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Consumers’ Responses to Sponsorship by Foreign Companies

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Consumers’ Responses to Sponsorship by Foreign Companies

Abstract

Purpose – The study explored the novel issue of how consumers perceive sponsorship initiatives by foreign companies and how the sponsors’ country-of-origin cue may influence sponsorship outcomes.

Design/methodology/approach – The measurement model and proposed relationships were tested based on a sample of 811 Chinese consumers using confirmatory factor analysis and structural path analysis.

Findings – The results revealed that attitudes toward the sponsor completely mediated the effect of event involvement on willingness to buy from the sponsor. Attitudes toward the sponsor also partially mediated the relationship between economic animosity towards a specific sponsor’s country-of-origin (COO) and willingness to buy from the sponsor. Additionally, the level of a country’s economic competitiveness was found to moderate the negative relationship between economic animosity, attitudes toward the sponsor and willingness to buy from the sponsor.

Research limitations/implications – The nature of the product type and the desire of the consumer to own such a product may have influenced the measurement of willingness to buy.

Practical implications – The research added to the existing knowledge by identifying the opportunities and potential biases that a foreign company may encounter when considering sponsoring a mega sport event in a different cultural context. The study helps managers to understand how sports sponsorship could be used effectively in emerging markets.

Originality/value – The proposed conceptual model advanced the application of classical conditioning theory, the consumer animosity model of foreign product purchase and the belief-attitude-intention hierarchy in the sponsorship arena. It is the first investigation of the role of event involvement and economic animosity in understanding sponsorship responses.

Keywords sport sponsorship, event involvement, economic animosity, attitudes toward the sponsor, willingness to buy, economic competitiveness

Paper type Research paper
1. Introduction

In 2011 global sponsorship expenditure grew by 5.1% to US$48.6 billion in spite of the financial downturn still experienced by most of the world's economies. Emerging markets in the Asia Pacific region have become the main force in driving such a growth. In the same year sports sponsorship spending increased by 6.2%, making it the fastest-growing sector (IEG, 2012). It is projected that the revenue that sports sponsorship generates worldwide will soon exceed ticket sales (Barnett, 2012).

The increasing opportunities for sponsorship in the emerging markets have placed a premium on managers’ abilities to understand how sponsorship works and how consumers respond to it. As China gains increasing dominance in the world economy, it has captured worldwide attention (Melewar et al., 2004). International organizations are increasingly using sponsorship of major sports events in China as a key component of their international marketing strategies (TNS Sport 2005). China’s emergence, through hosting the World’s most significant sports event, the Olympic Games, has made this market particularly attractive, offering companies scope to reinforce their global message to 200 countries (Strout, 2000). Nevertheless, it has been noted that differences do exist in the perception and acceptance of sponsorship across international markets (Dalakas and Kropp, 2002; Walliser, 2003). It is also evident that Chinese consumers and those from other cultures respond to marketing communication messages differently (e.g., Cheng and Schweitzer, 1996; Lin, 2001; Singh et al., 2005). Consequently, there is a need for greater understanding of how sports sponsorship, as a communication tool, could be used effectively as a component of global marketing planning, particularly in emerging markets (Cornwell, 2008). Although there has been a number of attempts at measuring sports sponsorship effectiveness through examining the effects of fan or event involvement (e.g., Crimmins and Horn, 1996; Meenaghan, 2001), these did not take into account the sponsors’ country-of-origin (COO) associates and consequent emotions, such as economic animosity, activated in a consumer’s mind when they are engaged in an international sport event.

The economic competition between nations has intensified as a result of globalisation and rapid technical development (Lall, 2001). This has at times led to hostility between the concerned nations. Economic animosity as a sub-construct of consumer animosity
has not drawn sufficient academic attention in the marketing communications area considering it can have a significant impact on consumers' choices for imported products (e.g., Klein et al., 1998). In particular, within the sponsorship context, it remains untested as to what extent economic animosity affects purchases from a sponsor that is associated with a specific COO cue, and whether or not the level of a country’s economic competitiveness can moderate the impact of economic animosity on consumers’ attitudes and purchases.

This study addresses limitations in the literature by developing and testing an integrative model of event involvement, economic animosity, attitudes toward the sponsor, the level of a country’s economic competitiveness and willingness to buy. The goals of the present study are to firstly, examine the degree to which Chinese consumers’ event involvement and animosity to the sponsor’s COO are related to their attitudes toward the sponsor and willingness to buy; secondly, to identify the potential mediating role of attitudes toward the sponsor among these relationships; and finally, to examine if a country’s advances in economic competitiveness moderates the relationships between economic animosity, attitudes toward the sponsor and willingness to buy. The research adds to existing knowledge by identifying the opportunities and potential biases that a foreign company may encounter when considering sponsoring a major sports event in a different cultural context and guides managers on the effective use of sports sponsorship in emerging markets.

2. Literature Background

Previous research findings on the impact of sports sponsorship on consumers’ purchasing behaviors have been inconclusive. Some research indicated that exposure to a sponsorship stimulus would not increase purchase probabilities (e.g., Hoek et al., 1997; Pope and Voges, 1999); while a number of studies did find positive impacts of sponsorship on consumers’ purchase intentions. For instance, 60 percent of Olympic Games’ supporters would purchase the sponsors’ products (Crimmins and Horn, 1996); while 48 percent of NASCAR fans indicate to “almost always” purchase a sponsor’s product instead of a closely priced competitive brand (Performance Research, 1994). Considering the characteristics of sport fans and their consumption patterns, which includes a strong emotional dimension (Koo et al., 2006; Caro and Garcia, 2007), the
investigation of sport sponsorship effects on purchases requires further identification of possible antecedents and empirical validation. Although suggestions have been made that sponsorship effects could be better measured from emotional and attitudinal levels (Christensen, 2006), few studies have addressed these issues (Martensen et al., 2007).

Furthermore, classical conditioning theory suggests that pairing a sponsor (conditioned stimulus) with a sport event (unconditioned stimulus) helps to create a favourable response (Petty et al., 1983; Shimp, 1981). This relationship could also be explained using meaning transfer theory (Gwinner and Eaton, 1999). Our research attempts to prove this hypothesis by testing the relationship between event involvement and attitudes toward the sponsor. Conversely, the effects of sponsorship are a potential double-edged sword, in that negative feelings could have a harmful impact when the emotion involved is negative. This occurs when the sponsor’s COO information (unconditioned stimuli) triggers consumers’ economic animosity toward a particular country (unconditioned response) and the sponsor (conditioned stimuli) could then be associated with those feelings (conditioned response). The tendency of domestic consumers to feel hostile toward a specific foreign country could be pronounced, particularly in high-status international events such as the Olympics, which are often used as a platform to build nationalism and oppose political ideologies (Toohey and Veal, 2007).

2.1. Event involvement

The involvement construct has been applied in a number of consumer settings, for example, tangible products (Laurent and Kapferer, 1985), advertising (Zaichkowsky, 1994), and services (Bienstock and Stafford, 2006). It is regarded as a causal or motivating variable, influencing consumers’ communication and purchasing behaviors. With the increasing popularity of sports fan behavior studies, the critical role of fan involvement explains why fans respond differently to sponsorship initiatives than to traditional advertising (Meenaghan, 2001). When consumer involvement is applied to an event, the construct of event involvement has been introduced (e.g. Grohs et al., 2004). It represents “the extent to which consumers identify with and are motivated by their engagement and affiliation with particular leisure activities” (Meenaghan, 2001, p.106). Crimmins and Horn’s (1996) Olympic study found that the association between a brand and a sponsored event may cause gratitude in the consumer’s mind, especially for fans of the event. Other empirical studies have shown that consumers with such
affection for a sponsor would be more likely to generate a higher level of sponsor awareness, more positive attitudes toward the sponsor’s corporate image, and a preference for choosing that sponsor’s product (Alexandris et al., 2007; Ko et al., 2008; Roy and Cornwell, 2004), though the types of relationships found (i.e. linear or inverted-U shape relationship) remain inconsistent (e.g. Pham, 1992).

2.2. Economic animosity

In the international marketing literature, consumer animosity represents a determinant of foreign product purchase behavior (Klein, 2002; Riefler and Diamantopoulos, 2007). It is distinct from consumer ethnocentrism and describes consumers’ negative feelings toward a foreign nation. Consumer animosity has a significant impact on the purchase of foreign products (Shoham et al., 2006) and could be directed at a national or personal level (Ang et al., 2004). Consumers might avoid products from an offending nation, not because of concerns about the quality of goods, but because the exporting nation has engaged in political, military, or economic acts that a consumer finds both grievous and difficult to forgive (Klein et al., 1998), for instance, Chinese consumers’ attitudes toward Japanese products (Klein et al., 1998), and Australian consumers’ attitudes toward French products (Ettenson & Klein, 2000). In fact, most animosity studies focus on consumers' preference and choice for a target country's products in general. It is only recently that another small stream of animosity research has emerged which investigates the effects of consumer animosity at a brand level. Funk et al.'s (2010) study assessed U.S. consumers willingness to purchase a hybrid foreign product using Toyota as an example. Russell and Russell’s (2010) study tested how the strength of the brand-country stereotypic association influence the relationship between animosity and U.S. consumers' responses to the brand. Our research extends this stream of animosity research to the sponsorship context and explores how animosity toward a country impacts upon attitudes toward the sponsors originating from that country.

Considering the multidimensional nature of the consumer animosity construct (eg., Nijssen and Douglas, 2004), we only focus on its economic aspects in this study as economic animosity is most relevant to present-day China. For the last three decades, China has enjoyed relative political and military stability. Based on the definitions of general consumer animosity (Averill, 1982; Klein et al., 1998), we define economic animosity as the consumers’ antipathy toward a foreign nation related to previous or
ongoing economic conflicts. According to Riefler and Diamantopoulos’s (2007) literature review of past animosity studies, economic animosity tends to stem from “trading practices perceived as unfair to the home country, the unreliability of the trading partner and/or the economic power of the foreign country” (p.100). For instance, consumers in small nations or economies tend to have negative attitudes to products from the “aggressor” country which possesses dominant economic power over them (Nijssen and Douglas 2004). With China’s rapid economic development and growing global openness, economic sanctions and trading issues perceived to have a negative influence on the Chinese economy may result in negativity to that nation’s products, regardless of their quality. Reflecting on the behavior of sports fans and as “sport cannot operate in an ideology-free vacuum” (Cronin, 1997, p.137), we suggest that Chinese consumers’ economic animosity to a particular foreign country may have a negative impact on their attitudes to the sponsor from that country, as well as influencing their purchase of the sponsor’s products.

Furthermore, it is evident that consumers in developing countries tend to apply the “halo effect” and take into account a country’s level of economic development when they make purchasing decisions (Balabanis and Diamantopoulos, 2004; Evanschitzky et al., 2008; Supphellen and Rittenburg, 2001). Although a large body of research has been carried out in relation to COO effects, substantial variation regarding how consumers’ process COO information has led to calls for more research into understanding the links between COO and animosity (Klein, 2002). A number of factors have been identified relating to COO effects, such as product category, level of economic development, patriotism, product awareness etc. (Gürhan-Canli and Maheswaran, 2000; Okechuku and Onyemah, 1999). This research attempts to examine how one specific issue that has not previously been investigated: a country’s economic competitiveness, may affect economic animosity within the context of international sponsorship.

3. Conceptual model development
This research fills a gap in the literature through examining the effect of event involvement and economic animosity on consumers’ acceptance and responses to sports sponsorship by foreign companies. In the light of reasoned action theory (Ajzen and Fishbein, 1973) attitudes precede behavior. It is debateable whether attitudes
toward the sponsor may play a mediating role in the relationships between event involvement, economic animosity and willingness to buy. This study represents the first attempt to investigate the two sets of triadic relationships. Based on the above discussion, a conceptual model is proposed to illustrate the relationships between event involvement, economic animosity, economic competitiveness, attitudes toward the sponsor, and willingness to buy from the sponsor (see Figure 1).

Take in Figure 1

3.1. The mediating role of attitudes toward the sponsor

Attitudes are acquired behavioral dispositions (Campbell, 1963) and defined as “a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour” (Eagly and Chaiken, 1993, p1). Based on Keller’s (2003) definition of brand attitudes, attitudes toward an event sponsor could be defined as summary judgments and overall evaluations of an organization sponsoring an event (Dees et al., 2008).

All attitudes are composed of affective, cognitive and behavioral components (Mason, 2005). The literature suggests that consumer attitudes predict consumer behaviors and attitudes often serve as dependent variables in understanding the effects of event sponsorship (Ajzen and Fishbein 1973; Lee et al., 1997). However, empirical studies examining the attitude – behavior relationship often reported low correlations (Glasman and Albarracin, 2006; Leippe and Elkin, 1987). Smith and Swinyard’s (1983) study reveals that attitude-behavior consistency is significantly reduced when attitudes are based on advertising (indirect experience) in comparison to product trial (direct experience). In this study, we intend to identify whether there is consistency between attitudes based on sports sponsorship and purchase behavior. We also expect to show how event involvement and economic animosity influence the outcome of sponsorships initiated by foreign companies. Additionally, the findings of our study will provide insights into the extent to which attitudes toward the sponsor may mediate the effects of event involvement and economic animosity on purchase intention.

There are three possible relationships among the three constructs – first, event involvement and attitudes toward the sponsor could act independently of each other, each affecting willingness to buy from the sponsor directly. Second, there may be a partial mediating effect. That is, event involvement affects attitudes toward the sponsor
that, in turn, affect purchase intention. This possibility suggests that event involvement also directly affects, at the same time, willingness to buy from the sponsor. Finally, a complete mediation may exist, in which case event involvement does not affect willingness to buy directly. Instead, it affects attitudes toward the sponsor that, in turn, affects purchase intention. We attempted to find out if the relationships depicted in Figure 1 are supported.

Meanwhile, we also attempted to test the mediating effect of attitudes toward the sponsor in the relationship between economic animosity and willingness to buy, following the argument based on the theory of reasoned action made above. A partial mediation would suggest economic animosity has a direct effect on both attitudes toward the sponsor and purchase intention, while a complete mediation would indicate economic animosity affects willingness to buy through attitudes toward the sponsor (see Figure 1). Two hypotheses are developed:

H1: Attitudes toward the sponsor mediate the effects of event involvement on willingness to buy from the sponsor.

H2: Attitudes toward the sponsor mediate the effects of economic animosity on willingness to buy from the sponsor.

3.2. The moderating role of economic competitiveness

Economic competitiveness refers to a particular country’s level of development and it is “the ability to manufacture products that require a certain level of skill and technology” (Verlegh and Steenkamp, 1999, p. 532). Research indicates that consumers form an overall hierarchy of foreign countries based on the countries’ overall expected competence in producing products and services (Pecotich and Ward, 2007). A country with a more positive image of economic competitiveness is perceived to be more capable of producing globally competitive and attractive products by consumers and hence, such perceptions could potentially weaken the negative influences of consumers’ ethnocentric feelings on their preferences for that country’s product (Balabanis and Diamantopoulos, 2004; Evanschitzky et al., 2008; Watson and Wright, 2000).

Therefore, it is proposed that such moderating effects could also exist in the sponsorship area and relate to economic animosity. More specifically, when a foreign country’s economic competitiveness is high, it may be more likely for domestic consumers to
separate their anger toward a particular country from their evaluation of that country’s products, due to the halo effects of COO (Bruning, 1997; Klein, 2002). Hence, the negative effect of economic animosity on attitudes toward and willingness to buy from the sponsor tends to be weaker. On the contrary, when a foreign country’s economic competitiveness is low, domestic consumers tend to associate products made in that country as of poorer quality, owing to the negative country image and reputation (Pecotich and Ward, 2007). Therefore, such negative association could potentially strengthen the negative effect of economic animosity on attitudes toward the sponsor and purchase intention. This issue will be meaningful for countries that are concentrating on economic capacity building. The following hypotheses are developed based on the above arguments.

H3: The higher the level of a country’s economic competitiveness compared to China, the weaker the (negative) link between economic animosity and attitudes to the sponsor originating from that country.

H4: The higher the level of a country’s economic competitiveness compared to China, the weaker the (negative) link between economic animosity and willingness to buy from the sponsor originating from that country.

4. Research methodology

4.1. Research methods and procedure

Eleven foreign worldwide sponsors of The Olympic Partner (TOP) Programme for the 2008 Games were included in this study. They were Coca-Cola, Kodak, McDonalds, Visa, GE, and Johnson and Johnson (all U.S.), Atos Origin (France), Manulife (Canada), Panasonic (Japan), Samsung (South Korea), and Omega (Switzerland). Sponsors signed up with the International Olympic Committee to support the Olympic Movement throughout the 2005 – 2008 quadrennium by investing a total of approximately US$866 million (IOC 2008). Each sponsor had category exclusivity which denies competitors the opportunity to become involved with the Games at the TOP level.

Respondents were located in the Zhengzhou area of China to achieve a compromise between the highly developed and Western orientated cities, such as Beijing and Shanghai and more rural locations. To avoid the “pseudo-etic trap” (Douglas and Craig, 2006) and ensure construct equivalence in a new cultural setting, a number of
procedures were adopted. Potential construct bias (Van de Vijver and Hambleton, 1996) was identified through a detailed qualitative phase involving in-depth interviews with three senior marketing practitioners from Chinese companies, three academic researchers in marketing from Chinese universities, and four consumer representatives. To avoid method bias, the items inappropriate to the new cultural context were removed (Van de Vijver and Hambleton, 1996). Control questions were included in the quantitative instruments to assess the respondents’ familiarity with the research topic, the eleven brands involved in the research and knowledge of the sponsors’ COO. Only those respondents who had specific knowledge of the sponsors/brands were kept in the study. Additionally, a series of confirmatory factor analyses using structural equation modelling were applied to eliminate the overlap between the items in the instruments and validate the measurement within a Chinese cultural context. Item bias, caused by “poor wording, inappropriateness of item content in a cultural group, and inaccurate translations” (Van de Vijver and Hambleton, 1996, p.91) was dealt with by independent back-translation by someone conversant with the dialect of the region (Brislin, 1980).

Subsequently, twenty face to face interviews were included to confirm the appropriateness of the draft instrument. The most significant issue was the attempt to assess all six foreign countries in a single questionnaire. Respondents indicated that the large number of assessments of the various sponsors led to an excessively lengthy document. Consequently, separate questionnaires were developed using different groups of respondents.

The sample was drawn from ten common occupations covering market segments identified in Dong and Helms (2001). The questionnaire survey generated 811 valid responses.

4.2. Descriptive analysis

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1 The correct identification rates of the sponsors’ COOs vary in this study, with Coca-Cola (89%), Panasonic (84%), McDonalds’ (83%), Samsung (80%), Johnson & Johnson (64%), VISA (60%), Kodak (57%), GE (55%), Omega (34%), Manulife Financial (18%), and Atos Origin (16%). It is important to note that misclassification and non-classification of a brand’s COO can have negative consequences on brand evaluations and purchase intentions (Balabanis and Diamantopoulos, 2011) consequently respondents only completed a questionnaire for a correctly specified sponsor.

2 Quota sampling based on age, gender and education level was used to ensure demographic equivalence between the respondent groups.
The results of the descriptive analysis revealed that (see Table 1), in general, Chinese consumers exhibited a very high level of involvement for the 2008 Olympic Games, and overall neutral feelings toward those foreign nations where the sponsors originate. The mean value of the respondents’ attitudes toward the sponsors in the Beijing Olympic Games was 4.66, higher than the neutral point of 4 on a 7 point scale, indicating Chinese consumers have generally positive attitudes toward the TOP sponsors. Purchase intention of the sponsor’s products was slightly above neutral levels.

Take in Table 1

4.3. Construct measurement

Measurement scales were firstly purified based on item-total correlations and exploratory factor analysis in SPSS 16.0. Zaichkowsky’s (1994) 10-item semantic differential scale of Product Involvement Inventory (PII) was used to measure the construct of event involvement. Economic animosity was measured by the 7-point 5-item Likert scale, modified from Klein et al. (1998). Speed and Thompson’s (2000) 4-item 7-point semantic differential scale was used to assess attitudes toward the sponsor. The internal consistency of the scales was examined. The items with poor item-total correlations (below .60) or high inter-item correlations (above .75) were eliminated (as indicated in Zaichkowsky’s 1994 study).

A country’s economic competitiveness was assessed on the country rankings from the World Economic Forum (2001) in their Current Competitiveness Index (CCI). The CCI measures the microeconomics based on a nation’s GDP per capita and represents a country’s level of sustainable productivity and economic prosperity. In this study, we used the distance of the CCIs between a particular sponsor’s COO and the home country China, as the moderator.

Willingness to buy from the sponsor was measured by a single-item Likert-type scale, ranking from 1 (strongly disagree) to 7 (strongly agree). It is suggested that a single-

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3 There has been a debate on the nature of the measurement model for consumer animosity (i.e. reflective vs. formative). Although Riefler and Diamantopoulos (2007) suggested measuring animosity using a formative model, the development of the formative indicators would require exploratory investigation in the specific target country within each study (Hoffmann et al., 2011). The reflective measure of economic animosity was adapted in this study. Bearing in mind the misspecification issue of the measurement model (Riefler and Diamantopoulos, 2007), the authors suggest that in future research animosity models should be examined by comparing the appropriateness of the two measurement perspectives.
item measure should be used when the characteristic of the construct can be conceptualized as concrete and singular (Rossiter, 2002). Single-item measures have been employed for a number of applications in leading marketing journals (e.g. Bergkvist and Rossiter, 2007; Klein et al., 1998) and in the sport marketing context (e.g. Tobar, 2006). It has also been recommended by practitioners that single-item measures can have advantages over multi-item measures in terms of cost, refusal rates and reliability (Bergkvist and Rossiter, 2007). In this study, using a single-item measure “I would like to buy (the sponsor’s) product” could reasonably represent willingness to buy from the sponsor.

Confirmatory factor analysis using AMOS 17.0 was employed to assess the psychometric properties of the constructs, and the results are illustrated in Table 2. Overall, the fit indices of the measurement model were acceptable\(^4\) (NFI = .91, IFI = .92, TLI = .91, CFI = .92, RMSEA = .08).

Take in Table 2

4.4. Reliability

*Construct reliabilities* were examined by the Cronbach’s alpha coefficient. The validated measures show good internal consistency reliability with all coefficient alpha values exceeding the acceptable level of .70 recommended by Nunnally and Bernstein (1994) (see Table 2). All negatively worded items were reversed scored. *Composite reliability* for each latent construct was calculated based on the standardized indicator loadings and measurement errors. Table 2 shows the constructs had composite reliability values greater than the recommended level of .75 providing evidence of the overall reliability of the measurement in the model (Bagozzi and Yi, 1988).

4.5. Validity

Validity of the measures was assessed by the critical ratios (CRs) and the average variance extracted (AVE). All the indicators of the constructs meet the recommended criteria, where the CRs are larger than 2.00, statistically significant at the .05 level (Bollen 1989). All the constructs had AVE values higher than .50, which are considered

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\(^4\) The error variance of the single indicator of willingness to buy from the sponsor was constrained equal to the smallest value of estimated error variance (Θ\(e\)) in the model (Anderson and Garbing, 1988; Klein et al., 1998), in this case, was .46.
to demonstrate adequate *convergent validity* (Fornell and Larcker, 1981) (see Table 3). *Discriminant validity* was assessed by comparing the AVE for each construct with the square of the correlation between the construct and each of the others. The AVE values were greater than the squared correlations (Fornell and Larcker, 1981; Hair *et al.*, 1998), indicating that the measures meet the criterion of discriminant validity and each of them is “less likely to be measures of other constructs” (Lehmann, 1988, p. 411). The correlation path coefficients and the significance levels are also presented in Table 3.

Take in Table 3

5. Findings

5.1. Testing the direct and indirect effects of attitudes toward the sponsor

To test the mediating effect of attitudes toward the sponsor in the relationship between event involvement and willingness to buy from the sponsor, we used the bootstrapping bias-corrected confidence interval procedure in AMOS (Preacher and Hayes, 2008; Zhao *et al.*, 2010). Although Baron and Kenny’s (1986) *causal steps strategy* for establishing mediation is the most commonly used approach, the procedure has been questioned (Hayes, 2009) – for example, the strength of measuring mediation should rely on the size of the indirect effect, rather than the lack of the direct effect; a significant total effect of the independent variable on the dependent variable is not necessary for establishing mediation; the Sobel test is low in power compared with the bootstrapping approach recommended by Preacher and Hayes (2004). 1,000 bootstrap samples were used and the bias-corrected percentile approach generated 95% confidence intervals. Direct and indirect effects are presented in Table 4.

Take in Table 4 Here

It was found that the direct effect of event involvement on willingness to buy was non-significant, but there was a negative and significant direct effect of economic animosity on willingness to buy from the sponsor (See Table 4). The results supported both H1 and H2, that is, attitudes towards the sponsor mediated the effect of both event involvement and economic animosity on willingness to buy from the sponsor.

5.2. Testing the moderating effect of economic competitiveness
The hypotheses suggest that the relationships between economic animosity, attitudes toward a sponsor and willingness to buy may be contingent on the economic competitiveness of the sponsor’s country-of-origin perceived by consumers. The moderation relationships were tested in structural equation modelling using AMOS. A new variable which is the cross-product between the predictor (economic animosity) and the moderator (Current Competitiveness Index, CCI) was created and included into the path model.

The fit indices of the structural model were excellent (NFI = .995, IFI = .997, TLI = .990, CFI = .997, RMSEA = .050). The model explained approximately 38% of the variance in the dependent variable willingness to buy from the sponsor. The results (Table 5) show a significant direct negative effect of the independent variable of economic animosity on attitudes toward the sponsor, and a positive moderating effect of economic competitiveness. The standardized path coefficient of the interaction was .97 (p < .001). H3 was therefore supported.

Meanwhile, the results also indicated that there was a significant direct negative effect of economic animosity on willingness to buy from the sponsor, and a positive moderating effect of economic competitiveness. The standardized path coefficient of the interaction was .52 (p < .001). Hence, H4 was accepted.

To understand the form of the interaction, we plotted the independent value of economic animosity for the outcome variables of attitudes toward the sponsor and willingness to buy for different country groups based on the sponsor’s country-of-origins (Figures 2 and 3).

Figures 2 and 3 illustrated the changes of the relationship between economic animosity, attitudes toward the sponsor and willingness to buy at various levels of the CCI distance. With the increase of the distance of economic competitiveness between a foreign country and China, the slope of regression lines becomes flatter. In other words, Chinese consumers’ negative attitudes toward a foreign sponsor and its products appear to be moderated as a country’s level of economic development increases.
6. Discussion

This study sought to examine an integrative model investigating the influences affecting consumers’ responses to sports sponsorship in an Eastern collectivist culture. In response to the substantial marketing challenges facing multinational corporations in the global market (Cavusgil et al., 2004), the current research added to existing knowledge by identifying the opportunities and potential biases that a foreign company may encounter when considering sponsoring a major sport event in a different cultural context. The proposed conceptual model advanced the application of classical conditioning theory, the consumer animosity model of foreign product purchase (Klein et al., 1998), and the belief-attitude-intention hierarchy (Madrigal, 2001) in the sponsorship arena. Specifically, the study examined the potential mediating influence of attitudes toward the sponsor in the relationships between event involvement, economic animosity and willingness to buy from the sponsor. The moderating effect of a country’s economic competitiveness on sponsorship outcomes was also tested. This represents the first investigation of the relationships among these variables which have played a key role in sport marketing and sponsorship effectiveness.

The managerial implications of the study are summarised as follows: First, consistent with previous findings which support the positive effects of event involvement (Alexandris et al., 2007; Ko et al., 2008), we found that the level of event involvement was positively related to attitudes toward the sponsor. However, results of the path analysis revealed that attitudes toward the sponsor completely mediated the relationship between event involvement and willingness to buy. In other words, the level of event involvement only had a positive indirect impact on willingness to buy through attitudes toward the sponsor. Hence, companies sponsoring sports events should utilise various sponsorship-linked marketing activities, such as celebrity endorsement, public relations and advertising in order to build up positive attitudes among consumers alongside the sponsorship impact. Additionally, managers need to consider mechanisms by which consumers can become more involved with the sponsored event. Within individual countries, boosting nationwide popularity of sport and improving sport participation would strengthen people’s motivation and involvement in specific activities. Furthermore, support for domestic athletes and teams would facilitate their participation in major events, thereby generating higher levels of event involvement by consumers.
Second, we confirmed that economic animosity has relevance in an international sponsorship context. Chinese consumers’ attitudes to a sponsor and subsequent purchase intentions could be influenced by that sponsor’s COO cues, since such information could trigger hostile emotions to a specific foreign country. Consequently, foreign sponsors of an international event hosted in China could be in a position of comparative disadvantage owing to possible home country bias. Consumers in a specific market may reject a brand owing to their dislike of its COO, thereby negating sponsorship initiatives.

Furthermore, due to the negative impact of economic animosity, international companies expanding into the thriving Chinese market need a good understanding of its historical and cultural background. The findings indicated that consumers’ attitudes toward the sponsor partially mediated the negative relationship between economic animosity and willingness to buy. Therefore, localizing strategies can improve consumers’ attitudes toward the company or the brand, weaken the effects of economic animosity on sponsorship outcomes and eliminate local consumers’ cultural and psychological foreign product bias. For example, by creating local employment through moving the production or manufacture into China, adding local elements to the brand and products, such as choosing a Chinese version of the brand name, or utilising local celebrity endorsers.

7. Conclusion and Future Research

This study was the first attempt to examine the role of a country’s economic competitiveness as a moderating variable in the relationship between economic animosity, attitudes toward the sponsor and willingness to buy. The results suggested that economic animosity not only had direct negative effects on attitudes toward the foreign sponsor and willingness to buy their products, but also was moderated by the CCI distance between that sponsor’s COO and China. The sponsors from a more developed country vis-à-vis China could be in a more advantageous position in generating Chinese consumers’ positive attitudes and purchase intention. Therefore, foreign companies could utilise the “halo effects” of their COO cue in the sponsorship messages to weaken Chinese consumers’ potential animosity effects.
Nevertheless, there are some limitations: First, the conceptual model developed in this study should be applicable to a range of event sponsorship contexts, for example, arts, festivals, music, although replication in these situations would provide useful corroboration. In addition, although the findings are potentially generic in nature, past empirical research has indicated that the degree of economic animosity will vary by country. Therefore, different results could be obtained by changing the country or cultural settings as the influence of the antecedent variables may change. Third, this research has been conducted on a single event with a restricted number of sponsors, and the survey was carried out before the event. Considering the long-term nature of sponsorship, longitudinal studies in the future may focus on the changes in attitude to sponsors and purchase intentions over time in response to the exposure of sponsorship messages. Fourth, our study addresses consumers’ purchase intentions rather than actual purchases or repurchases. However, intention may not always cause real behavior (Johnson Tew and Havitz, 2002). Thus, future research could be expanded to access and fully explore the link between purchase intention and actual purchase behavior in the sponsorship context. Finally, the nature of the product type (e.g. low vs high involvement categories) and the desire of the consumer to own such a product may also have influenced the level of animosity and measurement of willingness to buy. These issues could be considered in future studies.

References


Figure 1: The conceptual model

Note: EI = Event Involvement
EA = Economic Animosity
AS = Attitudes toward the Sponsor
WBS = Willingness to Buy from the Sponsor
CCI = Current Competitiveness Index
Figure 2: Moderating Effect of CCI distance on Economic Animosity and Attitudes toward the Sponsor

Note: 1. The numbers in brackets indicate the country’s CCI distance from China.
2. Economic animosity and attitudes toward the sponsor were measured by 7 point Likert scales from strongly disagree (1) to strongly agree (7)
Figure 3: Moderating Effect of CCI distance on Economic Animosity and Willingness to Buy from the Sponsor

Note: 1. The numbers in brackets indicate the country’s CCI distance from China.
2. Economic animosity and willingness to buy from the sponsor were measured by 7 point Likert scales from strongly disagree (1) to strongly agree (7)
Table 1: Descriptive statistics

<table>
<thead>
<tr>
<th>Construct and Items</th>
<th>Item mean (standard deviation)</th>
<th>Construct Mean (standard deviation)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Event Involvement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EI1 – unimportant (1) – important (7)</td>
<td>6.47 (1.03)</td>
<td></td>
</tr>
<tr>
<td>EI2 – boring (1) – interesting (7)</td>
<td>6.29 (1.19)</td>
<td></td>
</tr>
<tr>
<td>EI3 – irrelevant (1) – relevant (7)</td>
<td>5.54 (1.67)</td>
<td></td>
</tr>
<tr>
<td>EI4 – unexciting (1) – exciting (7)</td>
<td>6.33 (1.22)</td>
<td></td>
</tr>
<tr>
<td>EI5 – means nothing (1) – means a lot to me (7)</td>
<td>6.39 (1.17)</td>
<td></td>
</tr>
<tr>
<td>EI6 – unappealing (1) – appealing (7)</td>
<td>6.17 (1.31)</td>
<td></td>
</tr>
<tr>
<td>EI7 – mundane (1) – fascinating (7)</td>
<td>6.01 (1.35)</td>
<td></td>
</tr>
<tr>
<td>EI8 – worthless (1) – valuable (7)</td>
<td>6.36 (1.17)</td>
<td></td>
</tr>
<tr>
<td>EI9 – uninvolving (1) – involving (7)</td>
<td>5.90 (1.73)</td>
<td></td>
</tr>
<tr>
<td>EI10 – not needed (1) – needed (7)</td>
<td>6.37 (1.17)</td>
<td></td>
</tr>
<tr>
<td><strong>Economic animosity</strong></td>
<td></td>
<td>4.03 (1.35)</td>
</tr>
<tr>
<td>EA1 – Japan (U.S./South Korea/Switzerland/Canada/France) is not a reliable trading partner. Strongly disagree (1) to Strongly agree (7)</td>
<td>3.90 (1.67)</td>
<td></td>
</tr>
<tr>
<td>EA2 – Japan (U.S./South Korea/Switzerland/Canada/France) wants to gain economic power over China. Strongly disagree (1) to Strongly agree (7)</td>
<td>4.18 (1.84)</td>
<td></td>
</tr>
<tr>
<td>EA3 – Japan (U.S./South Korea/Switzerland/Canada/France) is taking advantage of China. Strongly disagree (1) to Strongly agree (7)</td>
<td>3.93 (1.70)</td>
<td></td>
</tr>
<tr>
<td>EA4 – Japan (U.S./South Korea/Switzerland/Canada/France) has too much economic influence in China. Strongly disagree (1) to Strongly agree (7)</td>
<td>4.10 (1.68)</td>
<td></td>
</tr>
<tr>
<td>EA5 – The Japanese (American/South Korean/Swiss/Canadian/French) are doing business unfairly with China. Strongly disagree (1) to Strongly agree (7)</td>
<td>4.03 (1.69)</td>
<td></td>
</tr>
<tr>
<td><strong>Attitudes toward the Sponsor</strong></td>
<td></td>
<td>4.66 (1.24)</td>
</tr>
<tr>
<td>AS1 – bad (1) – good (7)</td>
<td>4.97 (1.46)</td>
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</tr>
<tr>
<td>AS2 – dislike (1) – like (7)</td>
<td>4.60 (1.57)</td>
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<tr>
<td>AS3 – unpleasant (1) – pleasant (7)</td>
<td>4.58 (1.49)</td>
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</tr>
<tr>
<td>AS4 – unfavourable (1) – favourable (7)</td>
<td>4.48 (1.43)</td>
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<tr>
<td><strong>Willingness to Buy from the Sponsor</strong></td>
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<tr>
<td>I would like to buy Panasonic (Coca-cola/Kodak/McDonald’s/Visa/GE/Johnson and Johnson/Samsung/Omega/Mamulife/Atos Origin) products. Strongly disagree (1) to Strongly agree (7)</td>
<td>4.11 (1.67)</td>
<td>4.11 (1.67)</td>
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Table 2 Results of measurement models

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<tr>
<th>Construct and Items</th>
<th>α</th>
<th>CR^a</th>
<th>Mean</th>
<th>SD</th>
<th>N^b</th>
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<td>EI5 – means nothing</td>
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<td>EI6 – unappealing</td>
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<td>EI7 – mundane</td>
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<tr>
<td>EI8 – worthless</td>
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<td>EI10 – not needed</td>
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<td></td>
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<td>.85</td>
<td>4.66</td>
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<td>AS2 – dislike</td>
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<td>AS3 – unpleasant</td>
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<td></td>
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^a Composite Reliability

^b Number of items in each validated measure
Table 3: AVEs and Standardized Correlations of Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>EI</th>
<th>EA</th>
<th>AS</th>
<th>WBS</th>
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<td>EI</td>
<td>.55 *</td>
<td></td>
<td></td>
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<tr>
<td>EA</td>
<td>-.09</td>
<td>.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AS</td>
<td>.16 **</td>
<td>-.24 **</td>
<td>.59</td>
<td></td>
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<tr>
<td>WBS c</td>
<td>.08</td>
<td>-.21 **</td>
<td>.51 **</td>
<td>— d</td>
</tr>
</tbody>
</table>

*bold face letters on the diagonal are the values of AVEs.

* the numbers in the brackets are the squared correlations.

*the error variance of WBS (Willingness to Buy from the Sponsor) was constrained to the smallest estimated error variance in the model.

*d WBS (Willingness to Buy from the Sponsor) is a construct with single indicator. AVE was not computed.
Table 4: Results of mediation tests using a bootstrapping bias-corrected procedure

<table>
<thead>
<tr>
<th>Bootstrap bias-corrected method 95% CI</th>
<th>Direct Effects</th>
<th>Indirect Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized Estimates</td>
<td>SE</td>
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<td>event involvement on willingness to buy from the sponsor (direct)</td>
<td>-.02</td>
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<td></td>
<td>event involvement on attitudes toward the sponsor</td>
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<td></td>
<td>economic animosity on willingness to buy from the sponsor (total)</td>
<td>-1.01</td>
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<tr>
<td></td>
<td>economic animosity on willingness to buy from the sponsor (direct)</td>
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<td></td>
<td>event involvement on willingness to buy from the sponsor via attitudes toward the sponsor</td>
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<tr>
<td></td>
<td>economic animosity on willingness to buy from the sponsor via attitudes toward the sponsor</td>
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Table 5: Results of path analysis with the test of moderation effect

<table>
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<tr>
<th></th>
<th>Unstandardized regression weights</th>
<th>Standardized regression weights</th>
<th>Critical Ratios</th>
<th>p-value</th>
</tr>
</thead>
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<td>Event involvement on attitudes towards the sponsor</td>
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<td>.15</td>
<td>4.62</td>
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<tr>
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<td>-.01</td>
<td>-.47</td>
<td>.64</td>
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<td>-1.20</td>
<td>-8.18</td>
<td>.00</td>
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<tr>
<td>Economic animosity on willingness to buy from the sponsor</td>
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<td>-.62</td>
<td>-4.76</td>
<td>.00</td>
</tr>
<tr>
<td>Attitudes towards the sponsor on willingness to buy</td>
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<td>.55</td>
<td>18.30</td>
<td>.00</td>
</tr>
<tr>
<td>CCI on attitudes towards the sponsor</td>
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<td>.03</td>
<td>.75</td>
<td>.45</td>
</tr>
<tr>
<td>CCI on willingness to buy from the sponsor</td>
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<td>-.02</td>
<td>-.73</td>
<td>.46</td>
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<tr>
<td><strong>Interaction</strong></td>
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<tr>
<td>CCI X EA on attitudes towards the sponsor</td>
<td>.02</td>
<td>.97</td>
<td>6.57</td>
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<tr>
<td>CCI X EA on willingness to buy</td>
<td>.01</td>
<td>.52</td>
<td>4.08</td>
<td>.00</td>
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