Testing Sponsorship Recall and Recognition after the Games of the Small States of Europe – Montenegro 2019

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Abstract

To explore sponsorship awareness, two approaches are most commonly used: recall and recognition. While researching sponsorship recall, respondents are asked to state a brand name from memory without any prompting. In contrast, recognition refers to a consumer’s ability to name a brand after being presented with a brand list as a prompt. This study aimed to test sponsorship recall and recognition six months after the Games of the Small States of Europe were held in Montenegro (GSSE 2019). An online survey was distributed to participants of the games, as well as the volunteers and potential spectators. Survey data were analysed using descriptive statistics. Our results show that not all companies that invested and sponsored the GSSE 2019 were recognized by the respondents. Specifically, the top-of-mind sponsors were companies that activated their sponsorship investment using other marketing channels. Other sponsors, whose names were also displayed in official documents and in the playing courts and sport halls, achieved low recall levels. Therefore, we conclude that sponsorship, as an isolated medium, cannot achieve good results. Our findings suggest that the sponsorship investment itself is not sufficient to maximize the potential marketing effects. Companies that engage in sponsorship activation achieve higher sponsorship awareness, which can lead to positive attitudes towards the brand.

Keywords: sport sponsorship, sponsor recall, sponsor recognition, sponsorship activation

Introduction

Sponsorship has been one of the fastest-growing forms of marketing over the last two decades; it is defined as the compensation in cash or in-kind paid to an entity (most commonly related to sports, arts, entertainment, or humanitarian activities), while in return it is expected to access and exploit the commercial potential of that entity (Madrigal, 2001; Meenaghan, 1991). In 2017, global sponsorship investments were estimated at USD 62.7 billion (IEG, 2018). The declining efficiency of traditional media and the growing need for two-way communication, as well as changes in personal priorities and social values, are some of the factors contributing to the exponential growth of the application of this element of integrated marketing communications (Rogic, 2015). In this regard, sponsorship has proven to be a very successful communication channel, especially in the field of sports. The main goals of sponsorship are the improvement of image and attitudes, as well as the increase of the level of brand awareness by consumers; however, certain goals are related to the behavioural segment: the influence on purchasing intention and decision (Meenaghan, 1991).

The concept of sponsorship is gaining increasing attention in both academic literature and practice. As well as enabling the transfer of a positive atmosphere from events to the brand, it also brings to prestige to the company, as well as protection from unfair competition, which is understandable, given the
fees paid for sponsorship. This concept has evolved rapidly over the last two decades, and from a simple philanthropic activity has become one of the most significant forms of media of corporate and brand communication. Thus, sport event sponsorship can be highly beneficial to sponsors, due to its ability to create a more positive impression and association through image transfer, compared to other sponsorship forms (Mullin, Hardy, & Sutton, 2014).

However, sponsorship as an isolated medium cannot achieve notable success in communicating with consumers. Marketing managers believe that event sponsorship should be accompanied by an adequate marketing programme, which includes activities such as sample distribution, giveaways, advertising, publicity, and the like (Kotler & Keller, 2006). Therefore, the sponsorship activity does not end with the payment of the sponsorship fee, but it is necessary to manage and leverage the investment and achieve maximum visibility for the investment to be profitable. To this end, companies use different techniques and media to “activate” sponsorship. In a survey conducted by IEG in 2014, social networks ranked first among the selected techniques, with nine out of ten companies using them for this purpose. In the same year, social networks replaced public relations in the first place among selected techniques for sponsorship activation (IEG Sponsorship Report, 2014).

To explore brand awareness, two measures are most commonly used: recall and recognition (Keller, 1993). In researching the recall, consumers are asked to state the brand name from their memory without any prompting. In contrast, recognition refers to a consumer’s ability to cite prior brand exposure after being presented a brand list as prompt. Therefore, recalling the respondents’ ability to remember sponsors of events through pure recollection. The brand that comes to the respondent’s mind first is a construct that is often termed “top of mind” by practitioners (Bennett, Henson, & Zhang, 2002). Top-of-mind recall usually means that the respondents are more aware of the brand and, hopefully, will purchase more of that specific product than that of its competitors. Previous research has shown that accurately citing sponsors indicates a greater interest from viewers/participants in the message and the event itself (Wells, 2000). These measures were used in the study of sponsorship effects by Bennett (1999), Tan and Pyun (2018), Biscaia, Correia, Ross, and Rosado (2014), Lardinois and Derbaix (2001), Wakefield, Becker-Olsen and Cornwell (2007) and others.

Previous literature suggests that brand exposure to consumers and congruence (i.e., a connection between sponsor and sports entity) is a crucial aspect for increasing sponsorship awareness (Biscaia et al., 2014). Also, numerous studies have suggested that consumers who are more loyal to the team or event can more easily identify sponsors, which speaks to their greater level of awareness (Rogic, Djurisic, Radonjic, & Vukovic, 2019). In his 2003 study, Madrigal found that consumers who have a higher level of knowledge of the sport, and who are more emotionally involved in following it, view and form attitudes about the sport event more critically than the average viewer (Biscaia et al., 2014). He states that this consumer group processes more information about the sponsorship itself than other groups and, at the same time, they are more likely to seek additional information about sponsors. In this regard, Maricic, Kostic-Stankovic, Bulajic, and Jeremic (2018) state that “through sponsoring a sport event, sponsors can be sure that their message will be effectively transmitted to the ones who are fans of the sport and the sponsored competition”.

The results of a survey conducted by Bennett, Cunninghan, and Dees (2006) after a professional tennis tournament showed a high rate of sponsorship recognition among spectators, with 65.4% accurately identifying sponsors. Similarly, by researching sponsorship awareness among judo athletes, Silva (2016) achieved 62.1% correct recognition. Tan and Pyun (2018) explored recall and recognition for the F1 Singapore Grand Prix and showed that logo placement on cars and driver’s clothing was more effective than placement on the venue, and explained this by arguing that both cars and drivers get more attention from the viewers than the venue itself did. Another study examined sponsorship awareness of the 2007 Cricket World Cup by conducting a quasi-experiment on brand recall and brand recognition levels of respondents before and after the competition; it was found that both the brand recall and the brand recognition levels of the sponsors increased significantly, but that neither the brand recall nor the brand recognition levels of non-sponsor brands increased significantly (Boshoff & Gerber, 2008).

Leng (2017) states that sponsorship of sports events with a short duration can be as effective as of longer events. The main factors that influence the effectiveness of sponsorship of these events are the prominence of the sponsor, the duration of the event and spectator involvement. The Games of the Small States of Europe (GSSE) is just one short event, and this paper aims to explore the effectiveness of sponsorship through the two previously mentioned measures: recall and recognition.

The Games of the Small States of Europe is a biennial multi-sport event. In 2009, Montenegro joined eight other countries with fewer than one million inhabitants, and, as the ninth member, for the first time, organized the 18th occurrence of the Games, from May 27 to June 2, 2019. Nine countries participated with 846 athletes, who competed in 10 sports participating, and a total of 2331 registered participants. The Games of the Small States of Europe was the largest sporting event ever held in Montenegro.

Methods

Being able to recall (unaided) or recognize (aided recall) the sponsors of the event is often used as a measure of awareness of sponsorship activities (Bennett, Cunninghan & Dees, 2006). These measures, together with top-of-mind recall, were used to examine the participants’ sponsorship awareness six months after the Games of the Small States of Europe were organized in Montenegro.

Empirical research was conducted through an anonymous online survey. The questions were formulated so that the obtained data clearly contributed to the conclusion of the research problem. The survey was conducted in November 2019. The sample consists of 104 respondents: 33.65% male (35 respondents) and 66.3% female (69 respondents). Five age intervals were created: 16-25 (70.1%), 26-35 (19.2%), 36-45 (4.8%), 46-55 (2.88%), and over 55 (2.88%). In addition to age and gender, respondents were asked to select an education level. In the sample, 56.7% were students, 19.2% have a bachelor’s degree, 8.65% have a master’s degree, 6.7% have completed primary, and 8.7% have completed secondary school. An eliminatory question was whether the respondent had (in any form), participated in the GSSE Montenegro 2019. If they did, they were asked to select their role. Participants’ roles are given in Figure 1.
In this research, content analysis was conducted, along with a statistical method, to analyse the survey data. To interpret the data, it was presented graphically, which enabled making conclusions.

**Results**

This paper aimed to test the sponsorship recall and recognition after the Games of the Small States of Europe – Montenegro 2019. As previously mentioned, the games were the biggest sporting event ever held in Montenegro, and it required significant organizational, technical, human and financial resources. Therefore, the sponsors' investment was one of the crucial factors in organizing the event, as sport is usually not financially self-sufficient. On the other side, sponsor companies seek for sponsorship benefits while investing; therefore, sponsorship and brand awareness, besides image transfer, are one of the main goals of sport sponsorship.

To explore the sponsorship awareness of participants, (unaided) recall was tested first. To distinguish top-of-mind recall from the recall about several sponsors, respondents were first asked to name one sponsor that they remember first. The following Figure 2 shows brands listed as top-of-mind recall.

Figure 2 shows that the company with the highest top of mind recall level of 35.58% is the sport equipment distributor Sport Vision, as the highest percentage of respondents listed this company when asked to name one sponsor of the games. However, 32.69% of respondents wrote that they did not remember any sponsor company, and this is the second most frequent response. Jugopetrol Eko and Montenegrin Telecom follow with 10.58% and 6.73% of recall, respectively. Two other sponsors (Montenegro Radio Television (RTCG), the national broadcaster and Toyota achieved 2.88% top-of-mind recall, while 13. Jul Plantaže achieved 0.96%. In contrast, some companies and organizations were named by the respondents, but they were not the sponsors of the event. One of those is the Montenegrin Olympic Committee, which was the included of the event, and some others were Montenegro Petrol and Voda Diva (0.96%), as shown in Figure 2.

The highest level of top-of-mind recall was achieved by Sport Vision. A leader in sport equipment distribution in Montenegro, Sport Vision became a sponsor of the Montenegrin Olympic Committee in 2015 (Montenegrin Olympic Committee, 2015). Since then, the company has con-
nected its brand with Olympic values and leveraged the sponsorship in every opportunity using different activation methods. Specifically, during the games, this company was the most active on social media, making it the most visible sponsor of the games (Figure 3). Also, since the company was the official supplier of the equipment for the Montenegrin delegation, it is important to state that 73% of the athletes that have listed a top of mind sponsor listed Sport Vision.

The second highest top of mind recall was achieved by Jugopetrol Eko. It became a sponsor of the Montenegrin Olympic Committee only in April 2019, a month before the Games (Montenegrin Olympic Committee, 2019). Achieving 10% of top-of-mind recall can be seen as a good result for the company, taking into account the time frame.

Figure 4 shows the structure of the sample when testing brand "memorability", meaning how capable respondents are of recalling brands sponsoring GSSE in Montenegro and which of those they have remembered. This figure is of great importance for marketers since there was no suggestion about companies in the survey. As assumed from Figure 4, the companies Sport Vision and Jugopetrol Eko have the biggest recall with 33% and 22% of all responses, respectively. They are followed by the companies Montenegrin Telecom (7%), Lovćen Insurance (6%), Toyota (5%), RTCG (4%). It may be assumed that Montenegrin Telecom has higher recall percentage than other three companies as a consequence of being a more established and better-known brand, even though the visibility of the companies’ logos at GSSE was the same. The fact that 1 out of 6 respondents could not recall by themselves any company sponsoring GSSE held in Montenegro is significant.

This survey question was given in the form of multiple-choice; however, the main difference in comparison to the previous one is that suggestions/prompts were given. Therefore, in this section, recognition was examined. A deeper analysis of the responses regarding the sector of transport shows a more balanced distribution. Specifically, almost a quarter of all respondents recalled the companies Montenegro Airlines and Monteput: 23% for each of them. Afterwards, Port of Bar, Podgorica Airport and Toyota are recognized in 1 out of 6 cases. Percentages distributed to the Montenegrin logistics company Montenomax and car producer Renault are rather small: 3 and 2 percentage points, respectively, however, neither of these companies were a sponsor of the games.
Analysis of the recall of sports equipment sponsorship at sports events is of particular importance. A logical assumption could be the respondents taking part in the sport event (GSSE Montenegro) represent an important and committed group of buyers of sport goods and equipment (Figure 5). Therefore, Sport Vision could be satisfied with the effects of their sponsorship investments during GSSE Montenegro since over 80% of respondents could recognize Sport Vision name as well as the strongest brand in their portfolio in Montenegro – Nike (equipment sponsor). Around 18% of all responses were incorrect, indicating sports equipment companies not sponsoring GSSE activities or Montenegrin competitors.

Concerning the telecommunication industry, high recognition of the company sponsoring GSSE Montenegro is observed: 78% of respondents chose Montenegrin Telecom (Figure 6). Roughly one out of five respondents could not recognize the telecommunication sponsor of the GSSE in Montenegro. This percentage of incorrect answers appears as a consequence of strong competition among players on the market in Montenegro, in general. Additionally, M:tel is a sponsor of the Montenegrin Basketball Team, while Telenor used to be a sponsor of the Montenegrin Olympic Committee in 2010 (Montenegrin Olympic Committee, 2010). These facts can potentially explain the confusion of the respondents, as both companies still do, or have in the past, linked themselves to sport through sponsorship investment.

Regarding financial institutions, Lovćen Insurance received the highest level of recognition at 31.88%, while the only other sponsor from this sector was listed only by 15.94% of respondents. In contrast, NLB Bank achieved 20.29% recognition, even though it was not a sponsor of the games. We can explain this result with respondents’ confusion, as this company is often a sport sponsor. For example, NLB Bank is a sponsor of Montenegro’s most successful basketball club, Budućnost VOLI, as well as the international women’s tennis tournament NLB Royal Cup. Another significant result regarding incorrect recognition was CKB Bank at 23.19%, as well as Addiko Bank at 8.70%.

Compared to previous questions in the survey, in which respondents were presented with only names of the companies, in the last question, respondents were presented with company logos. This was supposed to increase the correct recognition, compared to previous questions, since sponsor logos were placed around the Olympic village, courts and halls,
the website and on all other official documents. Some of the actual event sponsors achieved higher recognition, compared to unaided recall from the previous questions. For example, Jugopetrol Eko achieved 29.31% recognition, compared to 22% recall (Figure 4). Also, Montenegro Radio Television (RTCG) achieved 27.59% recognition, compared to only 4% recall (Figure 4).

Discussion

In general, the results of this research have shown a satisfying level of recall and (even more) recognition six months after the Games of the Small States of Europe. This indicates that sponsors were receiving significant visibility during the Games, which allowed for their brands to be remembered by the participants, since logo placement is significant in understanding the decision-making process by the consumer (Cornwell, 2008). However, a more in-depth analysis indicates that the provided brand visibility by the organizer through logo placement is not sufficient to achieve the full potentials of the sponsorship investment. Therefore, the companies should have put more effort into investment activation.

From the results presented above, we can conclude that it is precisely two-way communication that is gaining in importance from year to year. Companies that follow market trends respond appropriately and in a timely manner and activate the sponsorship through channels that enable such communication, such as social networks, on-site interaction, and the like. In this regard, sponsors of the 2012 Olympic and Paralympic Games, among other media, used Twitter to activate their investment. Chadwick, Donlan, and Anagnostopoulos (2017) grouped the types of tweets by sponsors into four categories (i.e., informing, entertaining, rewarding, and interacting) and showed that 68% of tweets fell into the first category. One of the successful examples of two-way communication during the games was a set of activities organized by Sport Vision on their Facebook page. One of them was a “caption this” contest, where five winners received an award from the company. Another was an in-store meet up with the mascot of the games, Mr Smokvich. Finally, the company organized another giveaway on Facebook, in which fans could predict the medal count for Montenegro at the GSSE; three correct answers received an Olympic gift package.

Also, sponsorship of the event can, in a way, only been as a prerequisite for generating a creative and innovative marketing campaign or individual activity, which will present the company to the target market, and again we emphasize the importance of channels through which the company will “activate” sponsorship. The results of the research suggest that the “activation” of sponsorship is necessary to maximize both investment results and potential effects. These effects are in line with those obtained by Degaris, Kwak and McDaniel (2017), who state that the effect of awareness was fully mediated by engagement with sponsorship-linked advertising and promotions; therefore, additional efforts in marketing communication are essential in leveraging sponsorship awareness into more desirable consumer attitudes and behaviours. Additionally, the results of Dees, Gay, Popp, and Jensen (2018) showed that fans were 55% more likely to recognize sponsors on-site activation.

The results of our research show a satisfying level of sponsorship recall for some companies, while not as satisfactory for the others. However, even though the recall was not at a significant level for companies such as Telecom or Lovćen Insurance, the recognition of these companies was at a high level. Therefore, it is clear that such companies gained visibility and strengthened their brand; however, additional activities, such as those organized by top-of-mind sponsors (i.e., Sport Vision and Jugopetrol Eko) were necessary to impact the participants’ memory.

Moreover, W.W. Smith, Pitts, Mack, and J.T. Smith, (2016) suggest that the highest levels of sponsorship were associated with higher levels of recall when accompanied by significant leverage activities. While the obvious conclusion is the higher levels of sponsorship correlate with increased sponsor benefit, the recall results support the proposition that even major sponsors must aggressively leverage their sponsorship to optimize their investment.
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