Perceptions of the effectiveness of corporate sponsorship of the performing arts in South Africa

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ABSTRACT

The Purpose of this research was to identify aspects of alignment between Absa, a sponsor of theatre in South Africa, and Packed House Productions, the producer and rights holder of theatre products sponsored by Absa, in terms of criteria that were identified as possible requirements for sponsorship effectiveness, and to measure the impact of sponsorship on consumer perceptions in terms of those criteria.

During the course of the research four main criteria arose as strong common themes in the literature and were established as requirements to be met to ensure sponsorship effectiveness, they being: sponsorship objectives, communication presence, leveraging the opportunity and return on investment.

A mixed method approach was utilised: Qualitative interviews were directed towards determining aspects of alignment between Absa and Packed House Productions with the criteria, and a quantitative survey using a questionnaire with answers based on a seven point Likert scale was directed towards determining the impact of sponsorship on the theatre consumer.

The study concluded that Absa and Packed House Productions are almost completely aligned in their recognition of the importance of the criteria required for effective sponsorship. Two of the criteria were being met in full: sponsorship objectives and communication presence, it was found, however, that Absa did not leverage the sponsorship opportunity and that no effective tools were shown to be used to adequately determine return on investment. The third and fourth criteria were therefore not being met.

The study revealed that the impact of sponsorship on the theatre consumer has been largely successful in terms of increased brand awareness and the generation of goodwill in the mind of the consumer towards Absa as an organisation. It was recommended that a greater focus on leveraging the sponsorship opportunity and the establishment of appropriate tools to measure sponsorship return on investment could increase sponsorship effectiveness.

DECLARATION

I, Paul H. Berning, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before any degree or examination in this or any other university.

Paul H. Berning

Signed at……………………………….

On the …………………………. Day of ……………………..2010

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CHAPTER 1: INTRODUCTION

1.1 Purpose of the study

The purpose of this research was to identify aspects of alignment between a sponsor and a rights holder in terms of criteria that arose from the literature as possible pre-requisites for sponsorship effectiveness, and to measure the impact of sponsorship on the consumer in terms of those criteria. The study was directed towards an investigation of the stakeholders involved in a theatre sponsorship contract between a South African bank, Absa (the corporate sponsor), and a theatre producer, Packed House Productions (the rights holder), and the impact of that sponsorship on the consumer.

The study focused firstly on identifying criteria that could be viewed as requirements for sponsorship effectiveness, followed by identifying aspects of alignment of the sponsor and the rights holder with those criteria. Secondly, the study focused on measuring the impact of sponsorship on the consumer in terms of the criteria and the comparison of the results from the three stakeholders.

1.2 Context of the study

The context of the study was corporate sponsorship of the performing arts in South Africa, with a focus on theatre as a genre of the performing arts. The sponsor in this context is a bank, Absa, and the rights holder is a theatre producer, Packed House Productions.

Evidence suggests that in many cases a corporate sponsor is involved in the production of performing arts products. The Klein Karoo Nationale Kunstefees arts festival is called the Absa KKNK and Absa Bank is the main sponsor, as indicated by Van Graan (2007). Absa has procured the naming rights to this festival and has paid a fee for the privilege. The FNB Dance Umbrella is another example of corporate sponsorship and in this case it is a dance festival for which another bank, First National Bank (FNB), has been a sponsor for at least 20 years as noted by Ramjoo (2009).

Standard Bank has had a longstanding association of more than 23 years with the National Arts Festival in Grahamstown and has renewed a sponsorship to include the 2010 festival according to Hemphill (2007).

Aside from festivals, there have also been large corporate sponsorships provided to production companies producing commercial theatre shows on a large scale. Examples of this are Absa Bank's long standing sponsorship of Packed House Productions' musical theatre productions as noted by Sparks (2008). Investec Bank has been a regular sponsor of musical theatre productions produced by the production companies of Hazel Feldman and Pieter Toerien, an example being the musical theatre production of *Beauty and the Beast* as described by Van Oerle (2008).

Sponsorship of theatre is clearly an activity that is taken up by corporate organisations in South Africa and led the researcher to question whether sponsors and producers meet criteria required for effective sponsorship and what impact sponsorship has on the theatre consumer.

1.3 Problem statement

1.3.1 *Main problem*

To identify aspects of sponsor and producer alignment with criteria perceived to be required for effective sponsorship and to measure the impact of sponsorship on the theatre consumer in terms of that criteria.

1.3.2 *Sub-problems*

a) The first sub-problem is to identify aspects of Absa's alignment with the criteria.

b) The second sub-problem is to identify aspects of Packed House Productions' alignment with the criteria.

c) The third sub-problem is to measure the impact of theatre sponsorship on the theatre consumer in terms of the criteria.

1.4 Significance of the study

The study fills a gap in that it seeks to examine the effectiveness of corporate sponsorship of theatre in the light of the assertion that: “Very little published empirical work examines the impact of sponsorship.” (Javalgi, Traylor, Gross and Lampman, 1994:48).

The study aims to identify criteria in the literature that is perceived to be necessary for sponsorship effectiveness, to provide conclusions with regard to aspects of the sponsor’s alignment with that criteria and the impact of sponsorship on the consumer in view of the statement: “Empirical research into the outcomes of sponsorship tend to be inconclusive and/or inconsistent.” (Polonksy and Speed, 2001:1364).

Effective sponsorship allows an organisation to justify the sponsorship investment and is an area which appears to have little in the way of concrete answers or measurable outcomes, but is an area that is generating greater focus as corporate budgets are squeezed: “Like all marketing spend there is a demand for accountability and the need for sponsorship programmes to deliver a quantifiable return on investment (ROI) has never been greater.” (Mager, 2007:6).

The study will provide guidance to corporate sponsors who are currently, or considering, sponsoring the performing arts. The study aims to provide information that could assist corporate sponsors in aligning sponsorships with certain criteria that are perceived to be requirements to maximise sponsorship opportunities, and thereby to achieve acceptable returns on sponsorship investments. The study also aims to provide guidance for marketers attempting to justify their theatre sponsorship decisions to their boards.

Additionally, the study will provide guidance to theatre producers by determining sponsor objectives and the impact of sponsorship on the theatre consumer, in an attempt to assist the producer in selling sponsorship rights and in the reporting of sponsorship effectiveness to the sponsor.

1.5 Delimitations of the study

The study was confined to Absa’s corporate sponsorship of commercial theatre productions produced by Packed House Productions in South Africa.

- Other theatre sponsors have been excluded
- Other theatre producers have been excluded
- The study focuses on theatre as a genre within the performing arts
- Theatre consumers have been included
- Non-theatre consumers have been excluded.

1.6 Assumptions

- The Absa respondents are those who are involved in the management of Absa’s theatre sponsorships, who will have been exposed to the decision-making process and who have a degree of accountability in terms of the return on sponsorship investment.
- The Packed House Productions respondents will be those who have sold sponsorships to Absa, are involved in the production of theatre productions and who are accountable to Absa for delivering the sponsorship rights and for reporting on the sponsorship effectiveness.
- The theatre consumers surveyed will have attended a theatre event in South Africa and are part of Packed House Productions’ theatre consumer database.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Sponsorship originally had its roots in philanthropy and was a vital form of patronage to enable the sustenance of many industries, not least the performing arts. Nowadays sponsorship has emerged from that philanthropic state to become far more commercial and in the modern world is used as a communications tool to achieve corporate objectives (Dolphin, 2003).

Dolphin (2003) observed that sponsorship is not clearly defined and is different from patronage which is altruistic, whereas sponsorship has commercial goals and includes an element of increasing goodwill alongside commercial goals.

The literature surrounding the issue of sponsorship is dispersed and in much of the marketing literature the area of sponsorship does not feature prominently as indicated by Dolphin (2003). In addition very little literature exists relating sponsorship to the South African context. In the literature that does exist globally, the growing focus on sponsorship as a commercial investment and increasing demands on accountability for sponsorship spending is highlighted.

Cornwell, Roy and Steinhard (2001) pointed to research suggesting that marketing programmes linked to sponsorships have come under fire for being mismanaged and failing to measure the effectiveness of the sponsorship. Neff (2005:1) stated that: …return on investment has become a driving obsession of the marketing industry…". Mager (2007) noted that accountability in terms of marketing spend and measurable returns on investment (ROI) are being demanded by organisations. Fitzgerald (2007) pointed out that tangible proof of the effectiveness of sponsoring events is being closely looked at. The need to research and establish criteria against which to measure the effectiveness of sponsorship arose as an urgent topic surrounding the activity of corporate sponsorship.

In the course of the literature review four common themes strongly arose and were identified as important criteria that could assist in maximising the potential for sponsorship effectiveness in the context of this study:

- Sponsorship objectives
- Communication strategy
- Leveraging the opportunity
- Return on investment

Each of these will be discussed in detail in the review of the literature below.

2.2 Sponsorship objectives

If sponsorship has moved from philanthropy, or patronage, to become a tool used to achieve commercial objectives then these objectives should be clearly defined, Dolphin (2003), however, observed they are not always. While it appears that the decision to enter into a sponsorship should be clearly linked to brand objectives and form part of a long -term strategy (Dolphin, 2003) this is not always the case. Javalgi et al (1994:48) declared: “Neither management practice nor research, however, has established clear objectives for sponsorship activities or formal measure of their effectiveness.”.

In order for sponsorship to be linked to the objectives of an organisation, it should form part of that organisation’s strategy, specifically the communication strategy, as sponsorship is seen as an activity falling into the broad arena of marketing (Dolphin, 2003).

The importance of sponsorship being linked to established communication objectives is an idea that was highlighted by Crompton (1993) who asserted that sponsorship as a communication strategy is best planned in advance as opposed to being an ad-hoc effort. Crompton (1993) expanded on this notion by suggesting that often a sponsor only defines the sponsorship objectives in general terms and added that sponsorship can only be properly evaluated if the objectives of the sponsorship are clearly defined, and that those objectives fit into the broader communications strategy.

This leads to the consideration of what these objectives could be in the context of sponsorship.

2.2.1 *Brand awareness*

Having established that the main reason why a sponsor may desire to enter into the sponsorship of an event is to use the sponsorship opportunity as a communication tool, the objectives of that tool must be investigated. It would appear that sponsorship as a communication tool is a vehicle for an organisation to promote its brand to potential customers with the objective of increasing brand awareness. Cornwell et al (2001) pointed to research that shows that the customer must be repeatedly exposed to, and experience, a brand in order to develop awareness and familiarity with that brand. Burton (2003) asserted that sponsorship has long been part of the marketing function of an organisation and accordingly is classified as experiential marketing: a place where consumers are exposed to a marketing message through the experience of some kind of activity which is endorsed by an organisation. As Cornwell (2001) pointed out, sponsorship is often used to build corporate reputation as a means by which an organisation can associate their brand with events that enhance it. This notion of sponsorship enhancing the image and awareness of a brand was also observed by the likes of Javalgi et al (1994).

Pope (1998) identified two objectives for sponsorships which were likely to result in increased sales, firstly that consumers are aware of the sponsorship activity, and secondly that consumers are aware of the sponsor's brand.

According to Koo, Quarterman and Flynn (2006), increasing brand awareness through sponsorship could result in the enhancement of a consumer's attitude to a brand or corporate image, thus translating into loyalty. It is interesting to note the definition Polonsky and Speed (2001) gave to sponsorship, 'strategic giving', and their assertion that this can be capitalised on by leveraging the sponsorship as such. This can be interpreted as a possible communication strategy on the part of the organisation with the aim of achieving the perception in the mind of the consumer that the organisation cares. This introduces the notion of the sponsoring organisation having a 'heart', and by linking the organisation to this human quality it could just sway the consumer into perceiving the organisation as more than just an impersonal money-making machine. This argument, however, would need to be justified and the best way to do this would be to ask the consumer directly, but as observed by d'Astous and Bitz (1995), there is a distinct lack of empirical measurement of consumer perceptions.

Sponsorship is therefore an opportunity for an organisation to communicate with a customer and to get closer to a customer. This opportunity can be further capitalised on through an association with an event that the customer feels strongly about. Such an example would be a sponsor of a theatre show who has purchased the opportunity to expose their brand intimately to a theatre consumer. Petrecca (2006) made the point that there are many affluent people who attend theatre. This is a good opportunity for a company to align its brand with an event that is frequented by well-off people.

Given that sponsorship, as a communication tool, provides a company with the opportunity to promote its brand as opposed to promoting individual products, it is necessary to define what brand image is. Cornwell et al (2001:41) defined brand image as "…a summary measure of product-related associations, the intangible brand association of 'corporate image', the competitive brand association of 'brand differentiation', and the lifestyle / personality brand association of 'brand personality'.". Clearly then, it is the association of the company's image itself, as opposed to individual products, that allows opportunities in sponsorship.

As suggested by Cornwell et al (2001) brand equity can be developed through linking the brand to sponsorship activities and they further asserted that it is easier to build general brand elements in the minds of consumers, as opposed to distinctive ones. This clearly establishes a strong case for a major objective of sponsorship to be the creation of brand awareness through the repeated exposure of a consumer to the brand as whole, via sponsorship activities.

2.2.2 Altruistic or commercial?

If sponsorship has brand awareness as a major objective, what then of its origins as a philanthropic activity - is the notion of sponsorship as a patronage no longer valid? d'Astous and Bitz (1995:8) proposed that: "In most situations, sponsorship is commercial, i.e. the firm associates itself with a public event in order to gain direct commercial benefits: increase in consumer awareness, improvement in image, sales etc.", however they did qualify their statement by adding that philanthropic sponsorship is likely to create goodwill and positive attitudes amongst consumers, a major component of brand building. If one considers, then, that organisations rely on positive attitudes towards their brand in order to create positive brand awareness, there is an argument that sponsorship as a corporate activity has not entirely abandoned its philanthropic roots, rather that sponsorship could be seen as a commercial undertaking, with the goal of generating the perception of philanthropic activity in order to promote feelings of goodwill in a consumer towards the sponsoring brand.

2.2.3 Benefit to customers

If a goal of sponsorship is to create goodwill in the minds of the consumer (Alfandari and Schwartz, 1998) it begs the question whether the sponsorship itself offers some sort of benefit to the consumer to create feelings of goodwill. This does not appear to be the case. Windeler (1999) observed that sponsorship does not always benefit the consumer directly in terms of things like cheaper tickets, or special offers for existing clients. Other ways, then, must be found to generate that goodwill given that: "A key outcome of a firm's sponsorship activities is the development of favourable affective responses toward the sponsoring brand.", observed Roy (2003:381).

2.2.4 Goodwill

Meenaghan and Shipley (1999:333) proposed that: "…the sponsor will seek linkage to an event or activity which intrudes on societal consciousness thereby ensuring exposure for the brand.". Building on this, Wolf (2009) observed that organisations recognise that being associated with worthwhile events generates goodwill amongst consumers, both existing and potential. This harks back to the philanthropic origins of sponsorship that have been established and, as previously argued, it is an opportunity for an organisation to appear altruistic whilst achieving commercial objectives. Erdogan and Kitchen (1998) concluded that brand perceptions are improved by connecting the brand to an event that is valued highly by a target market. Improved brand perceptions could therefore be influenced by feelings of goodwill in the minds of the consumer in terms of things like the support of a worthy cause and the organisation's appearance of supporting the sustenance of an industry, without necessarily a direct benefit being offered to the consumer.

2.2.5 Producer's objectives

The notion that organisations use sponsorship to promote brand awareness and goodwill in the minds of consumers, leads to the consideration of the objectives of the rights holder, the producer, who has sold an organisation the right to be associated with their event.

The literature suggests that, from the producer's perspective, corporate sponsorship is a major source of income. This appears to be the major objective for the rights holders as is evident from the findings of Thomas, Pervan and Nuttall (2009) who noted that participants in their study viewed sponsorship as a crucial source of income.

In addition, Young (2003) noted that theatre managements believe that sponsorship can result in the maintenance of quality entertainment emanating from their organisations, presumably as a result of sponsorship being a guaranteed source of income.

The objectives of the two parties involved in the sponsorship contract, therefore differ from one another and this is confirmed by Walliser (2002) who argued that sponsorship has become a critical means for communication by the sponsor one the one hand and a crucial source of income for the rights holder on the other. Crompton (1993) suggested that it is crucial that event organisers work with sponsors to establish the objectives upfront and proposed that these objectives should be measurable and mutually agreed upon, but in many cases they are not.

Whether these mutually exclusive objectives are recognised and agreed upon between the two parties upfront is an area that cannot be confirmed by the literature.

2.2.6 Sponsorship duration

Having established the importance of sponsorship being linked to clear objectives, the literature suggests that a long term commitment is an important part of realising the sponsorship objective, and is an objective in itself. Cornwell et al (2001), pointed to the idea that length of time is important in terms of sponsorships. According to Cornwell et al (2001) longer sponsorship durations create a stronger association of a brand with a particular event in the mind of the consumer. This argument is further corroborated by (Fahy, Farrelly and Quester, 2004:1026) who proposed that: "Sponsorships which are entered into in a piecemeal and uncoordinated way, are unlikely to be successful… sponsorships should be seen as an integral part of the company's marketing strategy and must be resourced as such.".

A major factor resulting in long term sponsorship commitments, as opposed to ad-hoc sponsorships, is the decision to enter into a sponsorship based on the objectives of an organisation's communication strategies as opposed to a manager's interests (Cornwell et al, 2001). Decisions based on manager's interests have shown to result in ad-hoc sponsorship strategies which are not part of communication objectives, unless a company has an ad-hoc communication strategy. It appears that long-term sponsorships can create stronger brand associations in the minds of the public and are more likely to establish links in consumers' minds (Crompton, 1993; Cornwell et al, 2001).

The need for an organisation to clearly define its sponsorship objectives, and to be aware of the components that drive those objectives, arose as a strong common theme in the literature. For this reason it can be concluded that clear sponsorship objectives is an important criterion required for effective sponsorship activities.

2.3 Communication strategy

The importance of a sponsorship activity forming part of an organisation's communication strategy emerged strongly as recurrent theme in the literature. Dolphin (2003:183) observed that: "Some researchers note that customers are sometimes more receptive to a sponsorship message" and Alexander

(2009:346) proposed that: "…sponsorship has the ability to elevate a corporate brand above the advertising noise that exists in the consumer environment…"

2.3.1 The marketing mix

In order for sponsorship to become a communication strategy it should form part of an organisation's marketing mix. Rafiq and Ahmed (1995) defined the marketing mix as 'controllable variables' used to influence a customer. Meenaghan and Shipley (1999) pointed to sponsorship having developed from an activity of patronage to an activity of advertising to realise business objectives. Rowley (1998) included sponsorship as a tool in the promotional mix and Dolphin (2003) noted a growing focus on sponsorship as part of the marketing mix.

Further investigation into the literature substantiated this concept with Walliser (2002) proposing that advertising and sponsorship have become closely linked in an organisation's communication or marketing strategy, and Gill (2008:13) observing that: "Sponsorship has become a fundamental part of a corporation's marketing mix.".

2.3.2 Communication presence

The notion of sponsorship forming part of the marketing mix should translate into an increase in communication presence. Dolphin (2003:181) observed that: "Sponsorship has transformed itself into a powerful component of an integrated communications strategy", thereby alluding to the notion of sponsorship enhancing communication presence.

Walliser (2003) noted that while advertising and sponsorship share similar objectives and are indeed complementary marketing activities, their messages are delivered differently. Sponsorship is less explicit but has much broader communication abilities to cause the consumer to take note of a sponsor's brand. It can therefore be concluded that sponsorship adds to communication presence but it should be noted that Walliser (2003) believed that while it is was generally regarded that sponsorship increases brand awareness, the reasons for this are not clearly defined. In order to reach some sort of explanation on why sponsorship enhances communications presence it is necessary to explore potential reasons why this is so.

2.3.3 Image fit

One argument is that successful communication presence via sponsorship is achieved through the selection of appropriate sponsorship properties to be linked to a brand: Koo et al (2006) reached the conclusion that high perceived ‘fit’ between the sponsoring brand and the event resulted in favourable impressions of the sponsoring brand as a whole, as well as a more favourable attitude toward the brand.

Koo et al (2006) found that the consumer reactions, both cognitive and affective, were important drivers of judging the effectiveness of a sponsorship and asserted that: “A unique association between the sport event and the sponsor’s product is created through sport sponsorship activities.” (Koo et al, 2006:83). If the sponsorship association is successful, that is, if the sponsor’s brand and image are strongly linked to the event, then the consumer perception is likely to be more positive. Koo et al (2006: 80) concluded in their study that: “participants in the high image fit group had more positive corporate image and brand attitude in relation to sponsors, than those in the low image fit group. In addition, the participants in the high image fit group demonstrated an increased likelihood of correctly recognising a brand with a sponsor.”. While Koo et al (2006) referred to sports sponsorship in this instance, the same argument could be applied to corporate sponsorship of theatre events, where a high image fit translates into greater brand recognisability in the minds of theatre consumers.

Conversely it could be argued that low image fit would translate into low brand recognisability, and it appears that some organisations are in danger of falling into this category as observed by Munoz (2005), who noted that oftentimes sponsorships are disconnected to the promises made by the brand in terms of the product experience – thus translating into poor image fit.

2.3.4 Recognisability & Loyalty

Strategies that should be used by corporations to maximise the impact of sponsorship activities on consumers (communication presence) are proposed in the sponsorship literature. These strategies seek to maximise the appearance of quality, brand recognisability and consumer loyalty.

The first of these is to ensure that there is a strong link between the sponsor and the event. It is important for the consumer to feel that the sponsor is taking ownership of its involvement in the event, and is heavily involved. Colbert, d'Astous and Parmentier (2005) observed that where there is a weak link in the mind of the consumer between the sponsor and an event, there will be a negative perception of the sponsor by the consumer. The stronger the link between a sponsor and an event in the mind of the consumer, however, the more positive will be the consumer's perception of the sponsor's brand and image (Colbert et al, 2005).

Colbert et al (2005) expanded on this by suggesting that the 'prominence of the event' also has an impact on the consumer's perception of the sponsor. The more prominent the event and the stronger the link between the sponsor and the event, the more positive will be the consumer's perception of the sponsor's image. A prominent event generates greater interest in the event and leads to more positive perceptions of the sponsor's image, according to d'Astous and Bitz (1995). It can therefore be argued that a prominent event results in a prominent sponsorship thus translating into greater brand awareness through heightened recognisability.

The sponsor's brand should therefore be linked to events which are positioned to target consumers that will react positively to, have a recollection of, and be favourably disposed to the sponsorship of that event. This relates back to the selection process, the decision-point of considering potential sponsorship activities, being crucially linked to the communication strategy in order to maximise that strategy. The choice of sponsorship properties is crucial because, as proposed by Gwinner (1997:155) "…this image may become associated with the brand.". If a sponsorship activity does not align with the image of the brand, it could result in an altered image of the brand which was not part of the brand objective in the first place.

Sponsorship as an activity has been observed to have the ability to bolster the communication strategy by enhancing communication presence. For this reason sponsorship should form part of an organisation's communication strategy and it is proposed that this then becomes a criterion that can be established as necessary to be met to ensure effective sponsorship results.

2.4 Leveraging the opportunity

Once a sponsor has decided on a sponsorship property, having clearly selected that property's potential based on corporate brand objectives and communication strategies, ways in which that sponsorship opportunity can be maximised must be considered. Exploiting the sponsorship is called leveraging the sponsorship opportunity (Dolphin, 2003) and is a vital component in ensuring the effectiveness of sponsorship activities. Crompton (1993:98) asserted that: "Sponsorship is likely to be effective only if it is integrated with other communication vehicles…". This assertion was further corroborated by Meenaghan and Shipley (1999) who pointed to the importance of leveraging the sponsorship investment for the benefit of image and awareness and Dolphin (2003) who proposed that many sponsorships fail because they are not adequately leveraged.

2.4.1 Importance of leverage

Quester and Thompson (2001) measured the returns to three sponsors of an arts festival. All three of the companies desired that the public become aware of their sponsorship. It was found that only one company achieved this aim, and their findings were that this company engaged in additional promotional support of the sponsorship while the others had not. The company that achieved its aim promoted its involvement in the festival separately from the sponsorship right of association. This example clearly highlights the impact that leveraging the sponsorship opportunity had on the public becoming aware of the company's sponsorship, and again it links into a clear objective (brand awareness) and a communication strategy, in this case leveraging the opportunity via additional promotional (communication) support, having been achieved.

Further evidence of the importance of leveraging the sponsorship opportunity was proposed by Crompton (1993), who found that sponsorship is likely to be most effective if it is exploited while being used in conjunction with other communication methods: "…increased awareness and enhanced image benefits of sponsorship accrue by providing implicit messages generated by the linkage between a company and an event." (Crompton, 1993:100).

Sponsors need to be willing to commit to leveraging the sponsorship opportunity as observed by Farrelly, Quester and Burton (2003) who argued that commitment to leverage directly affects sponsorship effectiveness. In order to ensure this commitment there needs to be the recognition of the importance of leveraging the sponsorship opportunity in the first place, and this should form part of the strategy to realise the objective of effective sponsorship.

To be merely associated with a sponsorship activity appears to be ineffective in exploiting the organisation's brand and therefore leveraging the opportunity should be part of sponsorship communications.

2.4.2 Additional funds

The literature suggests that extra effort and investment is required to capitalise on the sponsorship opportunity (leveraging the opportunity) and that this would involve additional promotional spend. Gill (2008:13) observed, "… as costs for rights purchase are expanding, budgets for the leveraging of sponsorships are forced to grow.", and Cornwell et al (2001:43) observed: "…it is the leverage (promotional expenditures over and above the sponsorship fee, including items such as advertising, sales promotion, and client entertainment) that is so important to successful sponsorship-linked communication programs.".

If additional funds are required to leverage the opportunity, then what additional investment is required? Quester and Thompson (2001:44) concluded that: "…the industry norm in order to ensure adequate exploitation of a sponsorship should be a 100 percent ratio of 1:1 with the costs of securing the property rights.”. It is interesting to note that the ratio of 1:1 put forward by Quester and Thompson (2001) requires that a sponsor’s investment in the sponsorship property actually be twice that of the sponsorship fee to secure the rights - further evidence in support of the importance of sponsorship decisions being linked to strategic objectives to avoid expensive sponsorship failures.

Crompton (1993) proposed that event organisers too, need to realise that other communication activities must be used to maximise the sponsorship opportunity and observed that there is some debate between the sponsors and event organisers as to whose responsibility this actually is. As previously mentioned, additional promotional spend should be used to promote the sponsorship itself and it was suggested that the sponsor should make this investment. Should the event organiser bear some of this responsibility? This question leads to the dilemma observed by Crompton (1993), who proposed that if the event organiser should bear this responsibility then the amount allocated for sponsoring the actual event itself would have to be reduced – perhaps by even more than 50 percent of the sponsorship amount. This is an issue that would need to be cleared in the upfront negotiations between the sponsor and the event organiser, and if some of the financial responsibility for leveraging the sponsorship opportunity does fall to the event organiser it would make sense that this form part of the sponsorship fee, resulting in a greater sponsorship fee which means that the sponsor is in effect paying for it anyway.

The need to focus on leveraging the sponsorship opportunity emerged strongly as a common them in the literature and was therefore proposed to be the third criterion required for sponsorship effectiveness.

2.5 Return on investment

It has been established that in order to be effective, sponsorship must be linked to clear objectives, form part of an organisation’s communication strategy and must be sufficiently leveraged. The way in which sponsorship effectiveness can be measured must then be considered and the question arises as to whether it is being measured at all. Dolphin (2003) observed that little is known about sponsorship effectiveness despite its increase as a corporate activity.

Burton (2003) argued that the answer to determining sponsorship effectiveness is to measure return on investment (ROI), and suggested that there is increasing pressure on marketers in organisations to prove sponsorship effectiveness and to justify it by measuring ROI. Burton (2003) was astonished by the number of marketing executives who do not know the value of their sponsorship investments, yet at the same time these executives are being measured by it. Javalgi et all (1994) pointed to evidence that suggests that some sponsorship managers are not concerned with the measurement of sponsorship effectiveness, and Polonksy and Speed (2001) supported this by proposing that many companies do not calculate sponsorship return on investment.

2.5.1 Determining the investment

If sponsorship effectiveness is not being measured then the manner in which the sponsorship fee is determined must be questioned. Farrelly et al (1997) asserted that management needs to continue to research sponsorship in terms of objectives, effectiveness indicators and measurement, before funds are committed.

2.5.2 Measuring the investment

The lack of measurement of ROI on sponsorship activities can be attributed to two factors: Firstly, the lack of concern amongst managers to measure it (Javalgi et al, 1994 and Polonksy and Speed, 2001), and secondly the lack of methods to measure sponsorship ROI (Dolphin, 2003). It appears that there is urgency in terms of creating measurement tools: "…the need to develop and implement reliable evaluation methods becomes more urgent…the development of measuring mechanisms that both demonstrate the impact of sponsorship and the achievement of objectives becomes another imperative." (Dolphin, 2003:183). The literature suggests that methods to measure ROI need to be found and it is therefore assumed that they don't really exist in a formal way.

2.5.3 Intangible returns

Perhaps one of the reasons that ROI measurement methods don't exist is that sponsorship investment returns are often intangible. Fahy et al (2004) noted that brand equity and brand building are key intangible assets in the area of sponsorship and Alfandari and Schwartz (1998:50) stated that: "Sponsorship comes at a significant cost, and the return on investment is often intangible in the form of heightened brand exposure and building goodwill…".

If the objective of sponsorship is to increase awareness of the brand as a whole, as opposed to promoting individual products (Cornwell et al, 2001), ROI on sponsorship investment could not easily be linked to the sale of individual products, making mathematical measurements difficult despite the conclusion by Erdogan and Kitchen (1998:369) that: "…sponsorship is an independent marketing communication activity which ultimately attempts to impact a firm's bottom line positively.".

The suggestion that sponsorship return on investment is intangible leads to the subject of how to measure this intangible return. Increased brand awareness and increased generation of goodwill towards a brand has the objective of increasing the customer base and maintaining customer loyalty, as evidenced by Koo et al (2006:80) who pointed to research that shows: "that sponsorship activities can improve consumer attitudes about corporations and increase product sales.". It can therefore be argued that the impact of sponsorship activity on the customer is a crucial method of measuring sponsorship ROI in the light of the: "…lack of empirical studies examining the impact of sponsorship programmes on consumers" (d'Astous and Bitz, 1995:6).

The literature suggests that a concerted focus on return on investment in terms of sponsorship is required and that measurement of the impact of sponsorship on the consumer appears to be the way forward to enable an organisation to get closer to determining ROI. Return on investment, therefore, becomes a fourth criterion in maximising the potential for sponsorship effectiveness.

2.6 Conclusion of Literature Review

Four common themes arose strongly from the literature as being fundamental considerations in the pursuit of effective corporate sponsorship. These themes were established as the criteria against which the effectiveness of corporate sponsorship of theatre could be measured in the context of this study. They are summarised as follows:

2.6.1 Sponsorship objectives

It was established that sponsorship objectives should be clearly defined and form part of a long-term strategy linked to established communication objectives (Dolphin, 2003). Brand awareness was put forward as the most important objective, using sponsorship as a communication tool to get closer to the consumer through repeated exposure to the organisation's brand (Javalgi et al, 1994; Pope, 1998; Cornwell, 2001; Koo et al, 2006) . The organisation should capitalise on sponsorship's altruistic roots to promote feelings of goodwill towards it in the minds of the consumer (Polonksy and Speed, 2001). Sponsorship provides little practical benefit to the consumer and therefore part of its function is to generate goodwill through the association with events that are highly valued by the target market (Roy, 2003). Event organisers and sponsors should mutually agree on their respective objectives upfront and these objectives should be measureable (Crompton, 1993). Long term sponsorship durations were found to be important in realising sponsorship objectives (Cornwell et al, 2001; Fahy et al, 2004). Finally, the sponsoring of worthy causes can help to create perceptions of a caring organisation – one that has a 'heart' (d'Astous and Bitz, 1995).

2.6.2 Communication strategy

Sponsorship can be described as a form of advertising, albeit in a more subtle manner (Dolphin, 2003; Walliser, 2003; Alexander, 2009). It is for this reason that sponsorship should form part of the marketing mix and not be a separate activity. Sponsorship forming part of the marketing mix ensures that it aligns with an organisation's marketing strategy which in turn increases its communication presence (Dolphin, 2003). To achieve this successfully, sponsorships must have a good image fit with the image of the sponsoring brand (Koo et al, 2006). Brand recognisability requires a strong link between the sponsor and the event (Colbert et al, 2005) and an association with a prominent event (d'Astous and Bitz, 1995). In addition, image fit between the organisation and the event was deemed crucial to creating positive associations with the brand (Gwinner, 1997).

2.6.3 Leveraging the opportunity

The importance of leveraging the sponsorship opportunity was argued to be a required component of successful sponsorship strategies (Crompton, 1993; Meenaghan and Shipley, 1999; Dolphin, 2003). Sponsors need to commit to leveraging the opportunity by separately promoting the sponsorship through advertising it as opposed to merely being associated with an event (Quester and Thompson, 2001; Farrelly et al, 2003). This requires the allocation of additional funds (Cornwell et al, 2001; Gill, 2008) and it was suggested that this ratio should be as high as 1:1 (Quester and Thompson, 2001).

2.6.4 Return on investment

The literature revealed that little was known about sponsorship effectiveness for two main reasons: Firstly, many managers were not concerned with measuring sponsorship effectiveness (Javalgi et al, 1994; Polonksy and Speed, 2001; Burton, 2003), and secondly there appears to be a lack of methods to measure ROI (Farrelly et al, 1997; Dolphin, 2003). Sponsorship returns were proposed to be largely intangible (Alfandari and Schwartz, 1998; Fahy et al, 2004), a result of increasing brand awareness as opposed to promoting distinct products (Cornwell et al, 2001), and it was suggested that the measurement of the impact of sponsorship on the consumer was important as it is an area which has produced little in the way of empirical research (d'Astous and Bitz, 1995). Effective indicators and measurements emerged as a subject that needs to be researched by organisations before funds are committed to sponsorship.

2.7 Main Research question

What aspects of sponsor and producer alignment with the criteria can be identified, and what is the impact of sponsorship on the consumer in terms of its efficacy?

The research question therefore requires deconstruction into three research questions as follows:

2.7.1 Research question 1: What aspects of alignment can be identified between Absa and the criteria?

2.7.2 Research question 2: What aspects of alignment can be identified between Packed House Productions and the criteria?

2.7.3 Research question 3: What is the impact of theatre sponsorship on the theatre consumer in terms of the criteria?

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Research methodology / paradigm

The research question suggested a three-pronged approach to the research was necessary by surveying each of the three stakeholders (the sponsor, the producer and the theatre consumer) in turn.

It was determined that a mixed method approach would best serve the research. A qualitative approach was used to determine sponsor and producer alignment with the criteria and perceptions of the impact of sponsorship on the theatre consumer. This was deemed to be appropriate as interviews with key people in the organisations were possible due to the small amount of interviews required and in terms of achieving access to those people. A quantitative approach was used to measure the impact of sponsorship on the theatre consumer for reasons of convenience, as a quantitative survey would result in quicker results than attempting numerous qualitative interviews within a large sample. The qualitative and the quantitative approached were aligned according to the criteria that arose from the literature review to allow for a comparison of the results.

The qualitative approach consisted of in-depth interviews with key people from both organisations involved in the sponsorship contract, Absa on the one hand and Packed House Productions on the other. This approach was used to seek the organisation’s point of view and was noted as a characteristic of the qualitative approach by Falconer and Mackay (1999). The qualitative approach was necessary because of the limited access to data as well as the potentially small amount of key people involved in theatre sponsorship in South Africa.

To measure the impact of theatre sponsorship on the third stakeholder in the study, the theatre consumer, it was determined that a quantitative approach using an on-line survey based on a seven point Likert scale would be appropriate, due to this scale having been proven to be useful in determining customer thinking and being perceived to be reliable as a result of its longevity (Braunsberger and Gates, 2009).

3.2 Research Design

The qualitative component took the form of semi-structured in depth interviews with key people involved in theatre sponsorship and allowed for the gathering of information according to the criteria established in the literature. This approach had the advantage of identifying aspects of the respective organisations' alignment with the criteria and discerning their perceptions in terms of the impact of sponsorship on the consumer. Disadvantages included the potential for decision-makers to have withheld information or to gloss over negative aspects resulting from unsuccessful sponsorships.

The quantitative approach took the form of a survey amongst theatre patrons using a questionnaire with statements requiring answers based on a seven point Likert scale. The results of the survey were analysed via an algorithmic approach using a normal distribution fitting algorithm as described by Stacey (2005). It was an anonymous on-line survey which allowed for an objective consumer viewpoint, an attribute of the quantitative approach according to Falconer and Mackay (1999). The Likert scale results in the analysis of ordinal level data (Braunsberger and Gates, 2009).

This approach is appropriate as it enables a broad survey of theatre patrons in an objective setting as a result of on-line anonymity. The advantage of this method was the broad reach that it achieved as well as the ability to survey a diverse group of theatre patrons. The disadvantage of this method was that the theatre consumers could not be defined according to their demographics.

3.3 The qualitative component

3.3.1 Interviewees

The interviewees in the qualitative approach were key people involved in a theatre sponsorship contract where Absa was the sponsor and Packed House Productions was the rights holder. The aim was to access people involved in theatre sponsorship on both decision-making and operational levels, and who have responsibilities in terms of sponsorship delivery, maximising sponsorship effectiveness and sponsorship reporting. The rational for this was to garner the points of view of the people for whom a focus on theatre sponsorship is a part of their daily professional activity, and who are members of two organisations that work together on a sponsorship contract. The interviews consisted of:

- Two separate interviews from Absa consisting of the Marketing Manager: Sponsorships and the Brand Consultant.
- Two separate interviews from Packed House Productions consisting of the Chief Executive Officer and the Chairman of the Board.

3.3.2 The research instrument

The qualitative research interview instrument consisted of a series of questions posed by the author to the interviewees. The questions were divided into the criteria that were established as a result of the themes that arose from the literature review. The questions posed to Absa were aligned with those posed to Packed House Productions according to the criteria headings to allow for comparative analysis.

The actual questionnaires are attached as Appendices A and B.

3.3.3 Procedure for data collection

The qualitative data was collected via individual semi-structured in depth interviews with Absa and Packed House Productions respectively.

The interviews were recorded on tape and then transcribed.

The questions posed to each organisation, whilst not exactly the same, were aligned in terms of the criteria that arose from the themes in the literature review to allow for comparative analysis.

3.3.4 Data analysis

The qualitative data was analysed by determining aspects of alignment with the established criteria and the determination of the perceptions of sponsorship's impact on the consumer in terms of the criteria.

3.3.5 Limitations of the study

- The study was limited to two organisations - Absa and Packed House Productions, Absa having being the sponsor of theatre productions produced by Packed House Productions.
- The respondents were all based in the Johannesburg area.
- The theatre events that were sponsored were presented in the Gauteng area in both Johannesburg and Pretoria.
- The study focused on theatre sponsorship as opposed to sponsorship of other performing arts disciplines or sponsorship of other industries such as sport.

3.3.6 Validity and reliability

a) External validity

External validity is described by Colosi (1997) as the capacity for the results to be applied to other environments. The results of this study, while they could be broadly applied to the performing arts as an industry, could not easily be accurately applied to other industries. This is due to its specific focus on the sponsorship of theatre as a genre of the performing arts. The criteria established from the literature could, however, be applied to sponsorship in other industries.

The qualitative interviews relied on access to a known sponsorship contract between Absa and Packed House Productions. The fact that the Absa interviewees also work in areas of sponsorship aside from theatre sponsorship such as sports sponsorship, and are therefore exposed to a broad sponsorship experience, adds to the external validity.

b) Internal validity

Internal validity describes the relationship between the intention and the outcome of the study, according to Colosi (1997). The literature review clearly defines the parameters of the study which were informed by the criteria that were established. This ensured control and maintained a focus on the intended outcome of the study – the alignment with the criteria and the impact of sponsorship on the consumer. Internal validity was thus achieved.

c) Reliability

Colosi (1997) describes reliability as the consistency of the measurement and the ability of the measurement to consistently deliver the same result. Reliability in the qualitative interview process was evident from the consistency of answers from two separate interviews with people from the same company. The extent to which the answers were completely candid could not be determined.

3.4 The quantitative component

3.4.1 Population and sample

a) Population

The population was theatre consumers in South Africa. The population frame was theatre consumers listed on the Packed House Productions theatre database. This population frame was chosen for the convenience of accessing theatre goers in an on-line survey as opposed to field research. The online survey was emailed to 400 random theatre consumers on the database and resulted in 97 unspoilt responses at the end of one week from the time that the survey was emailed, with these responses being used in the study.

b) Sampling method

The quantitative sampling method took the form of an on-line survey, emailed randomly to theatre patrons listed on the Packed House Productions theatre database. The email contained an introductory note requesting their participation in the survey and the assurance that the survey was anonymous. The email contained a link to an internet page containing the survey. The respondents used their computer mouse to click on their choice of answer on the web page. Once the respondent had answered all questions they clicked on a 'submit' button and the results were recorded by a computer server.

The researcher used a database company to facilitate the email and on-line questionnaire application. This company had no influence on the question statements, methods or possible answers, and the final results were emailed to the researcher. The respondents remained anonymous with the researcher only receiving the raw unprocessed data.

3.4.2 The research instrument

The research instrument consisted of twenty statements that required the respondent to choose one answer from a seven point Likert scale. This is an ordinal scale with possible answers ranging from *strongly agree* to *strongly disagree* with a neutral position in the middle. The Likert scale was chosen for its established longevity and proven usefulness in determining customer opinions (Braunsberger and Gates, 2009). Each statement required one answer and the survey was designed to prevent respondents from choosing more than one answer as the on-line application defaulted to the last answer clicked. Each of the questions fell into one of the criteria established from the literature review.

See appendix C for the actual on line questionnaire.

Table 1: Quantitative survey statements

Criteria	**Survey statements**
Sponsor Objectives	Theatre sponsorships make me more aware of the Absa name.
Sponsor Objectives	Theatre shows that are sponsored have lower ticket prices.
Sponsor Objectives	Sponsored theatre shows are of higher quality.
Sponsor Objectives	It seems to me that companies that sponsor theatre shows are more caring companies.
Sponsor Objectives	Sponsors of theatre in South Africa are more interested in supporting a good cause than commercial gain.
Sponsor Objectives	Theatre companies are only interested in seeking sponsorship to make more money.
Communication Strategy	The type of shows that Absa sponsors fits with their image.
Communication Strategy	Absa is a generous supporter of theatre.
Communication Strategy	Without sponsors there would be no large theatre shows in South Africa.
Communication Strategy	It seems to me that sponsorships are necessary to sustain the theatre industry.
Communication Strategy	Absa has a long term commitment to sponsoring theatre.
Communication Strategy	It seems to me that Absa's sponsorship pays for the entire cost of the theatre show
Leveraging the opportunity	I can remember the names of shows that Absa has sponsored.
Leveraging the opportunity	Absa tells me what theatre shows they are sponsoring.
Leveraging the opportunity	I have seen Absa's name on a theatre show's advertising.
Return on Investment	I am more loyal to companies that sponsor theatre.
Return on Investment	Absa's theatre sponsorship has had an influence on me becoming an Absa client.
Return on Investment	Absa's theatre sponsorship would influence me to become an Absa client.
Return on Investment	It would add to my decision to buy a theatre ticket if I like the company that is sponsoring it.
Return on Investment	I am more likely to buy a ticket to a sponsored show than to a show that is not sponsored.

3.4.3 Procedure for data collection

The data was collected and recorded by a computer server which produced a report of the raw data, in ordinal form, for analysis. The number count of answers chosen for each of the possible options between 1 and 7 was recorded. The computer also recorded the number of respondents in total and the number of respondents who answered each question. This raw data was entered into a Microsoft Excel spreadsheet for processing.

3.4.4 Data analysis and interpretation

The ordinal data was processed using a normal distribution fitting algorithm as described by Stacey (2005). This is the most accurate and reliable method of analysing ordinal data according to Stacey (2005), and for this reason the method was chosen to analyse the data in this study. As the name suggests it an algorithmic, as opposed to an arithmetic approach and: "…involves the fitting of distributions to the observed survey data using the χ^2 statistic." (Stacey, 2005:2). A table of means and standard deviations is created and the overall mean response results in a set of data that fits with an underlying normal distribution.

Stacey (2005:7) explained: "The process begins with initial estimates (i.e. guesses) of the parameters of the distributions of responses: that is, the means and standard deviations, and threshold values. These distributions and threshold values are used to calculate the expected response frequencies for each ordinal response category for each survey item." An algorithmic computer programme, in this case Solver in Microsoft Excel, is used to minimise the value of χ^2. If the value of χ^2 is not significant then the model can be deemed to accurately fit the data (Stacey, 2005).

The results from the Solver algorithm created a p-value which is used to analyse the data. A small p-value, close to zero, shows significant responses in terms of attitude toward the statement with higher p-values showing non-significant responses in terms of attitude towards the statement. Non-significant attitudes towards a statement have little value and are therefore excluded from further analysis.

3.4.5 Limitations of the study

- Only theatre consumers were surveyed.
- Respondents were asked questions pertaining to theatre sponsorship only.
- Absa was the only theatre sponsor mentioned in the survey.

3.4.6 Validity and reliability

a) External validity

External validity is described by Colosi (1997) as the capacity for the results to be applied to other environments. The results of this study, while they could be broadly applied to the performing arts as an industry, could not easily be accurately applied to other industries such as sport. This is due to the report's focus on the sponsorship of theatre as a genre of the performing arts. The impact of sponsorship on the consumer in terms of brand awareness, however, could be applied to other sponsorship environments.

b) Internal validity

Internal validity describes the relationship between the intention and the outcome of the study, according to Colosi (1997). The theatre consumer survey sought to achieve internal validity by concentrating on audience perceptions and attitudes towards sponsorships in the theatre industry. The design of the questionnaire in the quantitative survey keeps the focus on performing arts sponsorship.

c) Reliability

Colosi (1997) describes reliability as the consistency of the measurement and the ability of the measurement to consistently deliver the same result. Stacey (2005) proposed that the normal distribution fitting algorithm has revealed itself to be the most reliable and accurate method of measuring ordinal data and that it is reasonably robust.

CHAPTER 4: PRESENTATION OF THE RESULTS

4.1 Introduction

The in-depth interviews with both Absa and Packed House Productions were structured according to the criteria established from the literature review, as were the survey statements used to determine the response from the theatre consumer. The results from the Absa interviews are presented first, followed by the results from the Packed House Productions interviews. The responses are not paraphrased and the salient points from the interviews are quoted verbatim. The consumer results will be presented last.

4.2. Results pertaining to Absa's alignment with the criteria.

4.2.1 Sponsorship objectives

The first set of questions pertains to the objectives of sponsors - reasons why Absa would consider entering into a theatre sponsorship.

Question 1:

What objectives does Absa take into account when deciding whether to enter into a Sponsorship?

Answer:

"We have to decide whether it will increase brand awareness, whether there is a commercial benefit in terms of leveraging our products and services. The main objectives are determined by the brand strategy, which are informed by the level above that – the group strategy."

"We have honed in on exactly what it is that would support our requirements in terms of the four pillars that we're looking for, that being the various stakeholders: our community customers, our shareholders and government who are the regulators in our industry. Of course we do have underlying supporting objectives under each pillar; we break it down like that."

Question 2:

Is Absa's sponsorship of theatre a commercial investment or an altruistic investment?

Answer:

"It's a combination of brand awareness and investing in a good cause that can be seen to have a special place in the hearts of South African consumers."

"We look at the commercial opportunities. Within the duration of the contract one needs to realise some commercial value, and it is not just about investing in the sustenance of arts and culture."

Question 3:

Do you think that Absa's sponsorship of a theatre event makes it more accessible in terms of lower ticket prices?

Answer:

"Sponsoring theatre would not necessarily translate into lower ticket prices but obviously access to theatre would be the main objective…because the show is on."

Question 4:

What do you think are the objectives of producers in procuring a sponsorship for a theatre production?

Answer:

"I think one part of the partnership is driven by their ability to tell stories and they are passionate and dedicated to that, while the other part has a strategy, a business strategy, against which they must fulfil."

Question 5:

Would a theatre event be feasible without a sponsorship?

Answer:

"It would be feasible, but to the cost of one party who would have to absorb all the costs and not necessarily make it as economically viable as if there had been a partnership."

<u>Question 6:</u>

Do you think sponsorships are necessary to sustain the theatre industry?

Answer:

"Definitely, it's a combination of private sector investors, sponsors, as well as a concerted effort by government."

<u>Question 7:</u>

Do you think because you sponsor a theatre event it will result in a higher quality production?

Answer:

"We have our standards that we maintain and feedback thus far has suggested that an Absa managed event tends to be of a higher standard than our competitors' events."

"I would say that yes that standard is maintained."

<u>Question 8:</u>

Are long term sponsorship deals important for Absa? Why?

Answer:

"Sponsorships should be meaningful and the longer the better"

Researcher: "Why did you say the longer the better?"

"If you choose a longer period, say 5 years, then you will see your return over the five years, whereas the investment is made in the first two years and the next three years is seeing the return on the investment."

Question 9:

Do you feel that Absa's sponsorship of theatre contributes to perceptions that Absa 'has a heart'?

Answer:

"Yes."

"Especially given the position of arts and culture in South Africa."

4.2.2 Communication strategy

The second set of questions pertain to sponsorship being a part of an organisation's overall communications strategy

Question 10:

Is sponsorship part of Absa's overall communication strategy, is it part of the marketing mix?

Answer:

"Sponsorship is part of the marketing mix in that we would use sponsorships to cross sell our products, it's always used as a tool to enable the group to meet objectives from a retail perspective."

"We are very integrated in our approach to sponsorship in that we appreciate that every single element of the marketing mix resides within sponsorship. It's very integral to one's marketing campaign, it is for that reason that organisations such as ours will look at an opportunity to commercialise off a sponsorship opportunity, because it is not just about branding, it's not putting your brand next to it."

Question 11:

Do you believe that theatre sponsorship adds to your communication presence?

Answer:

“Your brand has a particular visual, it looks a particular way, someone created it that way and there is a rationale for arriving at your corporate identity, which essentially becomes intellectual property. There is a personality built into that. Therefore sponsorships bring all of that – what you look like and who you are as a brand – to life by associating with particular opportunities which say something about you.”

Question 12:

Do theatre sponsorships make the Absa brand more recognisable to theatre-goers?

Answer:

“Yes. It’s part of the objective. It’s to attract your theatre goers and create awareness amongst non-theatre goers, to grow that market, to influence people into attending theatre.”

Question 13:

Do the types of theatre products that Absa sponsors align with Absa’s image – is there a good image fit?

Answer:

“Yes, it does have a fit. We would contest something that we didn’t find to have a good fit...as a bank we have a certain responsibility to stakeholders. For example if we were sponsoring an athlete that was involved in a doping scandal we would have to exit that property because we would not want to be seen as a bank or brand that endorses such behaviour.”

“Sponsorship must speak about who you are. Absa looks for quality…what’s important in terms of theatre is to sponsor something that the South African market can identify with, because we pride ourselves on being the number one sponsor of South African Arts and Culture.”

<u>Question 14:</u>

Do you think that theatre consumers would recognise the names of theatre events that Absa has sponsored?

Answer:

"I would say that anyone who is a theatre-goer would know what *Fiddler on the Roof* is, what *My Fair Lady* is, but they may not necessarily associate it with Absa because it is a well known Broadway musical. If you were to say 'who sponsors this', I don't know if people would respond – 'this is Absa'. I would say they would know what the production is."

4.2.3 Leveraging the opportunity

The Third set of questions pertains to leveraging the sponsorship opportunity separately from the sponsorship itself.

<u>Question 15:</u>

Is it important for Absa to leverage the sponsorship opportunity by separately promoting the fact that Absa sponsors theatre, as opposed to merely being associated with the production?

Answer:

"That is the one thing we don't do very well in this country…we still fail to leverage it effectively. In order for you to bring your contract to life, to execute or fulfil your contract obligations, you have to spend more money. You can't just say 'Ok I'm associated and then you leave it like that'."

<u>Question 16:</u>

Do you allocate extra funds to advertise the fact that you are sponsoring theatre?

Answer:

"In some instances it's included into the sponsorship of the property and some instances -where you have a bigger market to reach – additional marketing is required to make people aware that you are sponsoring that property."

"Unfortunately sometimes you aren't able to do that...budget constraints…given the last two or three years the world economic recession etc, you have to adapt to the economic climate, so whereas at one point you may be able to sponsor something and do additional marketing around that sponsorship, another time would not allow you to."

"Some of the sponsorships rely heavily on the activation at the site of the sponsorship itself."

4.2.4 Return on investment

The fourth set of questions pertains to the area of sponsorship return on investment.

Question 17:

How does Absa decide on the sponsorship fee?

Answer:

"It comes out of the sponsorship proposal"

"There is precedence. There are sponsors that have come before us that have paid a particular amount of money and there are those who make it there business to measure what sponsors are looking for, in order to estimate what a property is worth. It's market value."

Question 18:

In what ways does Absa measure return on investment?

Answer:

“The return on investment is measured using a calculation called the ROMI, which is your return on marketing investment. There are several formulas that are used to calculate the ROMI: You can base the ROMI on brand awareness, or the increase in brand awareness. If you look at commercial investment, you take the cost of the sponsorship divided by the number of products sold or the income generated from the sale of products during that sponsorship and that will translate into your return. Anything that is above one is good – the higher the ratio the better.”

Question 19:

Do you think that because Absa sponsors theatre, your clients are more likely to remain loyal to Absa?

Answer:

“Yes, any client of ours who shows an interest in lifestyle events or arts and culture would certainly continue their relationship with us because we’re speaking to them and we’re ensuring that they are able to enjoy something that they like.”

Question 20:

Do you think that because Absa sponsors a theatre event it will make a consumer more inclined to buy an Absa product and become an Absa client?

Answer:

“Ensuring that you are top of mind in a theatre consumer’s mind will ensure the possibility that they might take up your products as opposed to someone else’s.”

“Because of the nature of the business that we are in…it is very difficult for anyone to just decide to join another bank, because they like them.”

Question 21:

Do you think a consumer would attend a theatre event because Absa is the sponsor?

Answer:

“They would have to be interested in the production to actually go and buy it. If they don’t have the interest they are unlikely to take their money and go and spend it there.”

4.2.5 Summary of the results pertaining to Absa

Absa’s objective when considering a sponsorship is to increase brand awareness. This objective is determined by the brand strategy which is informed by the group strategy. Sponsorship must realise commercial value and be perceived to be supporting a good cause. Longer duration contracts are important. Sponsorship is an integral part of the marketing mix and adds to Absa’s communication presence. A good image fit is important. Absa does not believe that they leverage the sponsorship opportunity adequately and do not always allocate additional funds toward leveraging activities. Absa determines the sponsorship fee based on precedence and uses ROMI (return on marketing investment) to measure sponsorship returns. Absa felt that theatre sponsorships would make their clients loyal, but did not believe that sponsorship would easily translate into new clients. Brand awareness was most important in terms of ROI.

The results pertaining to Absa are summarised in table 2 overleaf.

Table 2: Summary of the Absa results

Sponsorship criteria	ABSA Questions	Absa answers
Objectives	Absa objectives.	Brand awareness. Group strategy → Brand strategy → Objectives.
Objectives	Commercial or altruistic	Commercial value with perception of good cause
Objectives	Accessibility / Lower ticket prices	No, but provides access, show is being produced
Objectives	Objectives of Producers	Business objectives
Objectives	Theatre feasible without sponsorship	Yes but not as economically viable
Objectives	Sponsorship = sustainability of theatre industry	Yes
Objectives	Sponsorship = higher quality production	Quality expected, maintained.
Objectives	Long term important	Yes. Long term needed for ROI
Objectives	Sponsorship = Absa has a 'heart'	Yes
Communications Strategy	Sponsorship part of marketing mix	Integrated part of the marketing mix.
Communications Strategy	Sponsorship = increased communication presence	Yes. Adds to brand personality.
Communications Strategy	Sponsorship = more recognisable Absa brand	Yes, part of the objective
Communications Strategy	Good image fit	Yes. Must ensure a good fit
Communications Strategy	Consumer Recognition of Absa sponsored events	No. Consumer would know what production they saw.
Leveraging the opportunity	Absa leverages opportunity	Important, but not leveraged adequately
Leveraging the opportunity	Allocate extra funds for leverage	No. Economic constraints. Not always required
Return on investment	Deciding on sponsorship fee	Proposal. Precedence
Return on investment	How measure ROI	Use ROMI calculation
Return on investment	Theatre sponsorship = more loyal clients	Yes
Return on investment	Theatre sponsorship = new clients	No. But adds to brand awareness
Return on investment	Consumer attend because Absa is sponsor	No. Consumer would be interested in the production

4.3 Results pertaining to Packed House Productions' alignment with the criteria.

4.3.1 Sponsorship objectives

The first set of questions pertains to the objectives of theatre sponsorship from Packed House Productions' perspective.

Question 1:

What do you think are Absa's objectives in sponsoring theatre events?

Answer:

"It fits into a larger international trend, very present in South Africa because of the political context that we're in, to attend to the notion of the triple bottom line…what they want is a return on that to cause greater brand allegiance, hence more clients, hence more profit."

"I think it's primarily image perspective that they try and create, and second to that an underlying visibility, just so that their name is out there and it's subconsciously being absorbed into society."

Question 2:

Do you think Absa views theatre sponsorship as a commercial investment or an altruistic investment?

Answer:

"I think they view it completely as commercial, always under the guise of altruistic, and that is the double standard of corporate triple bottom line social investment. That's why they call it sponsorship, and not marketing."

Question 3:

Does Absa's sponsorship of a theatre event make it more accessible in terms of lower ticket prices?

Answer:

"We do not pass on the sponsorship in terms of ticket price savings. We have a policy of seeking low price, high quality products, so we price below average market price. But that is a business decision for competitive advantage."

"However, without the Absa sponsorship I think I might have presented half the amount of shows I've presented…so have they facilitated public access to those shows, yes, but not because the ticket prices were lower but because the show was there at all."

Question 4:

What are your objectives in procuring a sponsorship for a theatre production?

Answer:

"To reduce risk. It means that the capital investment I have to make in the product is reduced, by whatever the amount of the sponsorship is."

"It helps enormously to have such a large prestigious organization attached to your product…being associated with them gives us credibility. "

Question 5:

Would you still produce a theatre event without sponsorship? Is it feasible?

Answer:

"Yes it is feasible without sponsorship, but you have to choose very carefully and your margins go down significantly because a huge chunk of your upfront investment costs to bring product to market, are suddenly on your risk portfolio."

"I'd be much more selective…they give me the opportunity to bring a greater range to market than I could have done otherwise, because they reduce my risk."

Question 6:

Do you think sponsorships are necessary to sustain the theatre industry?

Answer:

"I think it would be much reduced… I think the festivals would not exist because we all know that the festivals are not economically viable, they are by definition not economically viable. There is too much product, too much offering for too small market. And I believe there would be 90% less art exposure in this country without sponsorship."

Question 7:

Will a sponsorship of your theatre production result in a higher quality production.

Answer:

"No. I would have had the same quality production. The reason why I went to the sponsor in the first place and the sponsor took me is because they believed there would be quality."

Question 8:

Are long term sponsorship deals important for you as a producer? Do you think they are important for the sponsor?

Answer:

"Yes I do, because both the producer and the sponsor learn how to do it better, they learn how to add value and from the producer's side it allows the producer forward planning - if you've got some serious sponsorship going forth for a three, or four or five year period you can say: 'I know I've got capital available I can start the show off'. "

Researcher: "And from Absa's point of view?"

"From Absa's point of view I think they have worked out long ago that it takes a while for people to work out that they are involved in a project."

"I think it is important because I think they like to exhibit a long term commitment to anything because that's what they want from their clients, and it substantiates the whole altruistic, we're doing the right thing, we're socially responsible – you can't really be socially responsible if you only sponsors once-offs."

Question 9:

Do you feel that Absa's sponsorship of theatre contributes to perceptions that Absa 'has a heart'?

Answer:

"Yes I do. I think it contributes profoundly to it. I really believe that it absolutely adds an enormous contribution to the qualitative perception of the organization, whereas their final annual report, where they show the balance sheets and income statements, tells us quantitatively what's going on as an investor."

"It gives the impression that they feel, that they are putting money into a noble cause and not just into the shareholder's pocket."

4.3.2 Communication strategy

The second set of questions pertain to sponsorship being a part of an organisation's overall communications strategy

Question 10:

Do you think Absa considers sponsorships as part of their overall communications strategy – is it part of their marketing mix?

Answer:

"Yes I do, businesses are under enormous pressure to communicate economic, political and social objectives, and if you look at their company reports, they report all of them…it's a deep part of their communication strategy."

"Just as we do TV and Radio and Billboard, they do sponsorships of sports events and arts events and they do TV and Radio etc."

<u>Question 11:</u>

By sponsoring your productions would Absa's communication presence be enhanced?

Answer:

"Yes, because the kind of products that we offered to them are aligned with their overall corporate message."

"It's subliminal, it's like Coca Cola advertise because they want to keep presence alive as opposed to attracting new customers. People don't drink Coca Cola all of a sudden because they saw a Coca Cola advert, but it keeps reminding them to keep drinking it, and I think the same applies to a banking environment, it keeps them in the public eye as opposed to a specific mechanism of attracting customers."

<u>Question 12:</u>

Do theatre sponsorships make the Absa brand more recognisable to theatre goers?

Answer:

"I categorically believe that…theatre goers are high LSM people, high net worth individuals and they are the most profitable for a bank. LSM 9 and 10 and above – and that's who goes to theatre."

"On a subconscious level I think they are more aware of it because it has been in their face quite a lot, by the time they've seen the advert, bought the ticket, gone to see the show, they've actually been exposed to it a lot and I think subconsciously they are a lot more aware than someone who didn't go."

<u>Question 13:</u>

Does the image of your product align with Absa's image – is there a good image fit?

Answer:

"I made sure that the offering I offered them was in alignment already with their corporate values message…because the values message is the most important."

"I think the better the fit, the better for both parties involved, because if our productions fit well with their image the credibility of the association is enhanced. And the same the other way round, if our production fits with their image, then more people will notice that they are sponsors."

Question 14:

Do you think that theatre consumers would recognise the names of theatre events that Absa has sponsored?

Answer:

"I think that if you said in your memory has Absa sponsored theatre they'd go yes, but they would struggle to say which one…I think that's what we contribute to – Absa sponsors culture…there is this broad perception that Absa is involved in culture."

4.3.3 Leveraging the opportunity

The Third set of questions pertains to leveraging the sponsorship opportunity separately from the sponsorship itself.

Question 15:

Do you feel that it is important for Absa to manage or leverage the sponsorship opportunity by separately promoting the fact that they are sponsoring theatre, as opposed to merely being associated with the production?

Answer:

"Yes I do, and I think that they don't do that enough, they should go: 'we're going to give you this 1.5 million and we're going to also set aside another half million, or a million to tell people that we've given you this 1.5 million."

"I think they should capitalize on the fact that they are making a contribution to the arts in South Africa, and I don't think they do that at all besides being associated with a specific production."

Question 16:

Do you think Absa allocates additional funds to advertise their sponsorship properties? Should they?

Answer:

"Have not much to date…they kind of like it to be subtle. I think they should brag, I think they should put it out there very overt, I think they should say, 'we care about this and this is what we're doing, and look at what we're doing, and why we're doing it, and it's fantastic and we're proud of it'. They seem to have a very subtle approach, almost like a very tasteful patron of the arts."

4.3.4 Return on investment

The fourth set of questions pertains to the area of sponsorship return on investment.

Question 17:

How do you determine the sponsorship fee that you request?

Answer:

"By what I think they'd agree to pay given the nature and size of the project."

"I think that the biggest determining factor on that is the legacy relationship we have. We know that it started at a certain value and we know that we can't go with a much bigger value even whether we can justify it or not, and we'd be silly to go for a smaller value. I think it's really legacy driven."

Question 18:

In what ways can return on investment for the sponsor be measured?

Answer:

"The method that I know they use is that they outsource to a company that specialise in quantifying centimetre per column exposure in newspaper, the Rand value of an opening night, the Rand value of the branding of the opera house for thirteen weeks, or six weeks, the Rand of value of exposure on a billboard, they reduce everything to Rand value and they work out what they gave us and what they got back."

"I don't think they use qualitative methods, they don't actually find out what is the qualitative perception, how did the production of *The Sound of Music* enhance, in that audience that was there, the people's perception of Absa as a bank that's interested in more than just making profit. "

Question 19:

Do you think that because Absa sponsors theatre their clients are more likely to remain loyal to Absa?

Answer:

"No. Their customers are with them because they are giving them the best deal for their money, convenience, treatment, service. Sponsoring the arts is not a business driver for a bank it is part of their larger presence of the perception of responsibility."

Question 20:

Do you think that because Absa sponsors a theatre event it will make a consumer more inclined to buy an Absa product or become an Absa client?

Answer:

"I think that that's unquantifiable. It fits into a very massive large broad strategy of social presence. I think we add to that social presence. I believe we add to a positive perception of Absa, but I also believe that any client of a bank's first perception of a bank is service."

"If there wasn't advertising I wouldn't know Absa exists. So every little bit contributes to that, but directly no, indirectly yes."

Question 21:

Do you think a consumer would attend a theatre event because Absa is the sponsor?

Answer:

"No, I believe they will attend the event because they want to see the content of that event…They go because they want to watch something."

4.3.5 *Summary of the Results pertaining to Packed House Productions*

Packed House Productions perceived Absa's reasons for entering into a sponsorship to be to meet triple bottom line objectives and to achieve greater brand allegiance and visibility. Packed House Productions' objectives for seeking sponsorships for their theatre products was to reduce risk and to establish credibility. It was believed that sponsorship was a deep part of Absa's communication strategy and that a better image fit enhanced both the credibility of the association and led to greater brand awareness. Packed House Productions did not perceive Absa to leverage sponsorship opportunities adequately nor did they observe that Absa allocated additional funds towards leveraging activities. In terms of return on investment, Packed House Productions acknowledged that Absa used methods to determine ROI but proposed that Absa should use qualitative methods to determine public perceptions of sponsorship. The sponsorship fee was determined based on what Packed House Productions felt a sponsor would pay and by precedent. They did not believe that theatre sponsorship would make a client more loyal to the sponsoring organisation, nor did they believe that it would influence a consumer to become an Absa client.

Table 3: Summary of the Packed House Productions results

Sponsorship criteria	Packed House Productions Questions	Packed House Productions Answers
Objectives	Absa's objectives.	Triple bottom line, brand allegiance, visibility
Objectives	Commercial or altruistic	Commercial under the guise of altruistic
Objectives	Accessibility / Lower ticket prices	No. PHP ticket prices below market average
Objectives	Objectives of Producers	Reduce risk. Credibility
Objectives	Theatre feasible without sponsorship	Yes, but would be more selective
Objectives	Sponsorship = sustainability of theatre industry	No, but theatre industry would be smaller
Objectives	Sponsorship = higher quality production	No, would have same quality
Objectives	Long term important	Yes. Financial planning for producer. For long Absa association shows commitment
Objectives	Sponsorship = Absa has a 'heart'	Yes, contributes to the qualitative perception
Communications Strategy	Sponsorship part of marketing mix	Yes, a deep part
Communications Strategy	Sponsorship = increased communication presence	Yes, PHP products align with Absa's image
Communications Strategy	Sponsorship = more recognisable Absa brand	Yes, subconsciously
Communications Strategy	Good image fit	Yes, enhances the credibility of the association
Communications Strategy	Recognition of Absa sponsored events	No, Absa sponsors theatre in general
Leveraging the opportunity	Leverage important. Absa leverages opportunity	Yes leverage important, Absa don't do enough
Leveraging the opportunity	Absa allocates extra funds for leverage	Not much. Too subtle
Return on investment	Deciding on sponsorship fee requested	What they might pay, legacy of previous sponsorships
Return on investment	How measure ROI	Quantifying advertising exposure but need to determine the public perception
Return on investment	Theatre sponsorship = more loyal clients	No, service delivery
Return on investment	Theatre sponsorship = new clients	Unquantifiable. Results in awareness. Indirectly yes, directly no
Return on investment	Consumer attend because Absa is sponsor	No, consumer would want to see the event

4.4 Results pertaining to the impact of sponsorship on the theatre consumer

4.4.1 Introduction

The results will be presented in table form, with the p-value indicating the significance of the response to the statement. A low p-value result indicates a significant response in terms of attitude towards the statement. Positive t-values indicate a strong agreement with the statement and negative t-values result in a strong disagreement with the statement. Higher p-values are not significant in terms of attitude towards the statement and show neither a strong agreement nor a strong disagreement with the statement.

4.4.2 Demographic profile of respondents

The demographic profile of the respondents was not determined as the survey was emailed to a random sample of theatre consumers listed on the Packed House Productions theatre consumer date base. The respondents would have attended a Packed House Productions theatre event that either may or may not have been sponsored by Absa. It was expected that the respondents would have strong opinions on most of the survey statements with fewer neutral or non-significant attitudes towards the statements.

4.4.3 The on-line questionnaire

The on-line questionnaire that was emailed to the respondents is attached as (Appendix C)

4.4.4 The consumer survey results

Table 4: Normal distribution fitting algorithm results

Index	μ	σ	t-value	p-value	Survey statements
1	0.1824	0.8450	2.1257	0.0361	Sponsors of theatre in South Africa are more interested in supporting a good cause than commercial gain.
2	-0.1332	0.8513	-1.5412	0.1266	Theatre companies are only interested in seeking sponsorship to make more money.
3	0.4843	0.7028	6.7860	0.0000	Absa is a generous supporter of theatre.
4	0.3047	0.6707	4.4744	0.0000	Absa has a long term commitment to sponsoring theatre.
5	0.2125	0.9437	2.2180	0.0289	Theatre sponsorships make me more aware of the Absa name.
6	0.1437	0.6370	2.2212	0.0287	The type of shows that Absa sponsors fits with their image.
7	-0.5187	0.7947	-6.3958	0.0000	Absa tells me what theatre shows they are sponsoring.
8	0.1720	1.0455	1.6122	0.1103	I have seen Absa's name on a theatre show's advertising.
9	-0.8275	0.7177	-11.2963	0.0000	Absa's theatre sponsorship has had an influence on me becoming an Absa client.
10	-0.4653	0.9717	-4.7161	0.0000	Absa's theatre sponsorship would influence me to become an Absa client.
11	-0.2786	0.7212	-3.7846	0.0003	It seems to me that Absa's sponsorship pays for the entire cost of the theatre show
12	-0.6203	1.0591	-5.7387	0.0000	It would add to my decision to buy a theatre ticket if I like the company that is sponsoring it.
13	1.1305	0.9783	11.3811	0.0000	Without sponsors there would be no large theatre shows in South Africa.
14	-0.5768	0.9653	-5.8851	0.0000	I am more likely to buy a ticket to a sponsored show than to a show that is not sponsored.
15	-0.0438	0.7406	-0.5818	0.5621	Theatre shows that are sponsored have lower ticket prices.
16	1.1838	0.8534	13.6623	0.0000	It seems to me that sponsorships are necessary to sustain the theatre industry.
17	-0.0352	0.8074	-0.4270	0.6704	Sponsored theatre shows are of higher quality.
18	-0.5762	0.7645	-7.3857	0.0000	I can remember the names of shows that Absa has sponsored.
19	-0.0503	0.8332	-0.5945	0.5536	I am more loyal to companies that sponsor theatre.
20	0.3121	0.9196	3.3421	0.0012	It seems to me that companies that sponsor theatre shows are more caring companies.

Key:		
	Yellow:	strong disagreement with the statement
	Green:	strong agreement with the statement
	Gray:	insignificant, no strong agreement or disagreement with the statement

CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

The results from the study will be discussed in the following manner: Firstly, the results pertaining to Absa will be discussed according to their alignment with the criteria and the perceptions of the impact of sponsorship on the consumer. Secondly, the results pertaining to Packed House Productions' alignment with the criteria and the perceptions of the impact on the consumer, will be discussed. Thirdly, the results of the impact of sponsorship on the consumer will be discussed in the context of the results received from both Absa and Packed House Productions.

5.2 Discussion pertaining to Absa's alignment with the criteria

5.2.1 Sponsorship objectives

The first criterion that was established was that sponsorship objectives should be clearly defined and form part of a long-term strategy. In this area, the results from the Absa interviews revealed that the respondents were clear that their sponsorship objectives were determined by the brand strategy, which in turn is informed by the group strategy.

The Absa respondents highlighted that while sponsorship must resonate with customers in terms of its support of worthy causes it must realise commercial value. Absa therefore capitalises on sponsorship's altruistic roots to promote goodwill in the minds of the consumer whilst using this perception as a strategy to realise commercial objectives.

The Absa respondents aligned with the literature in that they did not think that sponsorship provided a practical benefit to the consumer in terms of things like lower ticket prices, but they felt that sponsorship did provide accessibility to an event because the event was produced in the first place.

Absa perceived producer's objectives to form part of the producer's business strategy but did not comment on whether this was acknowledged between the two parties. Absa perceived theatre to be feasible without sponsorship but not necessarily economically viable. They therefore felt that sponsorship was necessary to sustain the theatre industry thus contributing to the creation of feelings of goodwill in the mind of the consumer. Absa believed that their sponsorship resulted in a higher quality production.

Absa stressed that as an organisation it sought quality in its sponsorship associations and looked for opportunities that spoke to the South African market. Absa is therefore aligned in terms of this criterion.

Absa strongly believed in the importance of long term contract durations to see a return on investment which aligns with the literature in terms of this objective.

Absa firmly believed that their theatre sponsorship would contribute to perceptions that Absa has a 'heart', aligning with the concept of 'strategic giving' that was proposed in the literature review. The Absa respondents did not refer to any measurement of customer's perceptions in their answers, indicating that they are not aligned with this as a priority.

Absa's main sponsorship objective is to increase brand awareness which the literature established to be the most important objective of sponsorship.

5.2.2 Communication strategy

Absa respondents confirmed that Absa views sponsorship as an integral part of their marketing mix, and therefore part of its communication strategy. Absa believed that sponsorship added to their communication presence as a result, and that sponsorship was perceived to be a mechanism to communicate the brand personality. Image fit was deemed to be important and the importance of maintaining a good image was highlighted. In this, Absa appears to be aligned with this criterion.

Absa perceived their theatre sponsorships to have a good image fit with their brand and are aligned with this criterion in their recognition of the importance of a good image fit.

The Absa respondents' perception was that theatre sponsorship makes the Absa brand more recognisable overall as opposed to being recognisable in terms of individual events.

Absa did not believe that consumers would recognise the names of theatre events that Absa has sponsored, pointing to their misalignment with the criterion in terms of creating a strong link between the sponsor and the event.

5.2.3 Leveraging the opportunity

Leveraging the opportunity was established as the third criterion required for effective sponsorship. Absa agreed that it was important to leverage the sponsorship opportunity, but admitted that it was not something that they did very well. Absa also felt that some sponsorship deals relied on activation at the site of the sponsorship itself, which is at odds with the literature which highlights the importance of leveraging sponsorship opportunities through extra promotional effort.

It was shown that Absa is aligned with leveraging the opportunity as a criterion for sponsorship effectiveness in principle, but is not aligned with it in practice. The Absa respondents cited the lack of funds available in the marketing budget to allocate to leveraging opportunities in some cases, and attributed this to the recent economic climate which has seen a reduction in marketing budgets.

5.2.4 Return on investment

Empirical methods were not mentioned as being used to determine the sponsorship fee, rather precedent was mentioned as the determining factor in contrast to the literature which pointed to the importance of undertaking research before funds are committed.

The Absa respondents were in alignment with the literature by indicating a concern for measuring sponsorship effectiveness in terms of return on investment (ROI), and cited the use of a mathematical tool called ROMI (return on marketing investment) to measure effectiveness. This tool was described as being able to measure the number of products sold against the marketing investment made. The literature suggests that sponsorship provides intangible assets because of its focus on brand awareness as a whole and can therefore not easily be linked to the sale of individual products. Absa confirmed that brand awareness was their sponsorship objective and therefore their use of the ROMI method is misaligned with the objective of measuring sponsorship ROI.

Absa alleged that sponsorship of theatre would result in greater loyalty from those among their current client base who showed an interest in the lifestyle genre of theatre, but did not consider that their sponsorship activities would influence a consumer to become an Absa client. Absa perceived heightened brand awareness as possibly contributing to ROI in terms of the generation of goodwill on the part of the consumer and that keeping their brand 'top of mind' might lead to consumers considering Absa as a bank, should the need for new banking products arise.

Absa did not believe that consumers would attend an event because Absa is the sponsor, but rather that a consumer would attend an event because they were interested in the event itself.

5.3 Discussion pertaining to Packed House Productions' alignment with the criteria

5.3.1 Sponsorship objectives

Packed House Productions' responses aligned with this criterion in terms of brand awareness being the most important objective for a sponsor, and viewed Absa's objectives to be those of visibility and the establishment of greater brand allegiance. Within this they perceived Absa's sponsorship to be completely commercial, under the guise of altruistic, thereby aligning with similar suggestions in the literature.

Packed House Productions does not provide the consumer with lower ticket prices as a result of sponsorship, but proposed that their ticket prices were part of their pricing strategy to undercut the average market ticket price, thus confirming the suggestion that sponsorship does not offer a direct benefit to the consumer. The observation in the literature was that a producer's objectives in procuring sponsorship was to secure a source of income and this was confirmed by Packed House Productions' tactic of using sponsorship to reduce financial risk.

The respondents believed that without sponsorship the production of theatre would still be feasible but that they would be much more selective as an organisation and admitted that without sponsorship there would be less theatre offered in South Africa. Packed House Productions did not concur that sponsorship resulted in a higher quality production because they believe that their quality is guaranteed with or without sponsorship.

The responses revealed that Packed House Productions aligned with the literature in terms of the importance of longer duration sponsorships by explaining that this guaranteed income to the producer over a period of time on the one hand, and observing that from the sponsor's perspective, longer duration contracts were necessary to establish association with a project and to display a greater sense of commitment.

Packed House Productions firmly believed that Absa's sponsorship of theatre would contribute to perceptions that Absa has a 'heart', and this aligns with the concept of 'strategic giving' that was proposed in the literature review.

5.3.2 Communication strategy

In terms of this criterion Packed House Productions perceived that Absa considered sponsorship as part of their marketing mix and were of the opinion that sponsorship added to the sponsor's communication presence for two reasons: firstly because Packed House Productions offered sponsorship properties to Absa that aligned with Absa's corporate message and secondly because the nature of sponsorship keeps a brand 'in the public eye'. They also perceived a good image fit to be important in ensuring effective sponsorship and believed a good image fit would enhanced the sponsor's image and thus concurred with the observations found in the literature.

Packed House Productions believed that theatre sponsorship made the Absa brand more recognisable to consumers, although they pointed out that consumers were likely to be subconsciously more aware of the brand than consciously. In addition they believed that consumers would struggle to recognise the names of theatre productions that Absa has sponsored, although they believed that consumers would be aware that Absa sponsored theatre in general.

5.3.3 Leveraging the opportunity

Packed House Productions strongly believed that the sponsorship opportunity should be leveraged by the sponsor for maximum effectiveness and believed that Absa should allocate additional funds to achieve this. Their perception was that Absa did not allocate additional funds to leverage the sponsorship opportunity and therefore Absa did not meet this criterion in Packed House Productions' view.

5.3.4 Return on investment

Packed House Productions requested a sponsorship fee based on the legacy of previous sponsorship deals, on what they felt that the sponsor was willing to pay, do not use empirical methods to determine the sponsorship fee themselves and did not believe that Absa did either. Their observation is that Absa is concerned about return on investment, but did not believe that Absa used methods to measure sponsorship effectiveness in terms of its impact on the consumers, a vital component of measuring ROI as proposed by the literature.

Packed House Productions aligned with the literature in terms of the concept of the intangibility of sponsorship returns and that, as an activity, sponsorship resulted in overall brand awareness and the promotion of goodwill in the mind of the consumer. They did not agree that theatre consumers would be more loyal to Absa because they sponsor theatre nor that sponsorship would make a consumer more inclined to become an Absa customer. Packed House Productions believed that sponsorship added to positive feelings toward the Absa brand, which is in alignment with the literature in terms of this criterion.

Finally, Packed House Productions do not believe that a consumer would attend an event because Absa was the sponsor, rather the consumer would attend because they wanted to watch the content of the event.

5.4 Discussion pertaining to the impact of sponsorship on the theatre consumer

The results discussed are those as per the table below and only include the strong agreements or disagreements with the survey statements, otherwise known as the significant attitudes, whilst the insignificant attitudes have been excluded from the discussion.

Table 5: Summary of the consumer results

Strong agreement with the statement:		
Statement no.	**Statement**	**Criteria**
1	Sponsors of theatre in South Africa are more interested in supporting a good cause than commercial gain.	Sponsorship objectives
3	Absa is a generous supporter of theatre.	Communication strategy
4	Absa has a long term commitment to sponsoring theatre.	Sponsorship objectives
5	Theatre sponsorships make me more aware of the Absa name.	Sponsorship objectives
6	The type of shows that Absa sponsors fits with their image.	Communication strategy
13	Without sponsors there would be no large theatre shows in South Africa.	Sponsorship objectives
16	It seems to me that sponsorships are necessary to sustain the theatre industry.	Sponsorship objectives
20	It seems to me that companies that sponsor theatre shows are more caring companies.	Sponsorship objectives
Strong disagreement with the statement:		
Statement no.	**Statement**	**Criteria**
7	Absa tells me what theatre shows they are sponsoring.	Leveraging the opportunity
9	Absa's theatre sponsorship has had an influence on me becoming an Absa client.	Return on investment
10	Absa's theatre sponsorship would influence me to become an Absa client.	Return on investment
11	It seems to me that Absa's sponsorship pays for the entire cost of the theatre show	Communication strategy
12	It would add to my decision to buy a theatre ticket if I like the company that is sponsoring it.	Return on investment
14	I am more likely to buy a ticket to a sponsored show than to a show that is not sponsored.	Return on investment
18	I can remember the names of shows that Absa has sponsored.	Leveraging the opportunity

5.4.1 Sponsorship objectives

Statements 1, 4, 5, 13, 16 and 20 relate to the criterion of sponsorship objectives, and all showed significant consumer agreement with the statements.

The results show that theatre consumers are in agreement that Absa' sponsorship of theatre made them more aware of the Absa name. This translates into brand awareness which is the most important sponsorship objective according to the literature and was listed as the main objective by both Absa and Packed House Productions. The fact that the consumer opinion aligned with this objective points to this objective having been successfully achieved.

Theatre consumers strongly agreed with the notion that theatre sponsors in South Africa are more interested in supporting a good cause than commercial gain. This is in alignment with Absa's objective to create the perception that they are supporting a good cause with commercial return being the underlying objective; and aligns with the views expressed by Packed House Productions.

The consumer responses revealed the perception that Absa has a long term commitment to sponsoring theatre. Long term sponsorship durations were highly valued in the literature and forms part of the criterion of sponsorship objectives to increase brand awareness. The fact that Absa's name was mentioned to qualify the statement points to a strong awareness of the Absa name in relation to sponsoring theatre, therefore it can be concluded that the objective of brand awareness has been achieved through long term sponsorship durations.

The results show that the consumers believed that sponsorship was necessary to sustain the theatre industry and that without sponsorship there would be no large theatre shows in South Africa. This concurs with Absa's view but is opposed to the view of Packed House Productions. It does, however, add to the effectiveness of sponsorship in the generation of consumer perceptions of Absa as a patron of the arts.

Theatre consumers believed that sponsors of theatre shows are more caring companies displaying evidence of the success of theatre sponsorship as a tool to generate feelings of goodwill in the mind of the consumer. The generation of goodwill was seen as an important objective in the literature and of high importance by both Absa and Packed House Productions.

5.4.2 Communication strategy

Statements 3 and 6 revealed strong agreement whilst statement 11 revealed strong disagreement with the statements.

The results show that the consumer believes that Absa is a generous supporter of theatre which points to Absa's communication presence in terms of theatre being high, and that a strong link has been created between Absa and theatre sponsorship in the mind of the consumer.

Consumers viewed the types of theatre shows that Absa sponsors as fitting well with Absa's image, evidence of alignment with the literature and the views expressed by both Absa and Packed House Productions in terms of this criterion.

The only negative perception associated with the criterion of communication presence arose from the consumers' disagreement with the statement that Absa's sponsorship pays for entire cost of show, which points to a weak communication presence in terms of the extent of Absa's association with the event.

5.4.3 Leveraging the opportunity

Statements 7 and 18 revealed strong disagreement with the statements.

Theatre consumers believed that Absa did not tell them what theatre shows Absa sponsors which is a clear indication that Absa is not leveraging the opportunity in this respect. Additionally, consumers could not remember the names of the shows that Absa had sponsored. This is evidence of Absa's strong misalignment with the criterion of leveraging the opportunity. Both Absa and Packed House Productions believed that this would consumer opinion, and while it could be argued that overall brand awareness is more important (which was shown to have been successfully achieved), the fact that Absa admitted that they did not leverage the opportunity, added to the consumer's recognition that Absa does not tell them what shows they sponsor, leads to the assumption that the consumer response could have been different if they had.

5.4.4 Return on investment

Statements 9, 10, 12, 14 all related to return on investment and all of these statements were strongly disagreed with.

Absa's theatre sponsorships have had no influence on a consumer becoming an Absa client nor was it shown to be an influencing factor in a consumer's consideration of becoming an Absa client. Both Absa and Packed House Productions believed this would be the consumer attitude in the light of the fact that the main objective of sponsorship was brand awareness, as opposed to the sale of individual products. Caution should therefore be exercise in observing this result as negative given the nature of sponsorship's objectives in terms of general brand awareness. If brand awareness is the objective it could be argued that this translates into ROI, and in this sponsorship has been successful for Absa. It is observed, however, that Absa's current tool to measure sponsorship ROI - the analysis of the sales of products against sponsorship investment - is not appropriate as the results have shown that sponsorship does not translate into direct sales. Packed House Productions proposed that Absa should concentrate on measuring the impact of sponsorship on the consumer in terms of measuring ROI.

Theatre sponsorships would not affect a consumer's decision to buy a ticket which aligns with the views of both Absa and Packed House Productions in that the consumer buys a ticket to an event because they are interested in that event. Once the consumer attends the event they would be exposed to the sponsoring brand, however, and this is part of the brand awareness objective. It is important then for the sponsor to consider the ability of the event to attract consumers when making the sponsorship decision, and for the producer to propose events for sponsorship that are likely to be popular with the theatre consumer.

CHAPTER 6: CONCLUSIONS & RECOMMENDATIONS

6.1 Conclusions of the Study

The aim of this report was to identify aspects of alignment between Absa, a sponsor of theatre in South Africa, and Packed House Productions, the producer and rights holder of theatre products sponsored by Absa, in terms of criteria that were established as possible pre-requisites for sponsorship effectiveness, and to measure the impact of sponsorship on the consumer in terms of those criteria. Four criteria were identified: sponsorship objectives, communication presence, leveraging the opportunity and return on investment.

Table 6: Comparison of the results

THREE WAY COMPARISON OF THE RESULTS

Criteria	Consumer Survey statements	Consumer response	Absa response	PHP response
Sponsorship objectives	Sponsors of theatre in South Africa are more interested in supporting a good cause than commercial gain.	Yes	No	No
Sponsorship objectives	Absa has a long term commitment to sponsoring theatre.	Yes	Yes	Yes
Sponsorship objectives	Theatre sponsorships make me more aware of the Absa name.	Yes	Yes	Yes
Sponsorship objectives	Without sponsors there would be no large theatre shows in South Africa.	Yes	Yes	No
Sponsorship objectives	It seems to me that sponsorships are necessary to sustain the theatre industry.	Yes	Yes	No
Sponsorship objectives	It seems to me that companies that sponsor theatre shows are more caring companies.	Yes	No	No
Communication strategy	Absa is a generous supporter of theatre.	Yes	Yes	Yes
Communication strategy	The type of shows that Absa sponsors fits with their image.	Yes	Yes	Yes
Communication strategy	It seems to me that Absa's sponsorship pays for the entire cost of the theatre show	No	N/A	N/A
Leveraging the opportunity	Absa tells me what theatre shows they are sponsoring.	No	No	No
Leveraging the opportunity	I can remember the names of shows that Absa has sponsored.	No	No	No
Return on investment	Absa's theatre sponsorship has had an influence on me becoming an Absa client.	No	No	No
Return on investment	Absa's theatre sponsorship would influence me to become an Absa client.	No	No	No
Return on investment	It would add to my decision to buy a theatre ticket if I like the company that is sponsoring it.	No	Yes	No
Return on investment	I am more likely to buy a ticket to a sponsored show than to a show that is not sponsored.	No	No	No

6.1.1 Sponsorship objectives

It was established that sponsorship objectives should be clearly defined (Dolphin, 2003) with the main objectives of sponsorship being brand awareness (Cornwell et all, 2001) and the generation of goodwill in the mind of the consumer (Wolf, 2009).

The study revealed that sponsorship objectives were clearly defined by both Packed House Productions and Absa and therefore there was strong alignment with this criterion. Both organisations viewed brand awareness to be the most important objective and this was shown to have been met in that the study revealed that consumers are more aware of the Absa name as a result of Absa's sponsorship of theatre.

The consumer perceived Absa to have a long-term commitment to sponsoring theatre, which aligns with the importance of long-term sponsorship durations to achieve sponsorship objectives. Both Absa and Packed House Productions agreed with this concept as a sponsorship strategy.

In terms of the creation of goodwill, Absa viewed sponsorship as having a commercial objective, but with the generation of the perception of an altruistic activity. Packed House Productions concurred with this view by believing this to be Absa's strategy. This objective appears to be met in that consumers viewed theatre sponsors to be more interested in supporting a good cause than commercial gain, and that companies that sponsor theatre are more caring companies. Additionally, the consumer viewed Absa as a contributor to the sustenance of the theatre industry. This is in alignment with both Absa and Packed House Productions' view that theatre sponsorship contributed to perceptions that Absa, as an organisation, had a 'heart'.

The study concluded that Absa's sponsorship of theatre has been successful in terms of meeting the criterion of sponsorship objectives.

6.1.2 Communication strategy

Communication strategy was established as an important criterion in ensuring sponsorship effectiveness by enhancing communication presence (Dolphin, 2003), and that to achieve this, sponsorship must form part of an organisation's marketing mix (Rowley, 1998; Dolphin, 2003).

The study concluded that both Absa and Packed House Productions viewed sponsorship as an integral part of the marketing mix and believed that Absa's communication presence was enhanced as a result of a good image fit between the sponsoring brand and the event.

In terms of the consumer, the impact of including sponsorship in the marketing mix revealed the perception that Absa was a generous sponsor of theatre, showing a strong link between Absa and the sponsoring of theatre events, and that Absa's brand fitted well with the theatre shows that it sponsored.

The consumer did not perceive Absa's sponsorship to pay for the entire cost of the theatre show indicating that Absa's association with the event itself was possibly not strong enough in terms of ownership of the event, but nevertheless Absa's communication presence was generally strong.

It was concluded that Absa had met the criterion of communication strategy.

6.1.3 Leveraging the opportunity.

In order to maximise sponsorship effectiveness in terms of the objectives, it was established that leveraging the opportunity (Meenaghan and Shipley, 1999) was an important third criteria.

Absa recognised the importance of leveraging the sponsorship opportunity but admitted that they did not leverage it adequately. Packed House Productions believed that the sponsorship opportunity should always be leveraged and that Absa did not achieve this sufficiently. Absa did not believe that leveraging was required in all cases. Packed House Productions believed that Absa should be leveraging it across the board.

Absa's lack of effort in leveraging the sponsorship opportunity was confirmed by consumer responses wherein it was shown that Absa did not tell them what theatre shows they sponsored, nor could the consumer remember the names of the shows that Absa had sponsored resulting in Absa not meeting this criterion at all.

6.1.4 Return on investment

Return on investment in terms of sponsorship was observed to be an area that was becoming increasingly focused on, and that accountability for ROI was being demanded of organisations (Burton, 2003). ROI was established as the fourth criterion required for sponsorship effectiveness.

The study showed that Absa was concerned with measuring ROI but revealed that the measurement tool used by Absa did not appear to be appropriate to the context of sponsorship. Packed House Productions highlighted the importance of measuring consumer perceptions to determine ROI and believed that this was an area that Absa should focus on. Absa used a ROI measurement tool that does not appear to be appropriate to the context of the measurement of sponsorship ROI, due to its function as a sales measurement tool. Neither Absa nor Packed House Productions used empirical methods to determine the sponsorship fee and relied instead on precedence.

Absa believed that sponsorship would cause an Absa client to be more loyal to their brand, while Packed House Productions believed that it was service delivery that established loyalty in a customer base. Neither party believed that theatre sponsorship would affect a consumer’s decision to become an Absa client, but both believed that brand awareness was the goal in this respect. Absa and Packed House Productions mutually believed that a consumer would attend an event because they wanted to see the content of that event and not because Absa was sponsoring it, but again brand awareness was noted to be the objective of theatre sponsorship.

The consumer results revealed that Absa’s sponsorship of theatre did not and would not effect the consumer’s decision to become an Absa client, nor would it effect their decision to buy a ticket to the event. The consumer was more aware of the Absa brand as a result of Absa’s theatre sponsorship and it could be concluded that in this respect Absa is receiving a return on its sponsorship investment.

It appears that this criterion has been partly met but the need to develop and use an appropriate tool to measure sponsorship return on investment means that this criterion has not been met in full.

6.2 Summary of conclusions

The study concluded that Absa and Packed House Productions are almost completely aligned in their recognition of the importance of the criteria established from the literature as necessary to ensure effective theatre sponsorship.

It was shown that Absa's sponsorship of theatre has had a strong impact on the consumer in terms of brand awareness and the generation of goodwill, and that Absa's communication presence, as a result of sponsorship, was strong. It was therefore concluded that Absa has been successful in meeting two of the criteria in full: sponsorship objectives and communication presence.

Absa did not meet the criteria of leveraging the sponsorship opportunity at all, but it must be noted that Absa did admit to this being the case. In terms of ROI, the Absa sponsorship of theatre can be seen to have been successful if one considers ROI to be the achievement of sponsorship objectives, which has been shown to have been achieved. The ROI tool that Absa currently uses, however, is not appropriate given that theatre sponsorship does not translate into direct sales for Absa and leads to the consideration of the suggestion made by Packed House Productions that consumer perceptions should be measured to determine ROI.

6.3 Recommendations

It is recommended that Absa increases its focus on leveraging the opportunity in order to maximise sponsorship effectiveness, and that a suitable tool to determine return on investment should be established and that this tool should include a component that measures the impact of sponsorship on the consumer.

6.4 Suggestions for future research

6.4.1 To establish reliable measurement tools for determining both tangible and intangible returns on sponsorship investment.

6.4.2 To compare the change in brand awareness resulting from sponsors that leverage sponsorship opportunities through the allocation of additional funds, with sponsors that do not allocate additional funds.

6.4.3 To compare leveraged sponsorship activities with non-leveraged sponsorship activities in terms of their impact on the consumer

6.4.4 To measure the impact of sponsorship communication activities on the general population in terms of communication presence and brand awareness.

6.4.5 To identify the extent to which organisations measure return on sponsorship investment.

6.4.6 To identify additional criteria that could be proposed to be requirements for ensuring the maximisation of sponsorship effectiveness.

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APPENDIX A

The qualitative research instrument pertaining to Absa

1) What objectives does Absa take into account when deciding whether to enter into a Sponsorship?

2) Is Absa's sponsorship of theatre a commercial investment or an altruistic investment?

3) Do you think that Absa's sponsorship of a theatre event makes it more accessible in terms of lower ticket prices?

4) What do you think are the objectives of producers in procuring a sponsorship for a theatre production?

5) Would a theatre event be feasible without a sponsorship?

6) Do you think sponsorships are necessary to sustain the theatre industry?

7) Do you think because you sponsor a theatre event it will result in a higher quality production?

8) Are long term sponsorship deals important for Absa? Why?

9) Do you feel that Absa's sponsorship of theatre contributes to perceptions that Absa 'has a heart'?

10) Is sponsorship part of Absa's overall communication strategy, is it part of the marketing mix?

11) Do you believe that theatre sponsorship adds to your communication presence?

12) Do theatre sponsorships make the Absa brand more recognisable to theatre-goers?

13) Do the types of theatre products that Absa sponsors align with Absa's image – is there a good image fit?

14) Do you think that theatre consumers would recognise the names of theatre events that Absa has sponsored?

15) Is it important for Absa to leverage the sponsorship opportunity by separately promoting the fact that Absa sponsors theatre, as opposed to merely being associated with the production?

16) Do you allocate extra funds to advertise the fact that you are sponsoring theatre?

17) How does Absa decide on the sponsorship fee?

18) In what ways does Absa measure return on investment?

19) Do you think that because Absa sponsors theatre, your clients are more likely to remain loyal to Absa?

20) Do you think that because Absa sponsors a theatre event it will make a consumer more inclined to buy an Absa product and become an Absa client?

21) Do you think a consumer would attend a theatre event because Absa is the sponsor?

APPENDIX B

The qualitative research instrument pertaining to Packed House Productions

1) What do you think are Absa's objectives in sponsoring theatre events?

2) Do you think Absa views theatre sponsorship as a commercial investment or an altruistic investment?

3) Does Absa's sponsorship of a theatre event make it more accessible in terms of lower ticket prices?

4) What are your objectives in procuring a sponsorship for a theatre production?

5) Would you still produce a theatre event without sponsorship? Is it feasible?

6) Do you think sponsorships are necessary to sustain the theatre industry?

7) Will a sponsorship of your theatre production result in a higher quality production.

8) Are long term sponsorship deals important for you as a producer? Do you think they are important for the sponsor?

9) Do you feel that Absa's sponsorship of theatre contributes to perceptions that Absa 'has a heart'?

10) Do you think Absa considers sponsorships as part of their overall communications strategy – is it part of their marketing mix?

11) By sponsoring your productions would Absa's communication presence be enhanced?

12) Do theatre sponsorships make the Absa brand more recognisable to theatre-goers?

13) Does the image of your product align with Absa's image – is there a good image fit?

14) Do you think that theatre consumers would recognise the names of theatre events that Absa has sponsored?

15) Do you feel that it is important for Absa to manage or leverage the sponsorship opportunity by separately promoting the fact that they are sponsoring theatre, as opposed to merely being associated with the production?

16) Do you think Absa allocates additional funds to advertise their sponsorship properties? Should they?

17) How do you determine the sponsorship fee that you request?

18) In what ways can return on investment for the sponsor be measured?

19) Do you think that because Absa sponsors theatre their clients are more likely to remain loyal to Absa?

20) Do you think that because Absa sponsors a theatre event it will make a consumer more inclined to buy an Absa product or become an Absa client?

21) Do you think a consumer would attend a theatre event because Absa is the sponsor?

APPENDIX C

The quantitative research instrument

1. Sponsors of theatre in South Africa are more interested in supporting a good cause than commercial gain.

Strongly agree ☐
Agree ☐
Slightly agree ☐
Neither agree nor disagree ☐
Slightly disagree ☐
Disagree ☐
Strongly disagree ☐

2. Theatre companies are only interested in seeking sponsorship to make more money.

Strongly agree ☐
Agree ☐
Slightly agree ☐
Neither agree nor disagree ☐
Slightly disagree ☐
Disagree ☐
Strongly disagree ☐

3. Absa is a generous supporter of theatre.

Strongly agree ☐
Agree ☐
Slightly agree ☐
Neither agree nor disagree ☐
Slightly disagree ☐
Disagree ☐
Strongly disagree ☐

4. Absa has a long term commitment to sponsoring theatre.

- Strongly agree ☐
- Agree ☐
- Slightly agree ☐
- Neither agree nor disagree ☐
- Slightly disagree ☐
- Disagree ☐
- Strongly disagree ☐

5. Theatre sponsorships make me more aware of the Absa name.

- Strongly agree ☐
- Agree ☐
- Slightly agree ☐
- Neither agree nor disagree ☐
- Slightly disagree ☐
- Disagree ☐
- Strongly disagree ☐

6. The type of shows that Absa sponsors fits with their image.

- Strongly agree ☐
- Agree ☐
- Slightly agree ☐
- Neither agree nor disagree ☐
- Slightly disagree ☐
- Disagree ☐
- Strongly disagree ☐

7. Absa tells me what theatre shows they are sponsoring.

- Strongly agree ☐
- Agree ☐
- Slightly agree ☐
- Neither agree nor disagree ☐
- Slightly disagree ☐
- Disagree ☐
- Strongly disagree ☐

8. I have seen Absa's name on a theatre show's advertising.

- Strongly agree ☐
- Agree ☐
- Slightly agree ☐
- Neither agree nor disagree ☐
- Slightly disagree ☐
- Disagree ☐
- Strongly disagree ☐

9. Absa's theatre sponsorship has had an influence on me becoming an Absa client.

- Strongly agree ☐
- Agree ☐
- Slightly agree ☐
- Neither agree nor disagree ☐
- Slightly disagree ☐
- Disagree ☐
- Strongly disagree ☐

10. Absa's theatre sponsorship would influence me to become an Absa client.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

11. It seems to me that Absa's sponsorship pays for the entire cost of the theatre show.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

12. It would add to my decision to buy a theatre ticket if I like the company that is sponsoring it.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

13. Without sponsors there would be no large theatre shows in South Africa.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

14. I am more likely to buy a ticket to a sponsored show than to a show that is not sponsored.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

15. Theatre shows that are sponsored have lower ticket prices.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

16. It seems to me that sponsorships are necessary to sustain the theatre industry.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

17. Sponsored theatre shows are of higher quality.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

18. I can remember the names of shows that Absa has sponsored.

- Strongly agree
- Agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Disagree
- Strongly disagree

19. I am more loyal to companies that sponsor theatre.

Strongly agree

Agree

Slightly agree

Neither agree nor disagree

Slightly disagree

Disagree

Strongly disagree

20. It seems to me that companies that sponsor theatre shows are more caring companies.

Strongly agree

Agree

Slightly agree

Neither agree nor disagree

Slightly disagree

Disagree

Strongly disagree

Submit

APPENDIX D: Normal distribution fitting algorithm

	Qu01	Qu02	Qu03	Qu04	Qu05	Qu06	Qu07	Qu08	Qu09	Qu10	Qu11	Qu12	Qu13	Qu14	Qu15	Qu16	Qu17	Qu18	Qu19	Qu20				
Observed																								
Strongly disagree	4	11	1	2	6	3	18	9	32	24	10	28	2	25	6	1	8	19	11	8				
Disagree	16	21	5	1	14	3	32	19	31	22	25	26	3	27	17	0	17	35	15	7				
Slightly disagree	12	12	2	3	5	3	9	2	2	3	4	5	1	5	11	1	5	5	5	1				
Neither agree nor disagree	8	14	29	45	25	50	21	18	25	21	44	14	4	25	25	6	29	21	23	19				
Slightly agree	20	23	13	7	13	13	5	8	5	14	6	9	11	8	16	8	14	8	23	27				
Agree	31	12	40	34	25	22	11	32	1	12	5	12	43	4	21	48	21	8	18	25				
Strongly agree	6	4	7	5	9	3	0	8	0	1	2	2	33	3	1	33	2	0	2	10				
	97	97	97	97	97	97	96	96	96	97	96	96	97	97	97	97	96	96	97	97				
Solver parameters																								
μ	0.15697	-0.1263	0.42794	0.26678	0.18404	0.12223	-0.4723	0.1477	-0.7494	-0.4243	-0.2568	-0.5635	1.00794	-0.5244	-0.046	1.05581	-0.0383	-0.5239	-0.0519	0.27339		-0.00671	0.223699	
σ	0.7584	0.76409	0.63083	0.602	0.847	0.57173	0.71326	0.93839	0.64417	0.87216	0.64733	0.95059	0.87805	0.86642	0.66471	0.76595	0.7247	0.68614	0.74781	0.82542		0.581896		0.805595
Expected																								
Strongly disagree	5.1969	10.6356	0.87101	1.30753	6.80622	1.83617	19.4916	9.4217	29.9655	22.4394	10.1698	28.697	0.88456	25.8388	6.07722	0.27293	7.51686	20.6613	8.51247	5.08985				
Disagree	13.2059	19.2354	5.78441	8.2547	13.2154	11.2154	26.5066	13.7932	31.9683	22.2833	23.2422	21.4722	3.18608	23.3233	17.4693	1.71447	17.2254	28.1378	17.6995	11.5372				
Slightly disagree	5.16714	6.42381	3.29206	4.45824	4.80821	5.76173	7.40105	4.63138	7.31281	6.12393	7.83918	5.51633	1.5649	6.13668	6.73777	1.03966	6.25386	7.64372	6.24104	4.45569				
Neither agree nor disagree	25.7365	26.9733	23.3167	28.4613	23.1557	33.1036	25.0436	21.1774	19.4446	22.2154	30.4136	19.2607	10.9284	21.2833	30.725	9.04791	28.0028	24.681	27.4988	22.7122				
Slightly agree	16.0077	13.6432	19.5013	20.5008	14.5203	20.2775	9.2109	12.9334	4.77025	9.85036	12.6291	8.36656	10.6495	8.86774	15.9372	10.5331	14.9398	8.3224	14.6181	15.0894				
Agree	26.0125	17.4684	37.1703	30.474	26.2409	23.237	7.82782	24.3626	2.48371	12.0316	11.0677	10.5472	35.8187	10.0526	18.2943	40.2017	19.3664	6.24517	19.4418	28.7138				
Strongly agree	5.67336	2.62025	7.06427	3.54349	8.25329	1.56856	0.51849	9.68029	0.05489	2.056	0.6383	2.14005	33.9678	1.49765	1.75916	34.1902	2.69484	0.30863	2.98837	9.40179				
χ2 contributions																								
Strongly disagree	0.27566	0.01248	0.0191	0.36674	0.0955	0.73767	0.11414	0.01887	0.13813	0.10853	0.00283	0.01693	1.40657	0.02723	0.00098	1.93687	0.03105	0.13358	0.72691	1.66389				
Disagree	0.59118	0.16188	0.10637	6.37585	0.04658	6.01787	1.13851	1.96554	0.02933	0.0036	0.13294	0.95476	0.01087	0.5796	0.01261	1.71447	0.00295	1.67357	0.41172	1.78433				
Slightly disagree	9.03554	4.84042	0.5071	0.47697	0.00765	1.32376	0.34544	1.49506	3.85979	1.59358	1.88021	0.04833	0.20392	0.21054	2.69624	0.00151	0.25139	0.91438	0.24678	2.68012				
Neither agree nor disagree	12.2232	6.23972	1.38529	9.61057	0.1469	8.62411	0.65289	0.47673	1.58721	0.06649	6.06928	1.43687	4.39247	0.64906	1.06674	1.02673	0.03551	0.54899	0.736	0.60675				
Slightly agree	0.99568	6.41701	2.1674	8.89091	0.15918	2.61187	1.92508	1.88185	0.01107	1.74811	3.47966	0.04796	0.01153	0.08491	0.00025	0.6092	0.05912	0.01249	4.80615	9.40146				
Agree	0.95627	1.71187	0.21543	0.40798	0.05868	0.06585	1.28551	2.39422	0.88633	8.3E-05	3.32656	0.20013	1.43979	3.64421	0.40016	1.51271	0.13779	0.49309	0.10692	0.48034				
Strongly agree	0.01881	0.72653	0.00058	0.59868	0.06756	1.3063	0.51849	0.29166	0.05489	0.54238	2.90493	0.00917	0.02758	1.50705	0.32761	0.04143	0.17916	0.30863	0.32689	0.03806				
196.5897385	24.0964	20.1099	4.40128	26.7277	0.58205	20.6874	5.98006	8.52394	6.56675	4.06277	17.7964	2.71413	7.49273	6.7026	4.50459	6.84293	0.69697	4.08474	7.36138	16.655				
Solver thresholds		**Standardised thresholds**																						
τ_1	-1.0649	τ_1	-1.179																					
τ_2	-0.5096	τ_2	-0.5603																					
τ_3	-0.3714	τ_3	-0.4063																					
τ_4	0.17278	τ_4	0.19998																					
τ_5	0.49762	τ_5	0.56189																					
τ_6	1.34584	τ_6	1.50693																					
Standardised parameters																								
μ	**0.1824**	**-0.133**	**0.4843**	**0.3047**	**0.2125**	**0.1437**	**-0.519**	**0.172**	**-0.827**	**-0.465**	**-0.279**	**-0.62**	**1.1305**	**-0.577**	**-0.044**	**1.1838**	**-0.035**	**-0.576**	**-0.05**	**0.3121**				
σ	**0.845**	**0.8513**	**0.7028**	**0.6707**	**0.9437**	**0.637**	**0.7947**	**1.0455**	**0.7177**	**0.9717**	**0.7212**	**1.0591**	**0.9783**	**0.9653**	**0.7406**	**0.8534**	**0.8074**	**0.7645**	**0.8332**	**0.9196**				
t-value	**2.1257**	**-1.541**	**6.786**	**4.4744**	**2.218**	**2.2212**	**-6.396**	**1.6122**	**-11.3**	**-4.716**	**-3.785**	**-5.739**	**11.381**	**-5.885**	**-0.582**	**13.662**	**-0.427**	**-7.386**	**-0.595**	**3.3421**				
p-value	**0.0361**	**0.1266**	**1E-09**	**2E-05**	**0.0289**	**0.0287**	**6E-09**	**0.1103**	**3E-19**	**8E-06**	**0.0003**	**1E-07**	**2E-19**	**6E-08**	**0.5621**	**4E-24**	**0.6704**	**6E-11**	**0.5536**	**0.0012**				
Index	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20				
Chi-test p-value	0.0000																							