Impact of brand sponsorship on a music festival

The main target of this paper is to illustrate in depth the impact of brand sponsorship on a music festival (Latitude Festival 2010). Brand awareness, sponsor event fit, attitude towards the sponsor, fan involvement and purchasing intentions will be the variables that will help us define the effectiveness of music sponsorship. In order for the results to be valid and efficient, quantitative research has been conducted. According to previous studies quantitative research (survey) was the only method to draw their conclusions. As a consequence, we consider that we should follow their example.

Firstly, we are going to measure the levels of brand awareness using two questions which measures aided and unaided recall. The purpose of these questions is to define the level of awareness of the alcohol sponsor (Tuborg beer) of the music festival (Latitude Festival 2010). In addition, we will compare the level of awareness of Tuborg beer to the rest of the festival sponsors. The next step of our survey is to measure the sponsor event fit, attitude towards the sponsor, fan involvement and purchasing intentions using the Likert scale. The results will be analyzed with the use of SPSS in order to test the impact of sponsor event fit, attitude towards the sponsor and fan involvement (independent variables) on purchasing intentions (dependent variable) of the participants. Moreover, sponsor event fit and fan involvement will be the independent variables in order to test their influence on attitude towards the sponsor.

We used SPSS in order to test the reliability and the validity of the results. We used frequencies and cross tabulation in order to determine both aided and unaided brand awareness. Descriptive statistics such as frequencies,

means and standard deviation were the main measures in order to analyze our variables (Fan involvement, Sponsor and event fit, Attitude towards the sponsor, Purchase intentions). Bivariate correlation and regression analysis was applied to test the relation between the variables.

3. 1 Secondary research

The main goal to be achieved through secondary research was the in depth understanding of the effects of sponsorship on brand awareness and on attitudinal variables like attitude towards the sponsor, sponsor event fit, fan involvement and purchasing intention. In addition, secondary research was the main source in the development of our measurements in order to test the hypothesis of our study. Through secondary research we defined our objectives and choose the event (music festival) from which the data was collected. At that stage, the thorough analysis and critical assessment of literature review was of major importance in comprehension of the subject of our report. Literature review present as the aspects that we should consider during the execution of our survey. We used mainly external data (academic journals, newspapers, bibliography and internet) in order to collect the essential information due to the nature of our topic.

3. 2 Data collection

This section describes the data collection for the survey; questionnaire design and sampling procedure are the main part of this section.

Data for our study was gathered during a music festival. Latitude Festival is an annual festival which takes place in Henham Park, Southwold in Suffolk (Virtual festivals, 2010). It was first held in July 2006 (Virtual festivals, 2010).

It is basically a music festival with four different stages: The Obelisk Arena, The Uncut Arena, The Sunrise Arena and The Lake Stage but it also comprise elements of art, comedy, cabaret, poetry, politics, dance and literature (Virtual festivals, 2010). The bands that participate on the festival are part of the indie pop/rock scene. For instance, the headliners in the main stages for 2010 were: Florence and the Machine, Belle and Sebastian, Vampire Weekend, The National, X and Grizzly Bear. The festival is run by Festival Republic (formerly the Mean Fiddler Group), which also run the Reading and Leeds festivals (Virtual festivals, 2010). The festival is sponsored from nine different brands: Vodafone (telecommunication), The Word (music magazine), The Sunday Times (newspaper), Absolute (radio station), Tuborg (beer), Gaymers (cider), Pepsi Max (soft drink), Via Go Go (tickets) and Festivals Suffolk (event promoter).

Latitude Festival is an all-day event. Fans can come from noon and stay throughout the day until night. The duration of the festival is four days and the participants can camp in the area of the event. They can attend a wide variety of events such as music concerts, theater, poetry and dance that take place in the festival. The sample of our study (N= 400) was randomly selected upon the existing music festival. Over the course of the days in July 2010 we collect our data randomly between 12: 00 at noon to 9: 00 at afternoon. In order for the fans to complete the survey we made the questionnaires as short as possible. We distribute 400 questionnaires and 339 were appropriate for our analysis. We distribute the majority of the questionnaires to fans that they camped in the festival in order to be easier for us to recollect them. We used three assistants in order to conduct the

research. We also provide incentives to the participant to complete the questionnaires. The participants of the survey could win, in a lottery, 20 bottles of Tuborg beer. The questionnaires was pilot tested in a smaller scale of respondent (N= 50) in order to check the validity of the question and to make the appropriate amendments.

The research was contacted according to the instrument that other researchers used in their previous studies of similar issues and population (Alexandris et al, 2007; Alexandris et al, 2008; Dees et al, 2008; Grohs et al, 2004, Smith et al, 2008). From the previous literature review we developed appropriate scales of measure for the different variables of our research. Descriptive statistics (i. e., frequencies, means, and standard deviations), reliability measures, correlations, and regression analysis was used in order to analyze the data of our survey (Dees et al, 2008).

3. 3 Research instrument

Demographic information

Demographic characteristics were part of the questionnaires. Participants were asked to state their gender, age, marital status and education.

Brand awareness

The first two questions measure brand awareness. Brand awareness consists of brand recognition and brand recall (Keller, 1993; Keller 2001). Recall is the ability to name (typically unprompted) the brands involved in a given sponsorship." On the other hand, " Brand recognition develops the notion of knowledge by adding the ability to recognize the product category of the brands involved." (Smith, 2004). Therefore, brand awareness question had

two scales of measurement. The first part was unaided recall and the second one was aided recall. In order to measure the levels of brand awareness we used measures that have already been tested in previous studies (Jalleh et al, 2002; Miloch and Lambrecht, 2006; Tripodi et al, 2003).

Q1. Which is the sponsor of Latitude Festival 2010 that comes first in your mind? (unaided recall)

The first question was more general in order to test the unaided brand recall. The participant had just to recall the name of one of the nine sponsors (Vodafone- telecommunication, The Word -music magazine, The Sunday Times- newspaper, Absolute -radio station, Tuborg- beer, Gaymers- cider, Pepsi Max – soft drink, Via Go Go -tickets, Festivals Suffolk – event promoter) of Latitude Festival.

Q2. Which was the beer sponsor of Latitude Festival 2010? (aided recall)

The second question was focused on a specific product category. Due to the scope of our research, which is to test how a beer sponsor can be effective in a festival setting, we defined the question as stated above. When the product category is given it also easier for the participant of the survey to recall the sponsor. However, the fact that a cider (Gaymers) was also a sponsor of Latitude Festivals may have an impact on product category recall due to the similarity of drinks (alcoholic drinks).

Fan involvement

Dees et al (2008) and Madrigal (2001) scales were used in order to measure the level of involvement of fans in the event. The four items that we used to measure fan involvement were:

" It is important to me to be a part of a music festival.", " My friends view me as a strong fan of music festivals.", " It is very important to me that a music festival take place." and " I see myself as a strong fan of music festivals."

Five point Likert scales was used to measure fan involvement which anchored by Strongly Disagree (1) to Strongly Agree (5). In addition, fan involvement was used as part of the independent variables which determine the level of purchase intention.

Sponsor and event fit

In order to measure congruence between the sponsor (Tuborg Beer) and the event (Latitude Festival 2010) we used scales developed by Speed and Thompson (2000) and Gwinner and Bennett (2008). The five items that we used to measure sponsor (Tuborg Beer) and event (Latitude Festival 2010) fit were:

" There is a logical connection between the event (Latitude Festival 2010) and the sponsor (Tuborg Beer).", " The image of the event (Latitude Festival 2010) and the image of the sponsor (Tuborg Beer) are similar.", " The sponsor (Tuborg Beer) and the event (Latitude Festival 2010) fit together well.", " The sponsor (Tuborg Beer) and the event (Latitude Festival 2010) stand for similar things." and " It makes sense to me that this brand (Tuborg Beer) sponsors this event (Latitude Festival 2010)."

However, we used a five point Likert scales and not a four point scale like Gwinner and Bennett (2008) or a seven point scale like Speed and Thompson (2000). We keep the five point Likert scale in all independent variables.

Attitude towards the sponsor

Dees et al (2008) items of measurement were used to measure the level of positive, indifferent or negative attitude towards the sponsor. Gwinner and Bennett (2008) and Speed and Thompson (2000) used similar items to measure attitude towards the sponsor. However, Dees et al (2008) measures were more appropriate for our study. The four items that we used to measure attitudes towards the sponsor were:

" I think favorably of the brand (Tuborg Beer) that sponsor this event (Latitude Festival 2010) .", " The brand (Tuborg Beer) that sponsor the event (Latitude Festival 2010) is successful.", The brand (Tuborg Beer) who sponsor the event (Latitude Festival 2010) provides quality products." " The brand (Tuborg Beer) that sponsors the event (Latitude Festival 2010) is professional."

Attitude towards the sponsor was also used as an independent variable in order to measure the level of purchase intention. It was also used as a dependent variable in the second regression analysis. Five point Likert scale was used to measure the variable.

Purchase intentions

In order to measure the purchase intentions of the participants, we asked the respondents to report to what degree they would consider buying the

sponsor's product (Tuborg Beer). The four items we used to measure purchase intention were:

" I would consider purchasing products from the sponsor (Tuborg Beer) of this event (Latitude Festival 2010).", " I would try a new product if I saw it at a festival", " I would definitely purchase products from sponsors of music festivals.", " My overall attitude toward purchasing products from the sponsor (Tuborg Beer) that sponsor this event (Latitude Festival 2010) is positive."

Measurement items were developed based on the study of Dees et al (2008) who modified the measurement items of Madrigal (2001). The first and the fourth item were focused on the specific sponsor and the specific event. On the other hand, the second and the third item were more general. Purchasing intentions was the dependent variable of the study and it was related to the independent variables: Fan involvement, Sponsor and event fit and Attitude towards the sponsor. Five point Likert scale was also used to measure this variable.

4. Results

4. 1 Demographic information

The demographic information is presented in Table 1. From the 339 participants of the survey 56 % (190) were male and 44 % (149) were female. The majority of the respondents were between 18 to 30 years old (44. 5 %) and single (66. 4 %). Moreover, 28 % (95) of the respondent were university graduate and 20. 4 %(69) were university student.

Table 1. Demographic information

N

Percent (%)

Gender

Male

190

56

Female

149

44

Age

<18

66

19, 5

18-30

151

44, 5

31-40

71

20, 9

41-50

29

8, 6

> 51

22

6, 5

Marital status

single

225

66, 4

married

114

33, 6

Education

primary

64

18, 9

secondary

52

15, 3

technical

40

11, 8

university graduates

95

28, 0

post graduates

19

5, 6

university students

69

20, 4

Figure 1. Education level

The respondents of the survey were mainly university graduates (28 %). 20. 4 % (69) of the participants were university student. People who had completed primary and secondary education comprised 18. 9 % (64) and 15. 3 % (52) of the sample, respectively. Only 11. 8 % (40) had technical education and 5. 6 % (19) were post graduates.

Figure 2. Age

The majority of the respondents (44. 5 %) were between 18 to 30 years old. Followed by people who were between 31 to 40 (20. 9 %) and people bellow 18 (19. 5 %). Only a few people were between 41 to 50 (8. 6 %) and above 51 (6. 5 %).

4. 2 Brand awareness

In order to measure brand awareness of the beer sponsor of the festival (Tuborg beer) we used frequencies and cross tabulation. Unaided recall was tested with the following question: Which is the sponsor of Latitude Festival 2010 that comes first in your mind? We find that the sponsor with the highest brand recall was Vodafone with 21. 5% of the 339 respondents followed by Pepsi Max (21. 2 %), Tuborg Beer (16. 8 %), Gaymers Cider (11. 8 %), Absolute Radio (12. 4 %), The Sunday Times (4. 7 %), The Word (3. 5 %), Festivals Suffolk (3. 5 %) and Via Go Go (2. 4 %). There was a small amount of respondent that they could not recall any sponsor of the festival (2. 1 %). Aided recall was tested with the following question: Which was the beer sponsor of Latitude Festival 2010? The respondents were aware of the beer sponsor of the festival at a high percent (54%, 183). On the other hand,

46 % (156) of the sample could not recall the beer sponsor of the music

festival.

Table 2. Aided recall

Which sponsor of the festival comes first in your mind?

N

Percent

vodafone

73

21, 5

the word

12

3, 5

the sunday times

16

4, 7

absolute radio

42

12, 4

tuborg beer

57

16, 8

gaymers cider

40

11, 8

pepsi max

72

21, 2

via go go

8

2, 4

festivals suffolk

12

3, 5

do not know

7

2, 1

Total

339

100, 0

Table 3. Aided recall

Which is the beer sponsor of the festival?

N

Percent

tuborg Beer

183

54, 0

do not know

156

46, 0

Total

339

100, 0

Cross tabulation was also used in order to check the validity of the survey's results. Only seven participants (2%) could not recall any sponsor of the event. In addition, two of the participant that they could not remember any sponsor of the music festival they recalled the beer sponsor of the festival when the product category was given (aided recall). The beer sponsor of the festival had high score on both brand awareness question. On the unaided recall question 16. 8% of the respondent choose Tuborg Beer as the sponsor that comes first in their mind and only Vodafone (21. 5 %) and Pepsi Max (21. 2 %) reach higher level of unaided awareness. In aided recall question, which was targeted on the beer sponsor of the festival, Tuborg beer had been recalled, when the product category was given, from 54% of the participant.

The score of aided recall was higher than the expected. The fact that two more drinks, Pepsi Max (soft drink) and Gaymers (cider), were sponsors of the event could have an impact on brand awareness of the beer sponsor. In addition, Latitude Festival 2010 was a multi sponsored event with nine sponsors. Thus, the impact that the sponsors can have on awareness is limited due to the number of sponsors. However, the participants did not get confused from two other drinks (Pepsi Max, Gaymers) and they could recall Tuborg beer as the beer sponsor of the festival.

Table 4. Cross tabulation between aided and unaided recall

Which sponsor of the festival comes first in your mind? (unaided recall)

Which is the beer sponsor of the festival? (aided recall)

Tuborg Beer

Do not know

Total

Vodafone

42

31

73

The Word

6

6

12

The Sunday Times

6

10

16

Absolute Radio

23

19

42

Tuborg Beer

57

0

57

Gaymers Cider

13

27

40

Pepsi Max

26

46

72

Via Go Go

3

5

8

Festivals Suffolk

5

7

12

Do not know

2

5

7

Total

183

156

339

4. 3 Questionnaire items

The questionnaire measured Fan involvement, Attitude toward the sponsor,

Sponsor and event fit and Purchase intentions. There were four items on Fan involvement, Attitude towards the sponsor, Purchase intentions and five items on Sponsor and event fit. The purpose of using items on the questionnaire was the better comprehension of the questions. We used Fan involvement, Sponsor and event fit and Attitude toward the sponsor as independent variable and Purchase intentions as the dependent variable in order to run the regression analysis. The questionnaire items were the following:

Fan involvement items

It is important to me to be a part of a music festival.

My friends view me as a strong fan of music festivals.

It is very important to me that a music festival take place.

I see myself as a strong fan of music festivals.

Sponsor and event fit items

There is a logical connection between the event (Latitude Festival 2010) and the sponsor (Tuborg Beer). The image of the event (Latitude Festival 2010) and the image of the sponsor(Tuborg Beer) are similar. The sponsor(Tuborg Beer) and the event(Latitude Festival 2010) fit together well. The sponsor(Tuborg Beer) and the event(Latitude Festival 2010) stand for similar things. It makes sense to me that this brand (Tuborg Beer) sponsors this event(Latitude Festival 2010).

Attitude towards the sponsor items

I think favorably of the brand (Tuborg Beer) that sponsor this event (Latitude Festival 2010) . The brand (Tuborg Beer) that sponsors the event (Latitude Festival 2010) is successful. The brand (Tuborg Beer) who sponsors the event (Latitude Festival 2010) provides quality products. The brand (Tuborg Beer) that sponsors the event (Latitude Festival 2010) is professional.

Purchase intentions items

I would consider purchasing products from the sponsor (Tuborg Beer) of this event (Latitude Festival 2010). I would try a new product if I saw it at a festival. I would definitely purchase products from sponsors of music festivals. My overall attitude toward purchasing products from the sponsor (Tuborg Beer) that sponsor this event (Latitude Festival 2010) is positive.

4. 4 Descriptive Statistics

The descriptive statistics are presented in Table . The Purchasing intentions and fan involvement had high mean score 4. 04 and 4. 06, respectively. The mean score for Sponsor and event fit and Attitude towards the sponsor variables was above 3 (neutral). Sponsor and event fit mean score was 3. 65 and Attitude towards the sponsor was 3. 86. Generally, all variables had high mean score which means that respondents had positive attitude towards the sponsor and the festival. They would also considering buying the product of the sponsor (Tuborg beer). All answer had a minimum score of 1 (strongly disagree) and a maximum score of 5 (strongly agree) which means that the whole range of scales was used from the participants. Standard deviation is the " average" distance each individual measurement has from the average (mean). In our data standard deviation is less than one for all variables. For

instance, the mean for Fan involvement is 4. 04 and standard deviation is 0. 954. Thus, we can conclude that the majority of answers for Fan involvement were from 3 (neutral) to 5 (strongly agree). Therefore, all measurements in our study are concentrated near the means.

Table 5. Descriptive Statistics (Means and standard deviation)

N

Minimum

Maximum

Mean

Std. Deviation

Fan involvement

339

1

5

4, 04

, 954

Sponsor and event fit

339

1

5

3, 65

, 906

Attitude towards the sponsor

339

1

5

3, 86

, 917

Purchasing intention

339

1

5

4, 06

, 939

Valid N (listwise)

339

4. 5 Correlation analysis

Correlation analysis was conducted on the four variables (Fan involvement, Sponsor and event fit, Attitude towards the sponsor and Purchase intentions) of the study. Brand awareness was not concluded in the correlation analysis. In order to measure brand awareness we used frequencies and cross tabulation and not Likert scale as we did for the rest of the variables. The results of this analysis indicated that all the variables were significant and positively correlated with each other. The results are depicted in Table . Correlation significance (2 – tailed) is less than 0. 01 which means that the results are significantly correlated. All the variables have a correlation significance of . 000. In addition, correlation is positive which means that when one variable increases the other one also increases. The person correlation is . 559 between Fan involvement and Sponsor and event fit, . 570 between Attitude towards the sponsor and Fan involvement, . 493 between Purchasing intention and Fan involvement, . 574 between Attitude towards the sponsor and Sponsor and event fit, . 629 between Purchasing intention and Sponsor and event fit and . 627 between Purchasing intention and Attitude toward the sponsor. The variables are perfectly correlated at a level of 1. Therefore, the variables of our study are correlated at a high level of . 493 (Purchasing intention and Fan involvement) to . 629 (Purchasing intention and Sponsor and event fit).

Table 6. Bivariate correlation
Fan involve

ment

Sponsor and event fit

Attitude towards the sponsor

Purchasing intention

Fan involvement

Pearson Correlation

Sig. (2-tailed)

N

1

339

, 559**

, 000

339

, 570**

, 000

339

, 493**

, 000

339

Sponsor and event fit

Pearson Correlation

Sig. (2-tailed)

N

, 559**

, 000

339

1

, 000

339

, 574**

, 000

339

, 629**

, 000

339

Attitude towards the sponsor

Pearson Correlation

Sig. (2-tailed)

N

, 570**

, 000

339

, 574**

, 000

339

1

, 000

339

, 627**

, 000

339

Purchasing intention

Pearson Correlation

Sig. (2-tailed)

N

, 493**

, 000

339

, 629**

, 000

339

, 627**

, 000

339

1

, 000

339

**. Correlation is significant at the 0. 01 level (2-tailed).

4. 6 Regression analysis 1

A standard multiple regression was conducted on the model to test the impact of the independent variables (Fan involvement, Sponsor and event fit and Attitude towards the sponsor) on the dependent one (Purchasing intentions). The results are displayed on table . Multiple correlation coefficients (R) measure the association of all variables together and the maximum value can be 1. Multiple correlation coefficients (R) can be either negative or positive. In our study multiple correlation coefficients (R) is at a level of . 710 which is very high. In addition, R squared is at a level of . 504. Thus, 50% of the variants in Purchasing intentions can be predicted by the combination of the independent variables (Fan involvement, Sponsor and event fit and Attitude towards the sponsor). Significance test must be less than . 05. In our model significance is . 000 so it can be characterized a tight model. At coefficients, constant is . 887 which means if all predictor variables were zero Purchasing intentions would be . 887 out of 5 (strongly agree). For Fan involvement, B= . 071 and was significant at a level of . 148. For Sponsor and event fit, B= . 389 and was significant at a level of . 000. For attitude toward the sponsor, B= . 379 and was significant at a level of . 000. For Fan involvement, B= . 071 this means that for every percentage point of Fan involvement there is an increase of . 071 at Purchasing intention. The same happens for Sponsor and event fit at a level of . 389 and for attitude toward the sponsor at a level of . 379.

Table 7a. Model Summary

Model

R

R Square

Adjusted R Square

Std. Error of the Estimate

1

, 710a

, 504

, 500

, 664

a. Predictors: (Constant), Attitude towards the sponsor, Fan involvement, Sponsor and event fit

Table 7b. ANOVAb

Model

Sum of Squares

df

Mean Square

F

Sig.

Regression

150, 162

3

50, 054

113, 473

, 000a

Residual

147, 773

335

, 441

Total

297, 935

338

a. Predictors: (Constant), Attitude towards the sponsor, Fan involvement, Sponsor and event fit

b. Dependent Variable: Purchasing intention

Table 7c. Coefficientsa

Model

Unstandardized Coefficients

Standardized Coefficients

t

Sig.

B

Std. Error

Beta

(Constant)

, 887

, 182

4, 880

, 000

Fan involvement

, 071

, 049

, 072

1, 449

, 148

Sponsor and

event fit

, 389

, 052

, 375

7, 498

, 000

Attitude towards the sponsor

, 379

, 052

, 371

7, 334

, 000

a. Dependent Variable: Purchasing intention

4. 7 Regression analysis 2

We also run a standard multiple regression to test the impact of Fan

involvement and Sponsor event fit on Attitude towards the sponsor. In this

regression analysis we used Fan involvement and Sponsor event fit as

independent variables and Attitude towards the sponsor as the dependent

one. The results are displayed on table. Multiple correlation coefficient (R) for the second regression analysis at a level of . 648 is also high. In addition, R squared is at a level of . 420. Thus, 42% of the variants in attitude toward the sponsor can be predicted by the combination of the independent variables (Fan involvement and Sponsor and event fit). Significance test must be less than . 05. In our model significance is . 000 so it can be characterized a tight model. At coefficients, constant is 1. 082 which means if all predictor variables were zero Attitude towards the sponsor would be 1. 082 out of 5 (strongly agree). For Fan involvement, B= . 349 and was significant at a level of . 000. For Sponsor and event fit, B= . 376 and was significant at a level of . 000. As we already explained, when B= . 349 for Fan involvement this means that for every percentage point of Fan involvement there is an increase of . 349 at Attitude towards the sponsor. The same happens for Sponsor and event fit at a level of . 376.

Table 8a. Model Summary

Model

R

R Square

Adjusted R Square

Std. Error of the Estimate

1

, 648a

, 420

, 417

, 701

a. Predictors: (Constant), Fan involvement, Sponsor and event fit

Table 8b. ANOVAb

Model

Sum of Squares

df

Mean Square

F

Sig.

Regression

119, 530

2

59, 765

121, 738

, 000a

Residual

164, 954

336

, 491

Total

284, 484

338

a. Predictors: (Constant), Fan involvement, Sponsor and event fit

b. Dependent Variable: Attitude towards sponsor

Table 8c. Coefficientsa

Model

Unstandardized Coefficients

Standardized Coefficients

t

Sig.

B

Std. Error

Beta

(Constant)

1, 082

, 182