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Sport Management Review

journal homepage: www.elsevier.com/locate/smr



The effect of familiarity on associated sponsor and event brand attitudes following negative celebrity endorser publicity



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ARTICLE INFO

Article history: Received 28 January 2013 Received in revised form 21 October 2013 Accepted 21 October 2013 Available online 16 November 2013

Keywords: Negative publicity Celebrity endorsers Sport sponsorship Event marketing Attitude change

ABSTRACT

This research examined how familiarity with a brand influences how negative publicity related to a celebrity endorser is perceived. Specifically, the current research determined if familiarity with event and sponsor brands may temper any negative consequences of being linked with negative celebrity endorser publicity. Two studies were conducted to investigate this aim. Study 1 (n = 136) used unfamiliar brands and indicated attitudes towards the selected sponsor and the event brands were significantly reduced after negative publicity surrounding an associated celebrity endorser emerged. In contrast, individuals not exposed to negative publicity did not report reduced attitude scores. Study 2 (n = 272) used unfamiliar and familiar brands and found that negative publicity surrounding celebrity endorsers has the capacity to weaken attitudes towards associated event and sponsor brands. However, any negative impact was tempered by an individual's familiarity with the respective brand, indicating brand familiarity has a moderating effect on brand attitudes within the sports marketplace. This research furthers understandings related to sport sponsorship theory by assessing the role of brand familiarity in tempering information transference. Additionally, the paper provides insights to the events category which has not been researched previously. Brand managers can use this information to develop proactive and reactive strategies to employ to protect their brands when celebrity endorsers attract negative publicity.

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1. Introduction

Sponsorship is an important area of sport consumption with sponsors investing substantially to associate with sport brands (Farrelly, 2010; Hughes & Shank, 2005). For example, in 2010 the Qatar Foundation spent US\$200 million to establish a five-year sponsorship deal with Spanish football club Barcelona F.C. (BBC, 2010). Elsewhere, Molson Canadian recently became the official beer of the National Hockey League (NHL) as part of a seven-year sponsorship agreement valued at approximately US\$375 million (The Canadian Press, 2011). Such examples indicate sponsors see value in strategic alignment

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with sport brands. From this perspective, sponsorships act as part of overall marketing strategies which help sponsors to achieve their objectives through interorganisational linkages (e.g., Cousens, Babiak, & Bradish, 2006).

However, sponsorship is not without risks (Hughes & Shank, 2005; Till, Stanley, & Priluck, 2008). When entering into sponsorship agreements, a primary objective for the sponsor is to create a favourable image and leverage its brand (Cornwell, Weeks, & Roy, 2005). This leverage is achieved through positive brand perceptions created by associations with the sponsored property (Gwinner & Eaton, 1999; Keller, 2003). However, the transference of positive associations to the sponsor may not always occur because of factors outside of the control of the sponsoring brand (Fahy, Farrelly, & Quester, 2004; Till & Shimp, 1998). One element of the sponsorship relationship largely outside the control of sponsors is the use of celebrity endorsers, which are prominently used in advertising to leverage sponsorships (Agrawal & Kamakura, 1995).

Previous research indicates celebrity endorsement can result in an increase or decrease in favourable attitudes elicited towards an endorsed brand based on the actions of the endorser (Till & Shimp, 1998; Till et al., 2008). To date, scholars have focused on the range of positive outcomes emanating from successful sponsorship scenarios, such as links with successful endorsers. Less attention has been paid to understanding possible negative outcomes which may result from instances where endorsers are linked with unfavourable actions (e.g., Farrelly, 2010; Hughes & Shank, 2005; Zhou & Whitla, 2013). In the face of rapid technological advancements and increased media dedicated to celebrity endorsers, a greater understanding of the possible negative outcomes becomes a necessity (Zhou & Whitla, 2013). Although research detailing the consequences of such negative publicity has commenced (e.g., Funk & Pritchard, 2006; Hughes & Shank, 2005; Till & Shimp, 1998; White, Goddard, & Wilbur, 2009; Wilson, Stavros, & Westburg, 2008), opportunities to extend this line of research exist.

Through this research we expand current sponsorship knowledge in two ways. First, based on calls in existing research (e.g., Till & Shimp, 1998), we investigate how brand familiarity may mitigate attitude change in instances where negative publicity related to a celebrity endorser arises. Second, we explore implications for a range of associated brands (e.g., event) linked to the celebrity endorser, rather than the endorser or a directly promoted sponsor brand as per previous research designs (White et al., 2009). Through this research it is hoped we can provide a better understanding of the potential effects of negative celebrity endorser publicity for a greater range of stakeholders.

The manuscript consists of the following sections. First, a review of celebrity endorsement and the possible implications which may arise from negative celebrity endorser publicity is provided. Second, theories of attitude formation which may explain how negative publicity surrounding an endorser may impact associated brands are presented. Third, potential factors which may mitigate the transference of negative attitudes onto associated brands are discussed. Fourth, an outline of the method used to guide the current research is provided. Fifth, a presentation of results and a discussion of the findings is included. Sixth, implications for theory and practice are outlined. Finally, an acknowledgement of relevant research limitations and directions for future research are offered.

2. Literature review

2.1. Celebrity endorsement

Celebrity endorsement involves linking a prominent person to a brand and is an effective component of sponsorship (Agrawal & Kamakura, 1995; Erdogan, 1999). Sport sponsorships consist of exchanges between the sponsor and the sponsored property which are influenced by political, social and economical factors, as well as the actions and reactions which take place within the specific environment (Cousens et al., 2006; Nickell, Cornwell, & Johnson, 2011). Thus, sponsorship decision making must consider a broad range of stakeholders which have the potential to influence sponsorship effectiveness, including celebrity endorsers. Given the high profile and marketability of sport, many sponsors seek to associate with sportspeople to act as celebrity endorsers and promote their brands.

Star athletes are often directly targeted and approached to promote sponsor brands (e.g., Fink, Parker, Cunningham, & Cuneen, 2010); however celebrity endorsement may also take a less direct route. For instance, sponsors of Australia's National Rugby League (NRL) and Australian Football League (AFL) competitions are inextricably linked with star players such as Greg Inglis and Gary Ablett given their prominent status within their respective codes. Similarly to sport leagues and teams, sponsors of sport events such as Formula 1 racing or MotoGP have strong links with figureheads such as Mark Webber and Casey Stoner. Consequently, sport sponsorship represents a complex exchange whereby sponsors enter into relationships with not only the sport brand itself, but also its associated assets (e.g., Chanavat, Martinent, & Ferrand, 2009; Cousens et al., 2006).

Brand managers are particularly wary of damaging associations, such as negative press surrounding associated athletes, being linked to their brands (Till & Shimp, 1998). Such incidences may be seen as a risk to the brand because they may negatively influence stakeholder attitudes (Agyemang, 2011; Erdogan, 1999; Ferrand & Pages, 1999). When negative publicity surrounding celebrity endorsers emerges, sponsors often detach themselves from sponsorship agreements due to concerns of becoming tainted by association (Hughes & Shank, 2005). However, this is not always the case. For instance, the Tiger Woods' infidelity scandal illustrated such a scenario where some sponsors (e.g., Tag Heuer, Accenture & Gillette) terminated their sponsorship arrangement whilst others (e.g., Nike, EA Sports & Top Deck) did not. Similar discrepancies were evident amongst sponsors associated with Lance Armstrong at the time he had his Tour de France titles stripped in 2012. The varied decision making reported in the above cases indicates sponsors know little about how their brands may be

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