measurement model. The AMOS software (version 16.0) was used as the analytical tool for estimating the measurement model.

Composite reliability, similar to the concept of Cronbach alpha, reflects the internal consistency of the indicators measuring each CFA construct. Results show that all factors have composite reliability scores greater than the com-

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**Table 3: Factor Loadings: EFA**

<table>
<thead>
<tr>
<th>Cognition</th>
<th>Recall</th>
<th>0.88</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recognition</td>
<td>0.88</td>
</tr>
<tr>
<td>Affect</td>
<td>Attitude1</td>
<td>0.90</td>
</tr>
<tr>
<td></td>
<td>Attitude2</td>
<td>0.90</td>
</tr>
<tr>
<td>Intention</td>
<td>Intent1</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td>Intent2</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td>Eigenvalue</td>
<td>1.50</td>
</tr>
<tr>
<td>Cumulative percentage of explained variance</td>
<td>25.92</td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis (EFA)
Rotation Method: Varimax with Kaiser Normalization
Factor loadings less than 0.4 are not shown.
monly recommended 0.6 benchmark (Tseng, Dornyei, & Schmitt, 2006) (see Table 4a), and this suggests adequate evidence of internal consistency.

Convergent validity (i.e. the degree of association between measures of a construct) is assessed by reviewing the t-statistics of the factor loadings. The loading items for each construct were set exactly as suggested by the earlier EFA outcome. All indicators have a loading higher than 0.45 with the highest being 0.81. The fact that eight t-statistics are significant at the 0.001 level and one is significant at 0.05 level (see Table 4b) suggest that the indicator variables provide good measures to their respective constructs (Anderson & Gerbing, 1988), which offers supportive evidence to the convergent validity of the model. Convergent validity also requires that Squared Multiple Correlations (SMCs) be equal to or greater than 0.5 along with path coefficients equal to or greater than 0.7. Though the findings for some of the loadings are lower, overall, convergent validity is achieved.

The discriminant validity (i.e. the degree to which items of constructs are distinct) was empirically assessed by using the variance extracted test. The criteria to examine the discriminant validity is to check whether the variance shared between measures of two different constructs (the squared correlation) is less than the amount of average variance extracted (AVE) by the items measuring each construct (Netemeyer, Johnston, & Burton, 1990). For example, the AVEs for cognition (0.63) and affect (0.66) are greater than the squared correlation for this pair of constructs (0.0036). Empirical results indicate that this criterion is fulfilled for each pair of constructs, establishing that discriminant validity is achieved for sponsors. Therefore, initial scale validity and reliability are achieved for the constructs (Zahay, Peltier, & Schultz, 2004). The chi-square test gives a value of 5.52 (df=9) with $p=0.78$, a test that is used to assess the overall fit of the measurement model. The chi-square value is not significant, a condition that suggests that the model tested is indicative of good fit (MacCallum, Browne, & Sugawara, 1996).

Next, test for the hypothesized causal model is presented. The $\chi^2_{(10)}$ value of 6.84 with $p=0.74$, once again, reveals a good fit. Observation of the model fit indices leads to the

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**Table 4a: Properties of the Measurement Model: CFA**

| Construct and Indicators | Sponsors | | | Ambushers | | | Others | | |
|--------------------------|----------|--------------------------|----------|--------------------------|----------|--------------------------|----------|
|                          | Standardized Loading | Squared Multiple Correlation | Composite Reliability | Standardized Loading | Squared Multiple Correlation | Composite Reliability | Standardized Loading | Squared Multiple Correlation | Composite Reliability |
| Cognition                | 0.76     | 0.73                     | 0.35       | 0.44                     | 0.19       | 0.48                     | 0.23       |
| Recall a, b              | 0.96     | 0.93                     | 0.44       | 0.96                     | 0.91       | 0.44                     | 0.19       |
| Recognition              | 0.58     | 0.34                     | 0.53       | 0.53                     | 0.23       | 0.48                     | 0.23       |
| Affect                   | 0.79     | 0.79                     | 0.77       | 0.71                     | 0.76       | 0.87                     | 0.50       |
| Attitude1 a, b           | 0.95     | 0.89                     | 0.95       | 0.95                     | 0.89       | 0.71                     | 0.76       |
| Attitude2                | 0.65     | 0.42                     | 0.65       | 0.65                     | 0.42       | 0.87                     | 0.50       |
| Intention                | 0.66     | 0.67                     | 0.60       | 0.75                     | 0.56       | 0.75                     | 0.56       |
| Intention1 a, b          | 0.92     | 0.84                     | 0.92       | 0.92                     | 0.84       | 0.75                     | 0.56       |
| Intention2               | 0.46     | 0.21                     | 0.46       | 0.46                     | 0.21       | 0.56                     | 0.31       |

*** indicates significance of t-statistic at $p < 0.001$ level. * indicates significance of t-statistic at $p < 0.05$ level.

a Item was fixed to 1 in the original solution; b Error Variance is fixed at 0.1

**Table 4b: Descriptive Statistics, Average Variance Extracted, and Intercorrelations**

|                  | Sponsors | | | Ambushers | | | Others | | |
|------------------|----------|--------------------------|----------|--------------------------|----------|--------------------------|----------|
|                  | Mean     | S.D. | Cognition | Affect | Intention | Mean     | S.D. | Cognition | Affect | Intention | Mean     | S.D. | Cognition | Affect | Intention |
| Cognition        | 5.89     | 3.99 | 0.63       | 0.59   | 0.52       | 2.43     | 3.18 | 0.59       | 0.52   | 0.52       | 1.52     | 2.49 | 0.21       | 0.52   | 0.52       |
| Affect           | 2.59     | 0.89 | 0.66       | 0.59   | 0.52       | 2.59     | 0.89 | 0.66       | 0.52   | 0.52       | 2.59     | 0.89 | 0.63       | 0.52   | 0.52       |
| Intention        | 2.42     | 0.63 | 0.06       | 0.52   | 0.52       | 2.42     | 0.63 | 0.06       | 0.52   | 0.52       | 2.42     | 0.63 | 0.07       | 0.52   | 0.52       |

Average variance extracted (AVE) in the diagonal
conclusion that overall, HOE holds for the brands of sponsors. However, the standardized coefficients are not significant, though the direction is as per expectations (0.064, \( p > 0.05; 0.075, p > 0.05 \)) (see Figure 2).

Ambushers and Others

A principal component factor analysis performed on each of the scales for ambushers and others reveals that the scales and the items factored as expected with loadings exceeding 0.75 for all items (Table 3). Recall and recognition load strongly on a single factor indicating unidimensionality for the construct, cognition (ambushers: 0.86 and 0.87; others: 0.78 and 0.77). Overall, the factor analysis results suggest unidimensionality for the three constructs for both ambushers and others.

Once again, as for sponsors, none of the items had a factor loading of more than 0.4 (Olorunniwo & Hsu, 2006) on any factor other than the ones expected. This procedure resulted in a three-factor solution. A total of 75.90 percent of underlying variance is explained by these three factors for ambushers and 70.73 percent for others.

CFA yields composite acceptable reliability scores for each construct (for both ambushers and sponsors), providing adequate evidence of internal consistency. However, cognition has a lower composite reliability for others, but, as already explained, strong theoretical reasons provide justification for including them in the study.

Convergent validity is assessed as per the procedure explained for sponsors. All indicators have a loading higher than 0.45, and the \( t \)-statistics (see Table 4a) suggest that the indicator variables provide good measures of their respective constructs (Anderson & Gerbing, 1988). Overall, convergent validity is achieved for both ambushers and others. Results (see Table 4b) indicate that each AVE is greater than all the squared correlations, establishing discriminant validity for ambushers and others. A number of goodness of fit measures indicate that the structural model provides a good fit: (a) ambushers: RMSEA (0.31), CFI (0.991), and a \( \chi^2 \) value of 13.56 (\( p=0.14 \)); (b) others: RMSEA (0.000), CFI (1.000), and a \( \chi^2 \) value of 5.13 (\( p=0.53 \)).

The goodness-of-fit indices for the causal model once again, reveal a good fit: (a) ambushers: RMSEA (0.036), CFI (0.986), and a \( \chi^2 \) value of 16.65 (\( p=0.08 \)); (b) others: RMSEA (0.000), CFI (1.000), and a \( \chi^2 \) value of 6.88 (\( p=0.55 \)). Overall, HOE holds for ambushers and for others.

Though the direction of the relationships cognition → attitude (0.086, \( p > 0.05 \)) and attitude → intention (0.001, \( p > 0.05 \)) are as per expectations, the standardized coefficients are not significant for ambushers. For others, the standardized coefficient for the relationship, cognition → attitude, is as per expectation and is significant (0.36, \( p < 0.05 \)). However, the coefficient for the relationship, attitude → intention, is not significant for others as well (0.05, \( p > 0.05 \)). Thus, overall support was not obtained for either H2 or H3 (See Figure 2).

DISCUSSION AND CONCLUSION

This study provides useful insights about consumer responses to three strategy options - sponsorship, ambusher,
market, and others in terms of three measures – awareness, attitude, and intention to purchase. Association with an event property is a complex promotional activity and one strategy cannot be considered effective under all circumstances. This research demonstrates that sponsorship is more effective than ambush marketing, which in turn is more effective than others for increasing awareness. Others, however, are more effective than sponsors or ambushers in building positive attitude towards the brand. None of the three strategies are effective in developing an intention to purchase.

This research provides managers a basis for choosing among the three strategies, and fills a gap in extant literature. The first hypothesis is supported as findings indicate that sponsorship is effective in creating awareness about the brand. One possible reason for this could be that sponsorship messages are simple and are usually in the form of visual/audio identity of the brand – on backstage, in stadium, and as promotion tags, among others (Cornwell, Weeks, & Roy, 2005). Moreover, sponsors often get free commercial time as part of the sponsorship package. These associated benefits probably tilt the scale in favour of sponsors as compared to ambushers. Hence, ambushers also undertake either heavy advertising or run theme-based advertisements and promotions, and hence consumer awareness of ambushers is higher than others. Therefore, if the objective of the promotion strategy is to enhance awareness, then sponsorship is more effective than an ambush or other strategy. Hence we can say that sponsors attain competitive advantage in terms of awareness over ambushers who in turn attain advantage over others.

Contrary to theoretical expectations, as stated in H2, findings show that the relationship between awareness and attitude is significant for others and not significant for sponsors and ambushers. One possible reason for this finding could be that the general public probably sees through the commercial motives that prompt sponsors and ambushers of sporting events. Another possible reason could be the nature of the sponsorship messages and the way in which consumers process these messages. Sponsorships have few central messages, most of which are communicated through what can be considered as “peripheral cues” (Pham & Vanhuele, 1997). These communications, while peripheral, are embedded in the event by design. Thus, the target audience is not expected to be highly involved with sponsorship communications relative to the event experience (Pham & Vanhuele, 1997). The peripheral nature of sponsorship messages and the low involvement of individuals in sponsorship communication could prevent individuals from reflecting over the associations of sponsors thereby limiting the effect of sponsorship to the awareness stage. Another possible explanation for the findings could be that for any mega event, there is an increased clutter with multiple sponsors and ambushers creating confusion for consumers. There is also a general increase in advertising budget for many brands, thus increasing noise in the environment. These kinds of occurrences probably prevent a transfer of the image of the event on to the brand. On the other hand, others appear different since they do not advertise as much; nor do they try to associate themselves with the event. Hence, these brands break the clutter as they appear to retain originality by not jumping onto the bandwagon. Besides, consumers may not perceive these brands as being exploitative. Under these circumstances, consumer awareness of others may lead to a positive attitude towards brands from these firms. Therefore, others achieve a competitive advantage over sponsors and ambushers in terms of attitude towards the brands. Thus, if a marketer’s objective is to build liking and preference for the brand, then an association with an event may not fulfill the objective, especially in a heavily cluttered market space.

This study does not find any significant relationship between consumer attitude and intention to purchase for any of the three categories of firms. This could be because sponsorship messages are simple (Cornwell et al., 2005) whereas developing purchase intention may require persuasive messages (Hartigan & Finch, 1986). Sponsorship lays a heavy emphasis on the presentation of brand name and tag line, which is probably not enough to make a purchase decision (Grohs et al., 2004). Though sponsorship is often leveraged through advertising, most of these advertisements explain the link between the brand and the event (Crimmins & Horn, 1996); these advertisements are not overtly persuasive as pure product advertising (Hartigan & Finch, 1986). Thus we can say that an association with an event does not give any competitive advantage to any of the three categories of firms in terms of intention to purchase. This study reveals that if marketers have higher order objectives like positive consumer attitude and intention to purchase associated with their promotional campaigns, they may have to be wary of using association with events.
LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This research is carried out in the context of a real event, which poses a limitation on the number of firms for which the impact of sponsorship, ambush marketing, and a neither strategy can be measured. Also, this study is conducted in the context of an event which takes place outside the country and hence is experienced only through broadcast media, which could affect consumer awareness and image of the firms.

This investigation opens up several directions for future research. It examines the consumer responses to certain firm-event associations after the event. Future research can investigate changes in consumer responses towards sponsors, ambushers, and others in a pre-post context. This research tests the general version (i.e. three stages) of the HOE model. Future research could test the other versions of the HOE model such as the AIDA model (Awareness, Interest, Desire, and Action) and the six-step model (Awareness, Knowledge, Liking, Preference, Conviction, and Action), in the context of a sporting event. Moreover, this study tests the model in the context of overall consumer responses to perceived sponsors. Future studies might test the model for specific groups of firms: sponsors, ambushers, and others. Other research possibilities include testing the robustness and limits of the findings of this research under different ambushing scenarios. For example the case of ambush marketing in different cultural contexts (e.g., North America, Europe, Asia) remains to be addressed directly, as does the case of ambushing in the context of event properties of different scale and magnitude like global vs. national. Differences in the effectiveness of sponsorship, ambushing, and a neither strategy across different product and service classifications also provide interesting areas of study.

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