

**EFFECTS OF SPORTS SPONSORSHIP ON PERFORMANCE OF KENYAN FIRMS
INVOLVED IN SPORTS**

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**A research project submitted in partial fulfillment of the requirements for the award of
master of business administration at Kabarak University**

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DECLARATION

STUDENT’S DECLARATION

This research project is my original work and has not been presented for a degree at any other university.

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SUPERVISOR’S DECLARATION

This research project has been submitted for examination with my approval as the candidate’s University Supervisor.

Prof. Bernard Njehia

Signed

Date.....

DEDICATION

I dedicate this research work to the Almighty God for his provision. To my family and friends on their support and understanding during the entire period I undertook the research project.

ABSTRACT

Many companies make investment to sponsor the big sports events such as Olympics, world Cup and popular sports games. Effective promotional strategy involves strategic decisions about five factors target audience, objective of the promotion effort, nature of the product, stage in the product life cycle and amount of money available for promotion. The general objective of the study was to establish the effects of sports sponsorship on performance of Kenyan firms. The study sought to analyze the effects of status of sports sponsorship, target market's awareness, demand of the sponsor's products and services, corporate reputation and consumer loyalty on performance of Kenyan firms. The study adopted a descriptive survey design to collect information from the sample drawn from the population of the study. The target population was 87 companies involved in sports sponsorship in Kenya. Eighty two companies were selected to represent eighty seven companies involved in sport sponsorship in Kenya. One senior respondents was selected from operations or marketing department, thus a sample size of 82 respondents. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions in regard to the research problem. A pilot study was carried out to pretest and validate the questionnaire. The Statistical Package for Social Sciences (SPSS) computer software was used for analysis to generate data array that would be used for subsequent analysis of the data. SPSS has descriptive statistics features that would assist in variable response comparison and give clear indications of response frequencies. Inferential statistics was also used to analyze the statistical sample. The data was coded to enable the responses to be grouped into various categories. Descriptive statistics was used to summarize the data. This included percentages and frequencies. Tables and other graphical presentations were appropriately used to present the data that was collected for ease of understanding and analysis. The study used regression analysis to establish the relation between the study variable and ANOVA to test the research hypothesis. The study revealed that connecting the company brand through sponsorship, helps to develop a link in the minds of the target audience that the company is responsible. It was found that sponsorship generates awareness, or raise levels of knowledge of a company's products and services, product lines. It was established that sponsorship improves company or brand name by connecting them to an event or organization that is highly valued by target consumers. The study also found that customer loyalty has positive impact on performance of Kenyan firms and there is need for the management of companies to consider evaluating their customers' choice of sports. From the regression analysis the study revealed that there was positive significant relationship between status of sport sponsorship, corporate reputation, target market awareness, customer loyalty and demand of the sponsor's products and services and performance of the company.

Keyword; **Sponsorship, Awareness, Demand, Loyalty and Performance**

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LIST OF ABBREVIATIONS

AIDA	Attention, Interest, Desire, Action
CSR	Corporate Social Responsibility
NASCAR	National Association for Stock Car Auto Racing
USA	United States of America
SPSS	Statistical Package for Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Many companies make investment to sponsor the big sports events such as Olympics, world Cup and popular sports games. Although being an official sponsor requires a huge amount of financial resource, it is expected to create more favorable outcomes including profit increase, improved stock returns, and positive advertising effect. In the world today, sports are becoming increasingly popular as teams continue to amass die-hard fans. Sponsoring a sports team is more appealing than ever. Sponsors communicate through the teams or activities that they sponsor just as advertisers communicate through commercial messages, (Cornwell & Maignan, 2008).

Pope (1998), states that sports sponsorship was first exercised in ancient Greece when the rich people supported art festivals and athletics to enhance social standing. Modern utilization of sponsorship on the other hand, was through the placement of advertisements in the 1896 Olympic Games official program and the purchase of product sampling rights in the 1928 Olympics by the Coca Cola Company (Pope, 1998). The sizeable increase in sponsorship took place between the 1976 Montreal Olympics and the 1984 Los Angeles Olympics. Today, billions of dollars are spent on sports branding in North America (IEG, 2001c). In 1999, the top 20 sport advertisers spent a total of \$360.6million, (Stotlar, 2004).

The Kenyan business environment has becomes more open and liberalized. It is for this reason markets are becoming more sophisticated with consumers becoming more knowledgeable than ever. Consumers also have a wide range of products to choose from.

Competition between firms is becoming cut throat and hence firms should employ the most effective promotional strategies.

1.1.1 Promotional Strategy

Promotion is defined as communication that builds and maintains favorable relationships by informing and persuading one or more audiences to view an organization positively and to accept its products (Pride & Ferrell, 2010). Thus, a firm's promotional strategy can also be termed as its 'Communication Strategy'. A firm communicates with its customers so as to create Awareness, generate Interest, and stimulate Desire and to induce Action. This is known as the AIDA model of communication (Hooley *et al*, 2008).

Promotion is one of the key 4Ps in the marketing mix (Dibb *et al.*, 1994) and as such has a key role to play in market success. Promotion is concerned with ensuring that customers are aware of the products that the organisation makes available to those customers. More specifically, the objectives of any promotional strategy will be drawn from an appropriate mixture of the following roles of promotion; to: increase sales; maintain or improve market share; create or improve brand recognition; create a favourable climate for future sales; inform and educate the market; create a competitive advantage, relative to competitor's products or market position; improve promotional efficiency.

A promotional strategy involves strategic decisions about five factors which include target audience, objective of the promotion effort, nature of the product, stage in the product life cycle and amount of money available for promotion (Etzel *et al*, 2007). This enables the firm to determine whether it will employ a 'push' strategy or a 'pull' strategy (Pride & Ferrell, 2010). A push strategy is aimed at middlemen and would typically involve contests for sales

people and displays at trade shows while a pull strategy is directed at end users and relies heavily on advertising and consumer sales promotion e.g. samples.

An appropriate promotional mix must be created in order to meet the promotional objectives of any given promotion strategy. The tools in the promotional mix include advertising, direct marketing, sales promotion, public relations and publicity, personal selling and sponsorship. (Rowley, 1997). The concept of promotional strategy is critical to this study because it will enable us to understand the impact of promotion on consumer awareness towards a firm and/or a product, customer loyalty and the perceptions that consumers hold towards a firm and/ or a product.

1.1.2 Sports Sponsorship

Meenaghan (2011) defines sponsorship as the provision of assistance whether financial or in-kind to an activity for example sport, musical event, festival, fair, by a commercial organization for the purpose of achieving commercial objectives . For years businesses have tended to spend their CSR budgets on supporting environmental or arts-based causes but increasingly sport is being seen as a way to meet social and community obligations. Despite growing engagement in social causes and philanthropic activities by organisations aiming to establish a community-focused corporate image, sport remains a primary focus of organisations, with 70% of all sponsorship spending currently allocated to sports, according to the International Events Group (Klayman, 2008). Sport provides unique opportunities by attracting mass audiences in local, regional and global arenas (McKelvey & Grady, 2008) and by engaging with audiences and participants beyond the cognitive level, provoking emotional responses that have been shown as beneficial for sponsors (Christensen, 2006).

Firms enter into sponsorship arrangements with a variety of goals, two of the most important are to increase brand awareness and to establish, strengthen, or change brand image (Crowley, 2011; Meenaghan, 2011). Sports sponsorship in Kenya is a rapidly growing tool. Several companies are considering this form of marketing strategy as a way of influencing consumer attitude and brand awareness. Over the last couple of years, many sporting disciplines, such as football, athletics and rugby, have generated some positives and drawn considerable numbers, both in terms of fans and also money. Firms find it important to sponsor sporting activities due to the exposure their brand or product would get. Aaker (1991) notes that brand awareness is achieved by exposing the brand to as many potential consumers as possible.

Kenya's sports corporate sponsorship has been on the rise. Over the past 8 years, we have witnessed a steady increase in sponsorship from various cooperates bodies. From Rugby's Safari Sevens, Kenya Secondary Schools' Sports Associations (KSSSA) schools games, Safaricom's Sakata Ball, Airtel's Rising Stars, Supersport's engagement with KPL, Athletics meet series, Ruby super series among other recent sponsorships. Despite this growth, the management at various levels of our federations has a lot of room for improvement to attract more serious title sponsorships for the various leagues. The quality in the Kenyan sport needs powerful sponsorships but this can only come where there is trust.

1.1.3 Organization performance

Financial performance, which assesses the fulfillment of the firm's economic goals, has long been a central focus in management research on firm performance (Barney, 2002). While measuring financial performance is not as complicated as quantifying the effects of

prudential regulations, it also has its explicit complications. There is little consensus about which measurement instrument to apply. Richard (2009) writes that while firm performance is a multidimensional construct that consists of many different aspects such as operational effectiveness, corporate reputation, and organizational survival, the most extensively studied areas is its financial component, the fulfillment of the economic goals of the firm.

Financial performance is any of many different measures to evaluate how well a company is using its resources to generate income (Richard, 2009). Common examples of financial performance include operating income, earnings before interest and taxes, and net asset value. It is important to note that no one measure of financial performance should be taken on its own. Rather, a thorough assessment of a company's performance should take into account many different measures (Weeks, Cornwell & Drennan, 2008).

In traditional management studies, ratios are classified according to the following performance aspects measured: profitability, liquidity, leverage, and efficiency (Richard, 2009). These ratios can be computed directly using financial statement information. Valuation ratios are added with the traditional classification of ratios, which incorporate more current assessments by the market of the company's "worth". Simple balance sheet and income statement items are used to compute ratios to analyze financial statements of the financial institutions.

1.2 Statement of the Problem

Promotional strategy involves communication that builds and maintains favorable relationships by informing and persuading one or more audiences to view an organization

positively and to accept its products (Pride & Ferrell, 2010). Sports sponsorship on the other hand is “a business relationship between a provider of funds, resources, or services and a sport event or organization, which offers in return specific rights that may be used for commercial advantage” (McGlone & Martin, 2006).

Kenya’s sports corporate sponsorship has been on the rise. Over the past 8 years, there has been steady increase in sponsorship from various cooperates bodies. From Rugby’s Safari Sevens, Kenya Secondary Schools’ Sports Associations (KSSSA) schools games, Safaricom’s Sakata Ball, Airtel’s Rising Stars, Supersport’s engagement with KPL, Athletics meet series, Ruby super series among other recent sponsorships.

There are a number of renowned authors who have attempted to connect sports sponsorship to company objectives for example *Wanjohi* (2010), in his article “The Ultimate Sporting Nation” focused mainly on the inadequacies in sports, including lack of major corporate participation in sports recreation. *Gamble* (2005) looked into the effect of sponsorship on sports fans' loyalty towards sponsoring brands and *Breuer and Rumpf* (2011), looked into the impact on consumers' memory for sponsor brands while watching sport broadcasts, focusing the German Bundesliga. Despite all the above there is a general lack of geographic specific studies that have attempted to link this promotional method to performance of the firms. This is the research gap that this study sought to fill. This research aimed at bringing out the effects of sports sponsorship as a promotional strategy on performance of Kenyan firms.

1.3 Objective of the study

1.3.1 General Objective

The general objective of the study was to establish the effects of sports sponsorship on performance of Kenyan firms.

1.3.2 Specific objectives

The study was guided by the following specific objectives

- i. To determine the target market's awareness of sports sponsoring firms and their products.
- ii. To determine the effects of sports sponsorship on the demand for sponsoring companies' products.
- iii. To determine the effects of sports sponsorship on companies' corporate reputation.
- iv. To analyze consumer loyalty for sponsoring firms' products.

1.4 Research Hypothesis

The study sought to test the following research hypotheses

- i. H_{01} There is no significant relationship on the level of awareness of companies and their products within the respect targeted market.
- ii. H_{02} Sports sponsorship has no significant effect on the demand for sponsoring companies' products.

- iii. H₀₃ There is no significant relationship between sponsorship by companies and their reputation among the Kenyan public
- iv. H₀₄ Sponsoring sports has insignificant effect on customer loyalty for companies' goods
- v. H₀₅ Status of sports sponsorship does not affect the performance of Kenyan firms.

1.5 Significance and Importance of the Study

Not much has been written on the field of sports sponsorship in Kenya. This research will provide an insight as to the importance of sports sponsorship as an effective promotion method. This research will contribute to existing body of knowledge on sports sponsorship as a promotional strategy.

The findings of this study will be of great importance to the management of corporate organisation in Kenya as they will understand the role of sports sponsorship as a promotional strategy among Kenyan firms. The findings will also be of great importance to policy makers as it will enlighten them on the role of sports sponsorship as a promotional strategy among Kenyan firms.

1.6 Scope of the Study

The study focused on establishing the effects of sports sponsorship on performance of Kenyan firms. It covered a sample of 87 companies involved in sport sponsorship in Kenya at the head office. These provided an adequate population and sample for the study and therefore give reliable results and findings. The study focused on the companies that have been involved in sport sponsorship in the last five years..

1.7 Limitation of the Study

The respondents approached were reluctant in giving information fearing that the information sought would be used to intimidate them or print a negative image about them or the organization. Some respondents even turn down the request to fill questionnaires. The study handled the problem by carrying an introduction letter from the University and assuring them that the information they gave would be treated confidentially and it would be used purely for academic purposes.

Managers operate on tight schedules, they were able to complete the questionnaire in good time and this overstretches the data collection period. To mitigate this limitation, the study made use of network to persuade targeted respondents to fill up and return the questionnaires.

Eliciting information from the respondents was a problems as the information required was subject to areas of feelings, emotions, attitudes and perceptions, which cannot be accurately quantified and/or verified objectively. The researcher encouraged the respondents to participate without holding back the information they might be having as the research instruments would not bear their names.

The study was limited to employees of 82 companies involved in sport sponsorship in Kenya at the head office. The study was limited to the use of questionnaires for the employee of 82 companies involved in sport sponsorship in Kenya as the only instruments for data collection.

1.9 Definition of terms

Customer Loyalty; Loyalty is defined as a deeply held commitment to re-buy and re-patronize a preferred product or service in the future despite situational Influences and marketing efforts having the potential to cause switching behaviour (Kumar et al, 2006)

Performance ; Performance is the measure of standard or prescribed indicators of effectiveness, efficiency, and sale volume, markets share and level of awareness of sponsor products.

Promotion ; Promotion is concerned with ensuring that customers are aware of the products that the organisation makes available to those customers, (Dibb *et al.*, 1994).

Sponsorship; Sponsorship is the practice of promoting a company's interests and its brands by tying them to a specific and meaningful related event, organization or charitable cause (Erdogan and Kitchen, 1998). Financial or external support of an event or person by an unrelated organisation or donor, such as is common in respect of the arts, sports and charities.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the existing literature, information and publication on the topic related to the research problem by accredited scholars and researchers. This section examined what various scholars and authors have said about to establish the effects of sports sponsorship on performance of Kenyan firms, in particular it will cover the theoretical review of literature, empirical review of the literature, conceptualization and operationalization of the conceptual framework.

2.2 Theoretical review

2.2.1 AIDA Selling Theory

According to Ambler (2000), AIDA (Attention, Interest, Desire, Action) selling is the most widely recognized and used hierarchy-of-effects model. In this kind of model, it is assumed that individuals, before being interested in the product class, do not even allocate attention in its direction. Traditional marketing communications models, such as the AIDA model, focus on individual transactions and purchases, and the emphasis is on awareness and presence. More recently there has been a growing interest in relationship-marketing (Moller and Halinene, 2000). This acknowledges the importance of customer retention, and recognizes that customer loyalty (Reichheld and Scheffer, 2000), is an important characteristic of a stable customer base. In the digital world, marketing communications are concerned with the three steps of creating presence, creating relationships and creating mutual value. Information is at the heart of all of these steps.

Creating presence is concerned with the awareness-building phase of marketing communications, in which the organization seeks to ensure visibility for its product offering. The organization introduces itself and its wares to the audience, and seeks to create an identity and personality that will encourage customers to get acquainted (Ambler, 2000).

Creating relationships occurs when customers and organizations work together. The relationship is built as interactions increase. Mutual perceptions may be positive or negative, but they are based on experience. Too many negative perceptions on the part of the customer are likely to lead to disengagement with the relationship, and the relationship will not advance further. Similarly, as organizations become acquainted with customers, they may choose to differentiate the quality and extent of their offering or services in favour of customers who are profitable. They are able to make these judgments on the basis of the information that they collect through transactions with customers (Kotler, 2005).

Businesses may use customer information to customize or personalize marketing communications, so that on the basis of past purchases they might draw customers' attention to new items. In relation to some information products, this might be a current-awareness-type service announcing new information products. For an online bookshop it may be best ten buys listings and special offers and, for an online insurance company, it may be a new deal in an area of insurance products in which the customer has previously expressed an interest. Exchange and use of information are at the core of all of these exchanges (Ambler, 2000). The AIDA selling theory is used to explain the role of sports sponsorship as a promotional strategy among Kenyan firms.

2.2.2 Theory of Exchange Relation

Bagozzi (2004) formulated the theorem of the exchange relation stating that market transactions happen as soon as both customer and company expect to gain value by engaging in exchange. One stream of conceptual work focused on the question of how such win-win exchanges are explored, configured and realized. Social exchange theory was interested in the social context of customer relationships. Researchers like Arndt, 1979 and MacNeil, 1978 conceived customer relationships as the fertile ground for the cultivation of economic exchanges providing value for the customer, as well as the company. As a consequence, one stream of relationship marketing theory became interested in the study of relationships as the decisive antecedent for the creation of value.

Hunt and Morgan (1996) developed one of the most prominent approaches, stating that relationships provide the decisive antecedent for the creation of a resource advantage. Thus, investments in relationships are the first step in the direction of creating positive exchange, maximizing both values for the customer and profit for the company. To some extent, the Nordic school draws on the same argument, as they perceive social or economic networks as the fertile ground for the cultivation of economic value. We refer to these streams of research as the context perspective of relationship marketing. The common denominator of these different research traditions is that they perceive social, economic or institutional networks as the relevant context for the creation of value. The decisive characteristic of relationships, in this perspective, is that by investing in relationships, companies can improve their position and establish favourable market exchanges. The theory of exchange relation is used to explain the role of sports sponsorship as a promotional strategy among Kenyan firms.

2.2.3 Social Exchange Theory

Social exchange theory is a social psychological and sociological perspective that explains social change and stability as a process of negotiated exchanges between parties. Social exchange theory states that all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. The theory has roots in economics, psychology and sociology, (Miller, 2005).

Social exchange theory is tied to rational choice theory and on the other hand to structuralism, and features many of their main assumptions. American sociologist George Caspar Homans is usually credited with the consolidation of the foundations of Social Exchange Theory. Homans's article entitled "Social Behavior as Exchange" (Mark, 1978) is viewed as the seminal work on this theory. Works by Murstein, Cerreto, and MacDonald (1977), are also important and often reference Homans, as do many other articles and books on the subject

Thibaut and Kelley (1959) two social psychologists further developed the theory of social exchange. They proposed the following reasons why make people to engage in a social exchange: anticipated reciprocity; expected gain in reputation and influence on others; altruism and perception of efficacy and direct reward. Another important work is Mark Knapp's Social Intercourse: From Greeting to Goodbye (Knapp, 1978). In addition, Gerald Miller and Mark Steinberg's book, *Between People*, added to the theory by noting the differences in the types of information we have about one another: cultural, sociological and psychological (Miller, 2005). The social exchange theory will be used in the to explain the role of sports sponsorship as a promotional strategy among Kenyan firms.

2.3 Empirical Review

According to Shank (2009) sponsorship objectives can in the same way as advertising objectives be categorized as either direct or indirect, where *direct sponsorship objectives* have a short-term focus on increasing sales as a result of impact on consumption behaviour. *Indirect sponsorship objectives* on the other hand focuses on enhancing sales by creating awareness and a desired image of the product before the consumers purchase the product. However, the primary objectives of sport sponsorship stated by the author is awareness, competition, reaching target markets, relationship marketing, image building, and sales increase from the sponsor's perspective. Although, in a single sponsorship campaign, several objectives can be achieved, and objectives can moreover refer to strengthen the company brand, building goodwill among decision makers and opinion formers, in addition to displaying a socially concerned company to the public.

Meenaghan (2011) , states that a company has an extensive variety of audience with whom it wish to communicate, such as the internal public, the key decision-makers and the company's target markets. The author also explains that sponsorship play a major role in encouraging staff pride, rewarding effort, and in communicating the values of the organization to its staff. In addition to Shank (2009) and Meenaghan (2011) state that when considering the key decision-makers, sponsorship also has the ability to create goodwill among opinion-formers and decision-makers, as sponsorship most commonly is built around a particular event and has moreover the ability to offer corporate hospitality to the guests of the occurrence.

Busby and Digby (2012) argue that sponsorship objectives need to be deliverable, measurable and integrated to the overall corporate and marketing strategy. These objectives can also deliver incentivizing customers, enabling data capture and database building, developing customer loyalty, enhancing community relation, revitalizing brand/corporate image and niche targeting. Moreover, as measurable activities, the authors include increase in sales, new sales leads, retention of customers, staff recruitment, positive impact on perceptions of brand/company and increase in trade distribution .

Moreover, the pioneering study of sport sponsorship made by Meenaghan (2013) divides sponsorship objectives in relation to target markets into corporate objectives and brand objectives, such as broad corporate objectives, product related objectives, sales objectives, media coverage, guest hospitality and personal objectives. This classification of sponsorship objectives includes the organizational features on the corporate and product level, as well as visibility and interactive relationship aspects in the appearance of media coverage and guest generosity, sales aspects in regards of the sales objectives and personal aspects in the form of personal objectives.

Meenaghan (2013) moreover claims that several of the objectives may frequently overlap as well as an interaction of the objectives is commonly used in sponsorship campaigns, as for instance, the corporate image affects the product image in the same way as the corporate image is affected by guest hospitality. Nevertheless, Pope (2008) and Dolphin (2003) state that media objectives, corporate objectives, marketing objectives and personal objectives are

four broad categories of sponsorship objectives that generally are acknowledged and accepted in the literature of sport marketing.

2.4 Role of Sports Sponsorship as a Promotional Strategy

2.4.1 Effect of sports sponsorship on performance of Kenyan firms.

According to Stotlar (2004), “the most appropriate measure of effectiveness emanates not from what the sponsorship generated, but from whether the specific marketing objectives of the corporation were met”. Valanko (2009) states that it is the monitoring and measuring of sponsorship effects relative to the set objectives which should inform the company about the success of sponsorship. Therefore, thoroughly considered objectives which derive from strategy are important not only in the planning and execution of sponsorship activity but also in its final evaluation.

Numerous methods have been suggested to monitor and measure sponsorship, its results and effectiveness. These can be divided into different categories; exposure-based methods, methods to measure the communication effects of sponsorship, sales and market share measures, and feedback from participating groups (De Pelsmacker *et al.*, 2007). These categories are discussed in more detail below. Two different types of exposure can potentially be measured. First, by counting the number of people attending the event and examining the audience closer, it is possible to estimate how many people are directly and indirectly reached and how frequent their exposure to the sponsor name is (De Pelsmacker *et al.*, 2007). Second, the exposure-based techniques include monitoring the exposure resulting from the media coverage of the sponsored event (Cornwell & Maignan, 2008). According to De Pelsmacker *et al.* (2007), for instance calculating the number of times the sponsor brand

or logo is mentioned in a newspaper or the number of seconds it is shown on television enables the estimation of the reach and frequency of exposure and the monetary value of the exposure. In fact, even if a change of focus from the measurement of exposure to intermediate results of sponsorship, i.e. awareness and image, has been reported (Walliser, 2003), measuring the extent of media coverage has been argued to still be the most frequently used measure of sponsorship effectiveness (Crompton, 2004). However, as media coverage is not the primary objective of sponsorship and as it does not ensure product recall, attitude change, or any other consumer response, its use as a measure of sponsorship effectiveness is claimed to be questionable (Tripodi *et al.*, 2003). Additionally, Cornwell (2008) argues that sponsorship exposure is “not equivalent in quality to an advertising message”.

To evaluate the communication effects of sponsorship, awareness and image variables are measured. In other words, the developments in consumers’ awareness of, familiarity with, and favorability towards the sponsoring company are detected (McDonald, 2011), focusing on questions like how many people are aware of the brand prior to and after the event, and how the image of the sponsoring brand has evolved (De Pelsmacker *et al.*, 2007). Tripodi *et al.* (2003) argue that the techniques most often used for these purposes are the continuous tracking approach and the ad hoc dipstick approach. Although these methods pursue similar outcomes, they differ both in terms of the frequency with which measurements are taken and in the nature of the questions used.

According to McDonald (2011), the problem with the tracking measures is that they do not unambiguously assess consumers’ change of attitudes towards the sponsor. In addition, what should also be considered is that particularly images tend to change relatively slowly and it

might take time for the impacts of sponsorship to become visible (Valanko, 2009). Collecting and comparing sales and market share data before and after the sponsorship activity is also a way to judge its effectiveness (Stotlar, 2004). Tripodi *et al.* (2003) state that this is a “‘bottom-line’ approach to evaluating the effects of sponsorship” and has been suggested to be employed by numerous firms to assess the success of their sponsorship activities (ibid). According to De Pelsmacker *et al.* (2007), estimating the commercial impact of sponsorship allows for evaluating its long-term effectiveness. Nevertheless, as previously mentioned, in the presence of other elements of integrated marketing communications, isolating the impact of sponsorship on the sales performance of a company is difficult, and it has been argued to be practically impossible to directly attribute any sales growth to sponsorship (Tripodi *et al.*, 2003).

In some cases, collecting feedback directly from the participants in a sponsored event may be called for. For instance, as the varied target groups of sponsorship sometimes include business partners and employees as the main audience, in these cases, the effectiveness of sponsorship can be argued to primarily derive from the reactions of partners to corporate hospitality events or employees’ opinions about sponsorship programs (De Pelsmacker *et al.*, 2007). Qualitative interviews with different stakeholders, consumer-based focus groups, or written feedback are examples of methods to collect comments on the sponsorship (Stotlar, 2004).

As can be seen from above, no unambiguous model for evaluating the effects of sponsorship exists. Tripodi *et al.* (2003) claim that most sponsoring companies only employ methods from one of the categories outlined above, if any, to measure the outcomes of their

sponsorship activities. However, to gain a more reliable picture of the effects of sponsorship on which further analysis and future decisions could be based, it has been suggested that multiple measures should be used in combination (Valanko, 2009).

2.4.2 Targeted market's awareness of the Sponsors products

When measuring the awareness generated by sponsorship, it has been suggested that sponsor recall factors should be concentrated on; the question is how well the target group remembers the sponsor (Grohs *et al.*, 2004). Grohs *et al.* (2004) detected when researching the impact of sponsorship on awareness that people who are aware of and know the sponsor and its brand before the sponsorship takes place tend to have higher sponsor awareness after the event. Moreover, a closer perceived fit between the sponsored event and sponsor tends to result in better recall of the sponsor. In other words, if the association between the event and sponsor is perfectly encoded, it is likely that the target audience will more easily remember the name of the sponsor (Walliser, 2003).

It has also been found out that people who are highly interested and involved in the sponsored activity or actively watch it have a tendency to better recall the sponsor (Grohs *et al.*, 2004). McDonald (2011) has come to the same conclusion about the positive relationship between interest and awareness; he also adds that interest tends to increase favorability towards the sponsor. When it comes to the length of the sponsorship activity, Pitts and Slattery (2004) recognize a positive relationship between time and awareness; the recognition of the sponsor tends to improve over the course of the activity. On the other hand, the need to integrate sponsorship into marketing communications may be necessitated also by the fact

that when sponsorship is used in combination with other communications instruments, awareness of sponsorship tends to increase, whereas detached sponsorship activities are claimed to be ineffective in generating brand awareness (Walliser, 2003).

Sponsorship is based on the hoped-for transfer of associations. By connecting the company or its brand to the property through the act of sponsorship and by forging that connection, the firm aims to develop a link in the minds of the target audience between itself and the sponsored property the audience values. However, the identification of the sponsor and recall of the link is rarely automatic in people's minds. According to Johar and Pham (2009), people tend to recall those sponsors the best who are somehow congruent with the property they sponsor and have high market prominence. This derives from the fact that the best-performing sponsorship targets usually entice prominent and related sponsors, while simultaneously raising strong feelings – either positive or negative – thus activating the cognitive recall process in the minds of the audience (Wakefield & Bennett, 2010).

2.4.3 Demand of the Sponsor's Products and Services

Dolphin (2003) notes that the major drivers behind sponsorship may be to alter public perception, increase community involvement, build relationships, and create goodwill. According to Abratt, Clayton and Pitt (2007), broad corporate objectives have their basis in developing a favourable public perception of a firm, increasing public awareness of the company and its products, as well as creating goodwill among a company's stakeholders.

The most basic objective with sponsorship is to generate awareness, or raise levels of knowledge of a company's products and services, product lines, or corporate name (Dolphin, 2003). Olkkonen (1999) further states that achieving, increasing or sustaining awareness of a company or its brands/products is one of the most important tasks of a company's marketing activities, especially within marketing communication. The concept of awareness can moreover be linked to the hierarchy of effects models, which assumes that there is a series of steps that potential customers must pass through in a chronological order, from unawareness to purchase. However, creating awareness aims to generate a positive atmosphere around a sponsoring company towards the general audience, but does not automatically aim at directly locating prospective customers.

Shank (2009) claims that based on the broader marketing strategy the sponsors must understand on which level to target; e.g. to promote an individual product or the company name. The author further notes that sponsorship can generate widespread awareness in a short period of time which is especially important for a new company or a company with a new product. In order to make the consumers aware of the sponsor's relationship with the event, the sponsor normally designs a promotional program around the event, as well as make sure that the company's promotional mix elements are integrated.

According to Olkkonen (2009), people's attitudes and actions are conditioned by the image of an object, as image is a set of beliefs, ideas and impressions that an individual holds regarding an object. Meenaghan and Shipley (2009) argue that various elements of brand identity contribute to the development of brand image, where marketing communication is

particular important in achieving brand image effects. Within communications, two separate elements; the message and the medium combine to deliver brand image values. Regarding sponsorship the message and media elements are inextricably linked and imagery is delivered by association with particular events and activities.

2.4.4 Consumer Loyalty in Buying the Sponsor's Goods and Services

According to Shank (2009) reaching new target markets is also an objective of importance of sponsorship programs since sponsorship has the ability to reach people who are attracted to sports entities because they share a common interest. Sport sponsorship therefore represents a natural vehicle for psychographic segmentation of consumers, and reaching consumers with similar tastes in activities, interest and opinions. Sponsorship is moreover used in order to achieve product and brand related objectives, since many objectives are the same as under corporate related objectives, such as increased awareness of product/brand, strengthen or changed market perception of the product/brand, and identifying the product/brand with a particular market segment (Meenaghan, 2003).

Companies thereby try to link brand name with a particular sponsorship in order to achieve product-related objectives, (Meenaghan, 2003). Although, increased sales is in general the most used objective for sport sponsorship programs, since organizations certainly would not spend money to lend their names to stadiums or events if they did not know that they would get something in return for their investment (Shank, 2009). Meenaghan (2003) further claims that sponsorship can be extended to most elements of the marketing communication mix, with the ability to assist the movement of the buyer towards the point of actual sale.

Sponsorship is therefore an important stimulus when purchasing is seen as a multi-stage, multi-influence activity, in the same way as it may influence sales in a more direct manner. However, regardless of the various sponsorship objectives, organizations must evaluate how the sponsorship will help them achieve their unique marketing objectives, whereby increased sales of the sponsorship activity is the most comprehensible method for the measurement. (Shank, 2009) Meenaghan (2003) additionally state that the use of sponsorship in order to create public awareness of the company, further may assist the prospecting and selling tasks of the sales force.

2.4.5 Corporate Reputation

If the sponsoring organization and the sponsored sport entity have clear stated objectives both sides of the both sides should benefit from the activity (Dolphin, 2003). Sponsorship is highly regarded for its ability to enhance organizations identity, awareness and image. According to Zafer Erdogan & Kitchen (1998) sponsorship improve brand or company perceptions by flanking individual beliefs about the company or brand by connecting them to an event or organisation that is highly valued by target consumers.

According to Tripodi (2001) sponsorship objectives can either be corporate or product/Brand related. Tripodi (2001) continues by stating that the two most important reasons for to why companies invest in sponsorship are the objectives of creating/improving brand awareness and changing/enhancing the company's image. Tripodi (2001) argues that if there are no objectives with the sponsorship the company cannot know if their investments are worth it. By having measurable objectives this problem is overcome and the decision whether to renew or not to renew a sponsorship contract is easier.

Setting an objective with increasing brand awareness is to loosely define but still better than no objective at all. (Tripodi, 2001) The best way would be if the objective is not only quantified but also who to target and within a particular period of time, (Tripodi, 2001). To maximise a sponsorship investment, it is recommended that all four elements of the traditional promotional mix (advertising, public relations, sales promotions and personal selling) are used together with the sponsorship. Also, a sponsorship is going to be more efficient when supported by other communication mix elements, (Tripodi, 2001).

According to Tripodi (2001) a sponsorship needs to be advertised, publicised, personally sold by the sponsor to customers/clients through corporate hospitality packages, to utilise tie-ins such as sales promotions and involve other communication techniques such as direct marketing initiatives and an on-line presence in order for the sponsorship to be fully exploited to achieve maximum effectiveness.

Tripodi (2001) argues that the sponsorship must be leveraged with these additional promotional activities if the medium is going to augment a company's communications strategy, and thus improve the company's overall marketing impact. Today's sponsorship has evolved into a selection process where sponsor proposals must for fill criteria that the companies have before they are selected. This process makes it possible for companies to develop objectives for the sponsorship that are compatible with their overall marketing strategy and therefore enhancing the impact of the sponsorship on the company's marketing efforts, (Tripodi, 2001).

2.4.6 Status of sports sponsorship

Sponsorship is regarded as an efficient instrument of companies' communications mix partly because of its capacity to address a wide range of corporate audiences. The multiple different target audiences and stakeholder groups which may be appealed to through the use of sponsorship include for instance a company's existing and potential customers; consumers; current and prospective shareholders; employees; partners; government regulators; local community; and general public (Alaja & Forssell, 2004). It has been suggested that companies of different types rate the importance of target audiences differently putting emphasis on target groups most relevant to their business (Crowley, 2011). While the potential sponsorship audiences are many, Slack and Amis (2001) argue that sponsorship is an efficient communications instrument as it enables the targeting of a specific audience with a specific message. In the words of Pickton and Broderick (2001), sponsorship is an "excellent means of targeting selected market segments".

According to Cornwell and Maignan (2008), two separate but interrelated activities are involved in sponsorship; an exchange of a fee or alike and the right of association between the sponsor and sponsored property, and the marketing of that association to the target group by the sponsor. In order for the sponsorship investment to reap any benefits, both activities are required. In other words, for the communication goals of sponsorship to realize and for the indirect and implicit messages of sponsorship (Erdogan & Kitchen, 2008) to be successful, the sponsorship investment should be leveraged by accompanying communication efforts, i.e. be one element of a company's integrated communications strategy (Valanko, 2009). Weeks *et al.* (2008) define the leveraging of sponsorship as "the act of using collateral marketing communications to exploit the commercial potential of the association between a sponsee and sponsor".

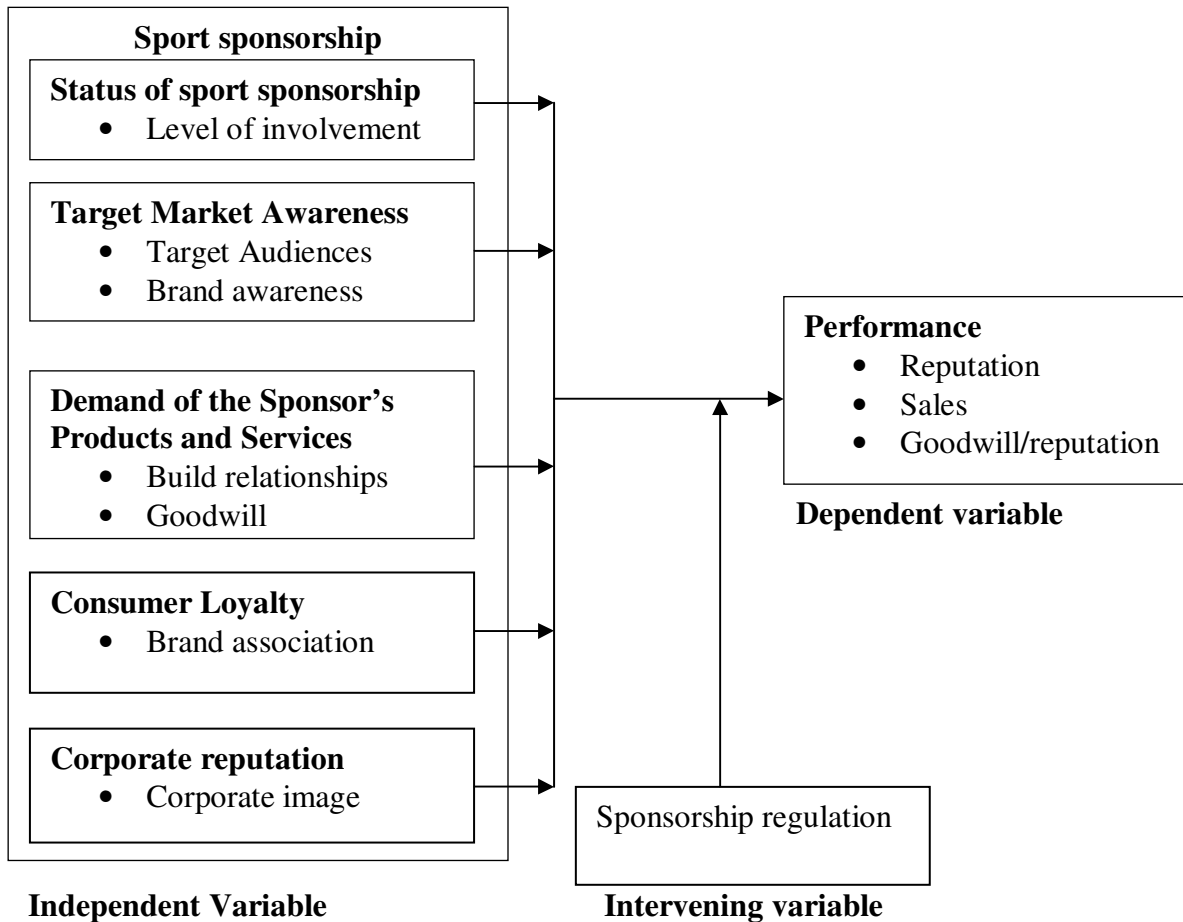
As to the importance of leveraging sponsorship, Valanko (2009) has suggested that it is not the scale of the initial sponsorship investment which determines the success of the sponsorship activity but it is the skilful exploitation of the sponsorship deal which makes the difference. Therefore, different kinds of sponsorship-linked marketing programs should be employed to support the sponsorship investment (Cornwell & Maignan, 2008). The methods used to leverage sponsorship may for instance include television, magazine, and Internet advertising, sales promotions, public relations, packaging, incentive programs, direct marketing, internal communications, cause related marketing, website communications, hospitality events, and exhibitions (Papadimitriou *et al.*, 2008).

Weeks *et al.* (2008) report that currently the most prevalent means to leverage sponsorship investments are traditional advertising, public relations, internal communications, and hospitality. Consequently, it may be concluded that all the different elements of the communications mix are employable in leveraging sponsorship even though some differences may exist in the importance of different instruments depending on the type of company (Crowley, 2001). Supporting sponsorship by the other communications instruments is nevertheless costly. The general belief is that “a sum at least equal to the property rights costs should be used to leverage the initial investment” (Meenaghan, 2001a). Farrelly *et al.* (2007) found out in their research that North American companies spent on average between \$1 and \$2 on related activities for every dollar spent on sponsorship. This finding is supported by Valanko (2009) who argues that the value of the sponsorship deal (price) in relation to the investment in supportive communications is nowadays 1:2 in the US. In contrast, this relation is currently only 1:0.5 in Finland. Farrelly *et al.* (2007) pointed out the

differences between countries already in the late 1990s as they found out that the spending by Australian companies on related communications activities was only between 50 cents and \$1 for every dollar spent on sponsorship agreement. In fact, it has been argued that among the biggest impediments to the success of sponsorship is its too narrow and insufficient exploitation by other means of marketing (Valanko, 2009).

2.5 Conceptual Framework

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reidenbach and Moak, 1986). It is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. It used in research to outline possible courses of action or to present a preferred approach to an idea or thought. According to Britton and McGonegal (2007) a conceptual Framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical/ synthetically aspects of a process or system being conceived. Independent Variables are changes that occur in an experiment that are directly caused by the experimenter. An independent variable is that variable which is presumed to affect or determine a dependent variable. It can be changed as required, and its values do not represent a problem requiring explanation in an analysis, but are taken simply as given.



Source: Research (2013)

Figure 2.1: Conceptual Framework

2.6 Research Gap

For years businesses have tended to spend their CSR budgets on supporting environmental or arts-based causes but increasingly sport is being seen as a way to meet social and community obligations as well promoting their products. Despite growing engagement in social causes and philanthropic activities by organisations aiming to establish a community-focused corporate image, sport remains a primary focus of organisations, with 70% of all sponsorship spending currently allocated to sports (Klayman, 2008). Sport provides unique opportunities by attracting mass audiences in local, regional and global arenas (McKelvey & Grady 2008)

and by engaging with audiences and participants beyond the cognitive level, provoking emotional responses that have been shown as beneficial for sponsors (Christensen, 2006). Firms enter into sponsorship arrangements with a variety of goals, two of the most important are to increase brand awareness and to establish, strengthen, or change brand image (Crowley, 1991; Marshall and Cook, 1992; Meenaghan, 1991; Meerabeau et al., 1991). Sports sponsorship in Kenya is a rapidly growing tool. Several companies are considering this form of marketing strategy as a way of influencing consumer attitude and brand awareness. Despite the documented evidence of sport sponsorship by firms there is limited and inconclusive evidence on the role of sports sponsorship as a promotional strategy, this study will seek to fill the existing research gap by conducting a study on the effects of sports sponsorship on performance of Kenyan firms.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology approach for the study and highlights the research design, target population, sampling technique, data collection instruments and data analysis and presentation.

3.2 Research Design

The study adopted a descriptive survey design to collect information from the sample drawn from the population of the study. A descriptive study design is one in which the primary goal is to assess a sample at one specific point in time without trying to make inferences or casual statements. Descriptive survey entails the studying of a situation as it is in the field as well as attempting to explain why the situation is the way it is (Wiersma, 1995). It serves a variety of research objectives such as descriptions of phenomenon or characteristics associated with a subject population, estimates of proportions of a population that have these characteristics and discovery of associations among different variables.

3.3 Target Population

Target population as defined by Frederic (2010), is a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The target population was 87 companies involved in sports sponsorship in Kenya.

Table 3.1: Target Population

Category	Frequency (No of Companies)	Percent
Football	41	47
Volleyball	11	13
Rugby	17	20
Hockey	5	6
Cricket	7	8
Basket ball	6	7
Total	87	100

Source, Ministry of Sport and Culture (2014)

3.4 Sample Frame

The sampling frame describes the list of all population units from which the sample will be selected (Cooper and Schindler, 2008). It is a physical representation of the target population and comprises all the units that are potential members of a sample (Kothari, 2004).

3.5 Sampling Technique

The sampling frame for this study was 87 companies involved in sport sponsorship in Kenya. Stratified proportionate random sampling technique was used to select the sample. According to Deming (1990) stratified proportionate random sampling technique produce estimates of overall population parameters with greater precision and ensures a more representative sample is derived from a relatively homogeneous population. Stratification aims to reduce standard error by providing some control over variance.

The study adopted mathematical formula for the purpose of determining the sample size. (Taro Yamane, 1970) has suggested the following mathematical formula for determining sample size.

$$n = \frac{N}{1 + N(0.05)^2}$$

Where, N is the total number of employees, and e is the error or confidence level. The conventional confidence level of 95% was used to ensure a more accurate result from the sample. Based on this, the error term would equal to 0.05. Taro (1970) formula was used to calculate the sample size in each category.

Hence, out of the total population of 87 companies, a sample size of 82 was taken, representing 81.6%. Stratified random sampling technique was adopted to select the 82 participants. The selection was as follows.

Table 3.2: Sample Population

Category	Frequency	Sample size
Football	41	37
Volleyball	11	11
Rugby	17	16
Hockey	5	5
Cricket	7	7
Basket ball	6	6
Total	87	82

Source, Author (2014)

3.6 Instruments and Procedures of Data Collection

The study collected primary data. Primary data was gathered using semi-structured questionnaires where the respondents were issued with the questionnaires. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions in regard to the research problem, (Cox, 2000). According to Festing (2007) the information that was obtained from questionnaires will be free from bias

and influence and thus accurate and valid data will be gathered. Secondary data was collected through reviews of both empirical and theoretical data from books, institution reports and the internet.

3.7 Pre-testing

A pilot study was carried out with 10 respondents to validate the questionnaire. Cronbach's alpha methodology, which is based on internal consistency, was used. Cronbach's alpha measures the average of measurable items and their correlation. This is in line with a qualitative research design methodology employed in this research proposal.

Joppe (2000) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. Kirk and Miller (1986) identified three types of reliability referred to in quantitative research, which relates to the degree to which a measurement, given repeatedly, remains the same, the stability of a measurement over time; and the similarity of measurements within a given time period. Charles (1995) adheres to the notions that consistency with which questionnaire are answered or individual's scores remain relatively the same can be determined through the test-retest method at two different times. Joppe (2000) states that validity determines whether the research truly measures that which was intended to measure or how truthful the research results are.

The aim of the pilot study was to test the reliability of the questionnaires. According to Ebrahim (2003), a pilot test is necessary for testing the reliability of data collection instruments. Cox (2000), explains reliability of research as determining whether the research

will truly measure that which it was intended to measure or how truthful the research results were. Pilot study will be conducted to detect weakness in design and instrumentation and to provide proxy data for selection of a sample (Kuvaas 2010).

A pilot size of 10 individuals from companies that were not involved in the study was used to test the reliability of the research instrument. The pilot data was not included in the actual study. The pilot study allowed for pre-testing of the research instrument. The clarity of the research instruments to the respondents was established so as to enhance the instrument's validity. The pilot study enabled the researcher to be familiar with study and its administration procedure as well as identifying items that required modification. The result helped to correct inconsistencies that were seen to arise from the instruments, which ensured they measured what was intended.

3.8 Data Processing, Analysis and Presentation

In order to analyse the data, both qualitative and quantitative data was collected using structured question, qualitative data was analysed using content analysis, where data was presented in prose form. Quantitative data was analysed using descriptive statistic with the help of Statistical Package for social sciences (SPSS). The information was interpreted using percentages, mean, standard deviations and frequencies. The information was displayed by use of bar charts, graphs, pie charts and frequency tables. One way ANOVA was used to test the research hypothesis. In addition, the study conducted a multiple regression analysis.

The regression equation was :

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

Whereby Y = Performance, X_1 = Corporate Reputation, X_2 = target market awareness, X_3 = demand of sponsor product and service, X_4 = Consumer loyalty and X_5 = Status of Sport Sponsorship while $\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 are coefficients of determination and ε is the error term. This generated quantitative reports through tabulations, percentages, and measures of central tendency.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATIONS AND PRESENTATION

4.1 Introduction

This chapter discusses the interpretation and presentation of the findings obtained from the field. The chapter presents the background information of the respondents, findings of the analysis based on the objectives of the study. Descriptive and inferential statistics were used to discuss the findings of the study. The study targeted a sample size of 82 respondents from which 67 filled in and returned the questionnaires making a response rate of 81.7%. This response rate was satisfactory to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent.

4.2 Reliability Analysis

Table 4.3: Reliability Analysis

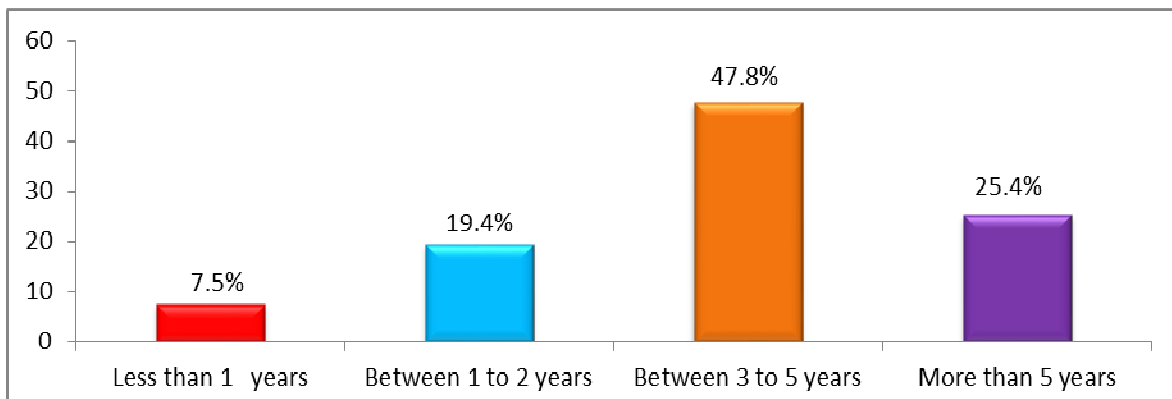
Scale	Cronbach's Alpha	Number of Items
Corporate Reputation	0.823	5
Status of sport sponsorship	0.826	5
Target Market awareness	0.818	5
Demand of the Sponsor's Products and Services	0.765	5
Customer Loyalty	0.811	5

A pilot study was carried out to determine reliability of the questionnaires. The pilot study involved the sample of 10 respondents, who were not included in the actual study. Reliability analysis was subsequently done using Cronbach's Alpha which measured the internal consistency by establishing if certain item within a scale measures the same construct. Gliem and Gliem (2003) established the Alpha value threshold at 0.7, thus forming the study's

benchmark. Cronbach Alpha was established for every objective which formed a scale. The table shows that status of sport sponsorship had the highest reliability ($\alpha= 0.826$), followed by corporate Reputation ($\alpha=0. 823$), target market awareness ($\alpha=0.818$), customer loyalty ($\alpha=0.811$) and demand of the sponsor's products and services ($\alpha=0.765$). This illustrates that all the four variables were reliable as their reliability values exceeded the prescribed threshold of 0.7.

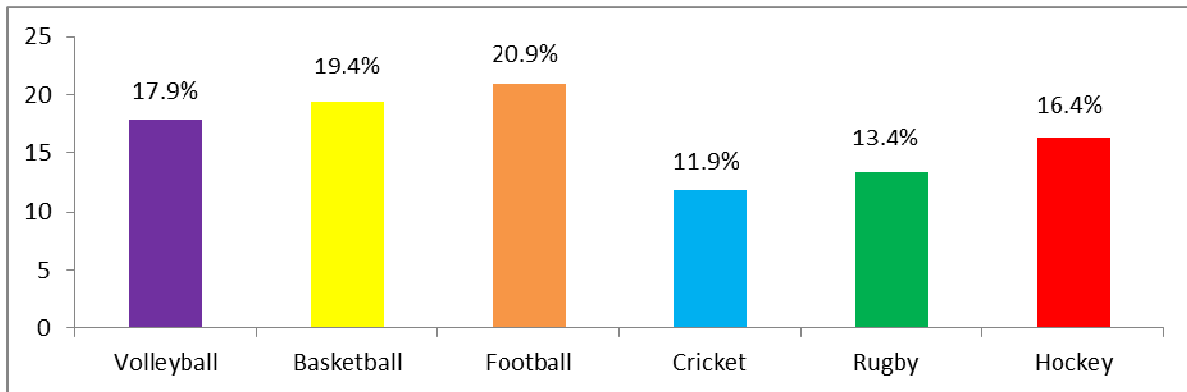
4.3 General Information

Figure 4.2: Number of years the company has been involved in sport sponsorship



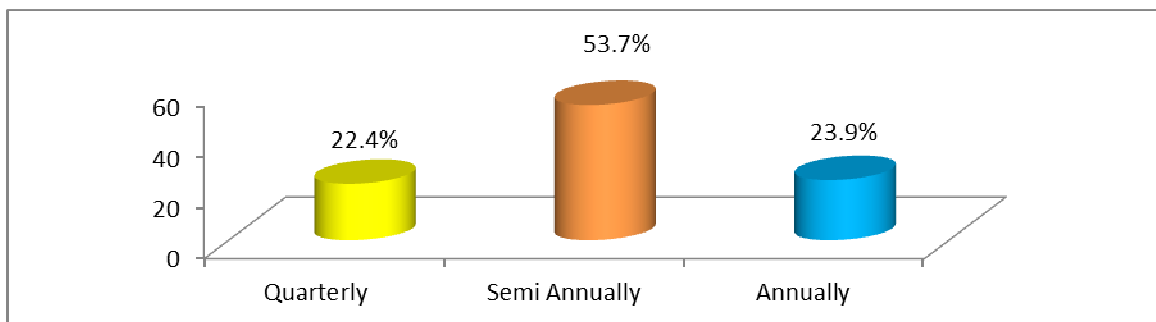
The study asked the respondents to indicate the number of years which the company has been involved in sports sponsorship, from the research findings, most of the respondents as shown by 47.8% respondents indicated the Company had been Sponsoring the sport activity for a period of 3 to 5 years, 25.4 % respondents indicated for a period of more than 5 years 19.4% respondents indicated for a period of 1 to 2 years 7.5% respondents indicated for a period of Less than a year.

Figure 4.3: Kind of sport is sponsored by organization



The study sought to determine the kind of sports event which the organization sponsored, from the research findings 20.9% of the respondents indicated that the organization sponsored football, 19.4 % of the respondents indicated that the organization sponsored Basketball , 17.9% of the respondents indicated that the organization sponsored Volleyball, 16.4% of the respondents indicated that the organization sponsored Hockey, 13.4% of the respondents indicated that the organization sponsored Rugby whereas 11.9% of the respondents indicated that the organization sponsored Cricket. This implies that the most sponsored event was football.

Figure 4.4: Frequency at Which the Organization Organized Sports Activities



The study sought to determine the frequency at which sporting activities were conducted. From the research findings majority of the respondents as shown by 53.7% indicated semiannually, 23.9% indicated in one years' time whereas 22.4% of the respondents

indicated quarterly. This is an indication that most of the organizations organized sports activities twice a year.

4.4 Corporate Reputation

Table 4.4: Effects of Corporate Reputation on the performance of the Company

Opinion	Frequency	Percentage
Yes	35	52.2
No	32	47.8
Total	67	100

The study sought to establish whether corporate reputation affects the performance of Company, from the research findings majority of the respondents as shown by 52.2% indicated that corporate reputation affects performance of Companies whereas 47.8% were of the contrary opinion. This implies that corporate reputation affects the performance of Company.

Table 4. 5: Extent to which corporate reputation affect performance

Extent	Frequency	Percent
Very great extent	22	32.8
great extent	38	56.7
Moderate extent	5	7.5
little extent	2	3.0
Total	67	100

The study sought to determine the extent to which corporate reputation affect performance of the Company, from the research findings, Majority of the respondents as shown by 56.7% indicated to a great extent, 32.8% of the respondents indicated to a very great extent, 7.5% of the respondents indicated to a moderate extent whereas 3.0% of the respondents indicated to

a little extent. This implies that corporate reputation affect the performance of the Company to a great extent.

Table 4.6: Statements relating to the effects of corporate reputation on performance

Statement	Strongly agree	Agree	Moderate	Disagree	Strongly disagree	Mean	Standard deviation
Sponsorship is highly regarded for its ability to enhance organizations identity.	17	40	7	2	1	1.96	0.24
Sponsorship improves brand or company perceptions.	30	29	5	3	0	1.72	0.22
Sponsorship is highly regarded for its ability to enhance organizations awareness.	20	40	6	1	0	1.82	0.25
Sponsorship is highly regarded for its ability to enhance organizations image.	23	35	5	2	2	1.88	0.22
Sponsorship improves company or brand by connecting them to an event or organization that is highly valued by target consumers.	19	42	4	1	1	1.85	0.26

The study sought to determine the extent to which respondents agreed with the above statements relating to the effects of corporate reputation on performance of the company. from the research findings, the study established that majority of the respondents agreed that; sponsorship improves brand or company perceptions as shown by mean of 1.72, sponsorship is highly regarded for its ability to enhance organizations awareness as shown by mean of 1.82, sponsorship improves company or brand by connecting them to an event or organization that is highly valued by target consumers as shown by a mean of 1.85, sponsorship is highly regarded for its ability to enhance organizations image as shown by

mean of 1.88, sponsorship is highly regarded for its ability to enhance organizations identity as shown by mean of 1.96. The above findings concurs with Tripodi (2001) who argues that the sponsorship must be leveraged with these additional promotional activities if the medium is going to augment a company's communications strategy, and thus improve the company's overall marketing impact.

Table 4.7: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.845(a)	66	.044

The Pearson Chi-square Value was 7.8 and the associated P- value (Asymptote Significant Value) was 0.044. This value is less than 0.05 indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can therefore be drawn that there is significant relationship between sponsorship by companies and their reputation among the Kenyan public.

4.5 Status of Sports Sponsorship

Table 4.8: Effects of Status of Sports Sponsorship on the performance

Opinion	Frequency	Percent
Yes	49	73.1
No	18	26.9
Total	67	100

The study sought to establish whether the status of sports sponsorship affects the performance of the company, from the research findings majority of the respondents as shown by 73.1% were of the opinion that the status of sports sponsorship affects the performance key selected companies' products whereas 26.9% were of the contrary

opinion. This implies that status of sports sponsorship indeed affects the market performance company's products.

Table 4.9: Extent To Which Status of Sports Sponsorship Affects performance

Extent	Frequency	Percentage
Very great extent	22	32.8
Great extent	35	52.2
Moderate extent	7	10.4
Little extent	3	4.5
Total	67	100

The study sought to determine the extent to which status of sports sponsorship affects the performance of Company, from the research findings, Majority of the respondents as shown by 52.2% indicated to a great extent, 32.8% of the respondents indicated to a very great extent, 10.4% of the respondents indicated to a moderate extent whereas 4.5% of the respondents indicated to a little extent. This implies that status of sports sponsorship affect the performance of Company to a great extent.

Table 4. 10: Effects of the Status of Sports Sponsorship on the performance

Statements	Strongly agree	Agree	Moderate	Disagree	Strongly disagree.	Mean	Standard deviation
Companies of different types rate the importance of target audiences differently putting emphasis on target groups most relevant to their business	21	37	7	1	1	1.87	0.23
Sponsorship is an efficient communications instrument as it enables the targeting of a specific audience with a specific message	25	28	9	3	2	1.94	0.18
Sponsorship is an “excellent means of targeting selected market segments	17	43	4	2	1	1.91	0.27

It is the skilful of exploitation of the sponsorship deal which makes the difference	24	31	8	2	2	1.91	0.20
different elements of the communications mix are employable in leveraging sponsorship	22	39	4	2	0	1.79	0.25

The study sought to determine the level at which respondents agreed with the above statements relating to effects performance of Company, from the research findings, majority of the respondents agreed that different elements of the communications mix are employable in leveraging sponsorship as shown by mean of 1.79, Companies of different types rate the importance of target audiences differently putting emphasis on target groups most relevant to their business as shown by a mean of 1.87, It is the skillful of exploitation of the sponsorship deal which makes the difference, Sponsorship is an “excellent means of targeting selected market segments as shown by a mean of 1.87 in each case. The above findings concurs with, Valanko (2009) suggested that it is not the scale of the initial sponsorship investment which determines the success of the sponsorship activity but it is the skilful exploitation of the sponsorship deal which makes the difference.

Table 4.11: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.745(a)	66	.027

The Pearson Chi-square Value was 3.7 and the associated P- value (Asymptote Significant Value) was 0.027. This value is less than 0.05 indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can therefore be drawn that status of sports sponsorship does not affect the performance of Kenyan firms.

4.6 Targeted Market's Awareness and Attitudes

Table 4.12: Effects Of Targeted Market's Awareness On the performance

Opinion	Frequency	Percentage
Yes	45	67.2
No	22	32.8
Total	67	100

The study sought to establish whether targeted market's awareness affects the performance of Company, from the research findings majority of the respondents as shown by 67.2% were of the opinion that targeted market's awareness indeed affect the performance of Company whereas 32.8% were of the contrary opinion. This implies that targeted market's awareness affects the performance.

Table 4.13: Extent to Which the Targeted Market's Awareness affects performance

.Extent	Frequency	Percentage
Very great extent	19	28.4
Great extent	33	49.3
Moderate extent	11	16.4
little extent	4	6.0
Total	67	100

The study sought to determine the extent to which targeted market's awareness affects the performance of Company, from the research findings, most of the respondents as shown by 49.3% indicated to a great extent, 28.4% of the respondents indicated to a very great extent, 16.4% of the respondents indicated to a moderate extent whereas 6.0% of the respondents indicated to a little extent. This implies that targeted market's awareness affects the performance of Company to a great extent.

Table 4.14: Statements Relating to Effect of the Targeted Market’s Awareness on performance

Statement	Strongly agree	Agree	Moderate	Disagree	Strongly disagree.	Mean	Standard deviation
People who are highly interested and involved actively watch it have a tendency to better recall the sponsor	22	34	7	3	1	1.91	0.21
The recognition of the sponsor improve over the course of the activity	20	35	9	1	2	1.96	0.21
The need to integrate sponsorship into marketing communications is necessitated by communications instruments, awareness of sponsorship tends to increase	16	43	5	2	1	1.94	0.26
connecting the company brand through sponsorship , helps to develop a link in the minds of the target audience	25	29	8	3	2	1.93	0.19
People tend to recall those sponsors the best who are somehow congruent with the sport they sponsor	23	37	4	1	2	1.84	0.24

The study sought to determine the extent to which respondents agreed with the above relating to effect of the targeted market’s awareness on performance of Company, from the research findings majority of the respondents agreed that people tend to recall those sponsors the best who are somehow congruent with the sport they sponsor as shown by mean of 1.84, people who are highly interested and involved actively watch it have a tendency to better recall the

sponsor as shown by mean of 1.91. connecting the company brand through sponsorship, helps to develop a link in the minds of the target audience as shown by mean of 1.93, the need to integrate sponsorship into marketing communications is necessitated by communications instruments, awareness of sponsorship tends to increase as shown by mean of 1.94, the recognition of the sponsor improve over the course of the activity as shown by mean of 1.96. These findings concurs with Johar and Pham (2009), According Johar and Pham, people tend to recall those sponsors the best who are somehow congruent with the property they sponsor and have high market prominence.

Table 4.15: Chi-Square Tests

	Value	df	P-Value
Chi-square	2.734	5	0.023

The calculated Pearson Chi-Square value is 2.73. The associated P-Value (Asymptotic significance) is 0.023. This value is less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can be drawn from the study that there is significant relationship on the level of awareness of companies and their products within the respect targeted market.

4.7 Demand of the Sponsor’s Products and Services

Table 4.16: Effects of Demand of Products and Services on the performance

Opinion	Frequency	percentage
Yes	49	73.1
No	18	26.9
Total	67	100

The study sought to establish whether demand of the sponsor’s products and services affects performance of Company, from the research findings majority of the respondents as shown

by 73.1% agreed that demand of the sponsor's products and services affects market performance of sponsors' products and services whereas 26.9% were of the contrary opinion. This implies that demand of the sponsor's products and services affects the performance of Company.

Table 4.17: Extent to Which Demand of Products and Services affects performance

Extent	Frequency	percentage
Very great extent	15	22.4
great extent	39	58.2
Moderate extent	8	11.9
Little extent	5	7.5
Total	67	100

The study sought to determine the extent to which demand of the sponsor's products and services affects the market performance of Company, from the research findings, most of the respondents as shown by 58.2% indicated to a great extent, 22.4% of the respondents indicated to a very great extent, 11.9% of the respondents indicated to a moderate extent whereas 7.5% of the respondents indicated to a little extent. This implies that demand of the sponsor's products affects the performance to a great extent.

Table 4.18: Effects of demand Sports Sponsorship on performance

Statement	Strongly agree	Agree	Moderate	Disagree	Strongly disagree	Mean	Standard deviation
Sponsorship generate awareness, or raise levels of knowledge of a company's products and services, product lines	17	39	6	3	2	2.01	0.23

Sponsorship sustains awareness of a company or its brands/products	24	33	7	1	2	1.87	0.21
Sponsorship aims to generate a positive atmosphere around a sponsoring company towards the general audience	24	36	5	1	1	1.79	0.24
Through sponsorship people's attitudes and actions are conditioned by the image of the company products	18	37	8	3	1	1.99	0.22
Sponsorship enhance brand identity which contribute to the development of brand image	20	35	9	1	2	1.96	0.21

The study sought to determine the extent to which respondents agreed with the above statements relating to effects of demand of products on performance of Company, from the research findings majority of the respondents agreed that; sponsorship aims to generate a positive atmosphere around a sponsoring company towards the general audience as shown by a mean of 1.79, sponsorship sustains awareness of a company or its brands/products as shown by a mean of 1.87, sponsorship enhance brand identity which contribute to the development of brand image as shown by a mean of 1.96, sponsorship enhance brand identity which contribute to the development of brand image as shown by a mean of 1.99, sponsorship generate awareness, or raise levels of knowledge of a company's products and services, product lines as shown by a mean of 2.01. All the findings were supported by a low mean of standard deviation which implies that majority of the respondents were of similar views in all cases. These finding were in agreement with the finding of Dolphin (2003), who notes that the major drivers behind sponsorship may be to alter public perception, increase community involvement, build relationships, and create goodwill. Abratt, Clayton and Pitt

(2007), broad corporate objectives have their basis in developing a favourable public perception of a firm, increasing public awareness of the company and its products, as well as creating goodwill among a company's stakeholders.

Table 4.19: Chi-Square Tests

	Value	df	P-Value
Chi-Square	6.536	5	0.0373

The Pearson Chi-square Value was 6.5 and the associated P- value (Asymptote Significant Value) was 0.0373. This value is less than 0.05 indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can therefore be drawn that sports sponsorship has significant effect on the demand for sponsoring companies' products.

4.8 Customer Loyalty

Table 4.20: Effects Customer Loyalty on performance of the Company

Opinion	Frequency	percentage
Yes	42	62.7
No	25	37.3
Total	67	100

The researcher wanted to establish whether Customer Loyalty affect the performance of the company, from the research findings majority of the respondents as shown by 62.7% agreed that Customer Loyalty affect consumer the performance of sponsor`s goods and services whereas 37.3% of the respondents were of the contrary opinion. This is an indication that Customer Loyalty affects the performance of Company

Table 4.21: Extent to which customer loyalty affects the performance of the Company

Extent	Frequency	Percentage
Very great extent	21	31.3
Great extent	39	58.2
Moderate extent	5	7.5
Little extent	2	3.0
Total	67	100

The study sought to determine the extent to which consumer loyalty affects the performance of Company, from the research findings, majority of the respondents as shown by 58.2% indicated to a great extent, 31.3 % of the respondents indicated to a very great extent, 7.5% of the respondents indicated to a moderate extent whereas 3.0% of the respondents indicated to a little extent. This implies that consumer loyalty affects the performance of Company to a great extent.

Table 4.22: Statements Relating to Effects Consumer Loyalty on performance

Statement	Strongly agree	Agree	Moderate	Disagree	Strongly disagree.	Mean	Standard deviation
Sport sponsorship helps in psychographic segmentation of consumers	18	45	2	1	1	1.84	0.28
Sport sponsorship helps in reaching consumers with similar tastes in activities, interest and opinions	22	41	1	2	1	1.79	0.27
Sponsorship has the ability to assist the movement of the buyer towards the point of actual sale.	24	39	1	1	2	1.78	0.26

Sponsorship acts as a stimulus when purchasing	17	44	3	2	1	1.90	0.27
The use of sponsorship in order to create public awareness of the company may further assist the prospecting and selling tasks of the sales force.	15	46	4	1	1	1.91	0.29

The study sought to determine the extent to which respondents agreed with the above statements relating to relationship between consumer on the performance of Company, from the research findings, majority of the respondents agreed that sponsorship has the ability to assist the movement of the buyer towards the point of actual sale as shown by a mean of 1.78, sport sponsorship helps in reaching consumers with similar tastes in activities, interest and opinions as shown by a mean of 1.79, sport sponsorship helps in psychographic segmentation of consumers as shown by a mean of 1.84, sponsorship acts as a stimulus when purchasing as shown by a mean of 1.90, the use of sponsorship in order to create public awareness of the company may further assist the prospecting and selling tasks of the sales force as shown by a mean of 1.91. The above findings concurs with, (Meenaghan, 2003) according to Meenaghan, Companies should try to link brand name with a particular sponsorship in order to achieve product-related objectives.

Table 4.23: Chi-Square Tests

	VALUE	df	P-VALUE
Chi-square	3.192	66	0.0159

The calculated Pearson Chi-Square value is 3.192. The associated P-Value (Asymptotic significance) is 0.0159. This value is less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can be

drawn from the study that sponsoring sports has significant effect on customer loyalty for companies' goods.

4.9 Organization performance

Table 4.24: Statements relating effects sports sponsorship on performance

Statement	Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree	Mean	Std Deviation
Through sponsorship the organisation has been a able to reach the target audience by develop a link in their minds which has resulted to positive performance	25	34	0	1	1	1.67	0.26
The use of sponsorship has created public awareness on company products which has increased in sales	21	36	1	0	3	1.82	0.26
Through Sports sponsorship the companies have been able to market other products to the existing and potential customers	25	32	2	1	1	1.70	0.25
The cooperate reputation to the public has been enhanced through Sports sponsorship	19	37	3	1	1	1.82	0.26
Through sports sponsorship the number of customers buying the organisational products has increased which has resulted to positive performance.	26	27	4	3	1	1.79	0.21

The study sought to determine the extent to which respondents agreed the above statement relating to effects sports sponsorship on organization performance , from the research findings majority of the respondents agrees that; through sponsorship the organisation has

been a able to reach the target audience by develop a link in their minds which has resulted to positive performance as shown by a mean of 1.67, through sports sponsorship the company has been able to market other products to the existing and potential customers as shown by a mean of 1.70, through sports sponsorship the number of customers buying the organisational products has increased which has resulted to positive performance as shown by a mean of 1.79, the use of sponsorship has created public awareness on company products which has increase in sales ,the cooperate reputation had been enhanced through sports sponsorship as shown by a mean of 1.82 in each case.

4.10 Regression Analysis

Table 4.25: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.918 ^a	.842	.817	.0193

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. From the findings in the above table the value of adjusted R squared was 0.817 an indication that there was variation of 81.7 percent on performance of the company due to changes in status of sport sponsorship, corporate reputation, target market awareness, customer loyalty and demand of the sponsor's products and services at 95 percent confidence interval . This shows that 81.7 percent changes in performance could be accounted to changes in status of sport sponsorship, corporate reputation, target market awareness, customer loyalty and demand of the sponsor's products and services. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.898.

Table 4.26: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.828	4	0.457	2.126	.003 ^b
	Residual	13.33	62	0.215		
	Total	15.158	66			

From the ANOVA statics, the study established the regression model had a significance level of 0.03 which is an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 5%. The calculated value was greater than the critical value (2.126>1.997) an indication that status of sport sponsorship, corporate reputation, target market awareness, customer loyalty and demand of the sponsor's products and services significantly influence performance. The significance value was less than 0.05 indicating that the model was significant at 5% level of significance.

Table 4.27: Coefficients

Model		Unstandardized		Standardized	t	Sig
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.350	1.635		.825	.419
	Corporate Reputation	.509	.311	.402	2.637	.017
	Status of sport sponsorship	.426	.184	.431	2.318	.031
	Target Market awareness	.179	.219	.199	3.815	.024
	Demand of the Sponsor's Products and Services	.120	.219	.138	2.546	.001
	Customer Loyalty	.216	.084	.114	2.401	.011

From the data in the above table the established regression equation was

$$Y = 1.350 + 0.509 X_1 + 0.426 X_2 + 0.179 X_3 + 0.120 X_4 + 0.216 X_5$$

From the above regression equation it was revealed that holding status of sport sponsorship, corporate reputation, target market awareness, customer loyalty and demand of the sponsor's products and services to a constant zero, performance would be at 1.350, a unit increase in corporate reputation would lead to increase in performance by a factors of 0.509, a unit increase in status of sport sponsorship would lead to increase in performance by factors of 0.426, a unit increase in target market awareness would lead to increase in performance by a factor of 0.179 , a unit increase in demand of the sponsor's products and services would lead to increase in performance by a factors of 0.120 and further unit increase in customer loyalty would lead to increase in performance by a factors of 0.216. All the variables were significant ($p < 0.05$).

4.11 Hypothesis testing

The critical value established from the distribution table at 5% significance level and 66 degrees of freedom was 1.997

H_{01} : There is no significant relationship on the level of awareness of companies and their products within the respect targeted market.

On comparing the critical value and the calculated value ($1.997 < 3.815$) the calculated value was greater than the critical value, this lead to rejection of the null hypothesis that there is no significant relationship on the level of awareness of companies and their products within the respect targeted market.

H_{02} : Sports sponsorship has no significant effect on the demand for sponsoring companies' products.

On comparing the critical value and the calculated value ($1.997 < 2.546$) the calculated value was greater than the critical value, this lead to rejection of the null hypothesis that sports sponsorship has no significant effect on the demand for sponsoring companies' products.

H₀₃: There is no significant relationship between sponsorship by companies and their reputation among the Kenyan public.

On comparing the critical value and the calculated value ($1.997 < 2.637$) the calculated value was greater than the critical value, this lead to rejection of the null hypothesis that there is no significant relationship between sponsorship by companies and their reputation among the Kenyan public.

H₀₄: Sponsoring sports has insignificant effect on customer loyalty for companies' goods

On comparing the critical value and the calculated value ($1.997 < 2.401$) the calculated value was greater than the critical value, this lead to rejection of the null hypothesis that sponsoring sports has insignificant effect on customer loyalty for companies' goods.

H₀₅: Status of sports sponsorship does not affect the performance of Kenyan firms.

On comparing the critical value and the calculated value ($1.997 < 2.318$) the calculated value was greater than the critical value, this lead to rejection of the null hypothesis that status of sports sponsorship does not affect the performance of Kenyan firms.

CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses were based on the objectives of the study. This study sought to determine the effect of market's awareness on performance of Kenyan firms, to assess the effect of demand of the sponsor's products and services on performance of Kenyan firms, to analyze the effect of consumer loyalty on performance of Kenyan firms, to determine the effects of corporate reputation on performance of Kenyan firms and to analyze the effects of status of sports sponsorship on performance of Kenyan firms.

5.2 Summary of findings

5.2.1 Corporate Reputation

The study established that corporate reputation affects the company's performance to a great extent. Sports sponsorship through corporate reputation improves brand or company perceptions, enhances organizations awareness, and improves the company performance by connecting them to an event or organization that is highly valued by target consumers which will enhance the organizations image and identity.

5.2.2 Status Of Sports Sponsorship

Regarding the status of sports sponsorship, it was found that sports sponsorship affect the company's performance to a great extent. The study revealed that different elements of the communications mix are employable in leveraging sponsorship. Companies of different types rate the importance of target audiences differently putting emphasis on target groups most

relevant to their business hence sponsorship is an “excellent means of targeting selected market segments. It is the skillful of exploitation of the sponsorship deal which makes the difference. The above findings concurs with findings of Valanko (2009) suggested that it is not the scale of the initial sponsorship investment which determines the success of the sponsorship activity but it is the skilful exploitation of the sponsorship deal which makes the difference.

5.2.3 Target Market Awareness

From the finding it was found that targeted market’s awareness affects the performance of company to a great extent. The study revealed that consumers tend to recall those sponsors the best who are somehow congruent with the sport they sponsor. People who are highly interested and involved actively in a certain sport have a tendency to better recall the sponsor. It was discovered that connecting the company brand through sponsorship, helps to develop a link in the minds of the target audience. There is also need to integrate sponsorship into marketing communications as necessitated by communications instruments. These findings concurs with Johar and Pham (2009), According Johar and Pham, people tend to recall those sponsors the best who are somehow congruent with the property they sponsor and have high market prominence.

5.2.4 Demand of the Sponsor’s Products and Services

The study established that sports sponsorship affects the company performance to a great extent. The research also revealed that sponsorship aims to generate a positive atmosphere around a sponsoring company towards the general audience, sustains awareness of a company or its brands/products, enhances brand identity which contribute to the development of brand image a, generates awareness and or raise levels of knowledge of a company’s

products and services, product lines. These findings were in agreement with the findings of Dolphin (2003), who notes that the major drivers behind sponsorship may be to alter public perception, increase community involvement, build relationships, and create goodwill. Abratt, Clayton and Pitt (2007), broad corporate objectives have their basis in developing a favourable public perception of a firm, increasing public awareness of the company and its products, as well as creating goodwill among a company's stakeholders.

5.2.5 Consumer Loyalty

In regard to consumer loyalty the study established that consumer loyalty affects the market performance of company to a great extent. The study further established that sponsorship has the ability to assist the movement of the buyer towards the point of actual sale, helps in reaching consumers with similar tastes in activities, interest and opinions, helps in psychographic segmentation of consumers, acts as a stimulus when purchasing. The use of sponsorship in order to create public awareness of the company may further assist the prospecting and selling tasks of the sales force.

5.2.6 Organization performance

It was found that through sponsorship the organisation has been able to reach the target audience by developing a links in the minds in the target population which has resulted to positive performance, the company has been able to market other products to the existing and potential customers, the number of customers buying the organisational products has increased which has resulted to positive performance, the use of sponsorship has created public awareness on company products which has increased in overall sales, corporate reputation to the public has also been enhanced through sports sponsorship. The above

findings concurs with, (Meenaghan, 2003) according to Meenaghan, Companies should try to link brand name with a particular sponsorship in order to achieve product-related objectives.

5.3 Conclusions

The study revealed that connecting the company brand through sponsorship, helps to develop a link in the minds of the target audience that the company is responsible thus the study concludes that corporate reputation has positive impact on market performance of Kenyan firms.

It was found that sponsorship generate awareness, or raise levels of knowledge of a company's products and services, product lines thus the study concludes that high market awareness has a positive impact on the performance of Kenyan firms.

In regard to the effect of demand of the sponsor's products and services on performance of Kenyan firms, it was established that sponsorship improves company or brand name by connecting them to an event or organization that is highly valued by target consumers and this increases demand hence the study concludes that high demand of the sponsor's products and services has a positive impact on the performance of the Kenyan firms.

From the findings it was found that sponsorship acts as a stimulus when purchasing, thus the study concludes that the status of sports sponsorship have a positive effect on performance of Kenyan firms

The study further found that consumers who supported a certain sport had the tendency to be loyal to the companies that were supporting their favorite sports and were not so much into the companies that showed no support or sponsored their sports which they valued thus the study concludes that customer loyalty has positive impact on performance of Kenyan firms.

5.4 Recommendations

Based on the objectives, the study recommends that companies should engage in advertising as well getting involved in social welfare of the general community this will help on acquisition of larger market segment.

There is need for the management of companies to consider evaluating their customers choice of sports so that they can venture into sponsoring sports which customers values most, as this will help to promote the demand of their products and services .

The management of companies involved in sport sponsorship should come up with effective measures which guarantee customers loyalty.

In addition the management of companies should consider engaging in CSR activities that will help to improve on company's public image thus having a good corporate reputation which may in turn offer much benefit to the performance of a firm.

Finally there is need for companies involved in sport sponsorship to continue sponsoring sporting activities as this will help to keep the corporates brand in peoples mind, this will help to increase their remembrance whenever they happen to demand their commodities.

5.5 Areas for Further research

The study sought to establish the effects of sports sponsorship on performance of Kenyan firms. A recommended area for a further research could be done on factors influencing adoption of sport sponsorship by Kenyan firms.

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APPENDICES

Appendix I: Questionnaire

Kindly tick in the space provided (✓) the correct answers or supply the required information where, required, please specify and elaborate.

Part A: Respondents Information

1. Name of company (Optional)

2. Number of years the company has been involved in sport sponsorship?

Less than 1 years ()

Between 1 to 2 years ()

Between 3 to 5 years ()

More than 5 years ()

3. What kind of sport is sponsored by your organization?

Football ()

Rugby ()

Volleyball ()

Cricket ()

Basketball ()

Hockey ()

4. What is the main reason behind your company sponsoring?

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5. How frequent does your organization sports?

Quarterly ()

Semi Annually ()

Annually ()

Part B: Corporate Reputation

6. Does corporate reputation affect the performance of the company?

Yes []

No []

7. To what extent does corporate reputation affect the performance of the company?

Very great extent []

Great extent []

Moderate extent []

Little extent []

No extent []

8. What is your level of agreement with the following statements that relate to the effects of corporate reputation on performance of Kenya companies? Scale 1=strongly agree 2=agree 3= moderate 4= disagree 5=strongly disagree.

Statement	1	2	3	4	5
Sponsorship is highly regarded for its ability to enhance organizations identity					
sponsorship improve brand or company perceptions					
Sponsorship is highly regarded for its ability to enhance organizations awareness					
Sponsorship is highly regarded for its ability to enhance organizations image					
sponsorship improve company or brand by connecting them to an event or organisation that is highly valued by target consumers					

9. How else does the corporate reputation affect performance of company that is not mentioned above?

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Part C: Status of Sports Sponsorship

10. Does the status of sports sponsorship affect the performance of the company?

11. Yes []

No []

12. To what extent does the status of sports sponsorship affect the performance of the company?

Very great extent []

Great extent []

Moderate extent []

Little extent []

No extent []

13. What is your level of agreement with the following statements that relate to the effects of the status of sports sponsorship on the performance of the company? Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree.

Statement	1	2	3	4	5
Companies of different types rate the importance of target audiences differently putting emphasis on target groups most relevant to their business					
Sponsorship is an efficient communications instrument as it enables the targeting of a specific audience with a specific message					
Sponsorship is an "excellent means of targeting selected market segments					
It is the skilful of exploitation of the sponsorship deal which makes the difference					
different elements of the communications mix are employable in leveraging sponsorship					

14. How else does the status of sports sponsorship affect the performance of the company that is not mentioned above?

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Part D: Targeted Market's Awareness and Attitudes

15. Does the targeted market's awareness and altitudes affect the performance of the company?

Yes []

No []

16. To what extent to which targeted market's awareness and altitudes affect the performance of the company?

Very great extent []

Great extent []

Moderate extent []

Little extent []

No extent []

17. What is your level of agreement with the following statements that relate to effect of the targeted market's awareness on companies performance Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree.

Statement	1	2	3	4	5
People who are highly interested and involved actively watch it have a tendency to better recall the sponsor					
The recognition of the sponsor improve over the course of the activity					
The need to integrate sponsorship into marketing communications is necessitated by communications instruments, awareness of sponsorship tends to increase					
connecting the company brand through sponsorship , helps to develop a link in the minds of the target audience					
People tend to recall those sponsors the best who are somehow congruent with the sport they sponsor					

18. How else does the targeted market's awareness influence the company's performance that are not mentioned above?

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Part E: Demand of the Sponsor’s Products and Services

19. Does sports sponsorship affect the performance of the company?

Yes []

No []

20. To what extent does sports sponsorship affect the performance of the company?

Very great extent []

Great extent []

Moderate extent []

Little extent []

No extent []

21. What is your level of agreement with the following statements that relating effects of demand on companies performance? Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree.

Statement	1	2	3	4	5
Sponsorship generate awareness, or raise levels of knowledge of a company’s products and services, product lines					
Sponsorship sustains awareness of a company or its brands/products					
Sponsorship aims to generate a positive atmosphere around a sponsoring company towards the general audience					
Through sponsorship people’s attitudes and actions are conditioned by the image of the company products					
Sponsorship enhance brand identity which contribute to the development of brand image					

22. How else does sports sponsorship affect demand affect the performance of the company that is not mentioned above?

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Part F: Customer Loyalty

23. Does Customer Loyalty affect the performance of the company?

Yes []

No []

24. To what extent does Customer Loyalty affect the performance of the company?

Very great extent []

Great extent []

Moderate extent []

Little extent []

No extent []

25. Indicate your level of agreement with the following statements relating effects consumer loyalty on companies performance? Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree.

Statement	1	2	3	4	5
Sport sponsorship helps in psychographic segmentation of consumers					
Sport sponsorship helps in reaching consumers with similar tastes in activities, interest and opinions					
Sponsorship has the ability to assist the movement of the buyer towards the point of actual sale.					
Sponsorship acts as a stimulus when purchasing					
The use of sponsorship in order to create public awareness of the company may further assist the prospecting and selling tasks of the sales force.					

26. How else does sports sponsorship affect consumer loyalty on companies performance that is not mentioned above?

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Part G: Organization performance

27. Indicate your level of agreement with the following statements relating effects sports sponsorship on Organization performance? Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree

Statement	1	2	3	4	5
Through sponsorship the organisation has been a able to reach the target audience by develop a link in their minds which has resulted to positive performance					
The use of sponsorship has created public awareness on company which has increase in sales					
Through Sports sponsorship the company has market some other products to the existing and customers and potential ones					
The cooperate reputation had been enhanced through Sports sponsorship					
There is the demand of the company's products has increased due to Sports sponsorship					
Through sports sponsorship the number of customers buying the organisational products has increased due which has resulted to positive performance.					

Thank you for your time

Appendix II: List Of Companies

1. 98.4 Capital FM, radio
2. AAR
3. Access shipping logistics
4. Afya Juice
5. Airtel
6. Bamburi Cement
7. Bamburi Cement
8. Barclays Bank of Kenya,
9. Bata shoes
10. Brookside Dairy
11. Car and general
12. Chemelil Sugar
13. Coast Pekee
14. Coca Cola Kenya
15. Co-operative Bank
16. Copy cat ltd
17. Deccan Freight
18. Del Monte Kenya,
19. E.A. Portland Cement
20. East African Breweries
21. Express Kenya ltd
22. Family Bank
23. G4S
24. Haas Factory Outlet
25. Homeboyz Entertainment.
26. Jaspal Logistics ltd
27. Kakuzi Limited
28. Karuturi

29. Kengen
30. Kenya Airports Authority
31. Kenya Airways
32. Kenya Army
33. Kenya Commercial Banks
34. Kenya Electricity Generating Company
35. Kenya Pipeline
36. Kenya Ports Authority
37. Kenya Postal Corporation
38. Kenya Power
39. Kenya Prisons
40. Kenya Revenue Authority
41. Kenya wild life service
42. Keringet Water
43. Kiss 100
44. Menegai
45. Milo
46. Mobius Motors
47. Muhoroni Sugar
48. Mumias sprinkle
49. Mumias sugar
50. Naked Pizza
51. Nation Media Group
52. National Bank of Kenya
53. Nestle
54. Nomadic tents
55. Old mutual
56. OLX
57. Picana
58. PK
59. Q fm

60. Rea Vipingo
61. Real Insurance
62. Resolution Health
63. Safaricom Limited
64. Samsung
65. Sasini Tea and Coffee
66. Scan group Kenya,
67. Sony Sugar
68. Standard Chartered Bank
69. Sunrise Casino
70. Supersport's
71. Tea board of Kenya
72. Telcom Kenya
73. The standard group
74. Tuzo
75. UAP Insurance
76. Unga Group
77. Waba mineral water
78. World Hope International,
79. Zuku
80. Family Bank
81. Athletics Kenya
82. IMG events and PR
83. Kings way tyres limited

