

THE PERCEPTION OF SPONSORSHIP USEFULNESS AMONG SOUTH AFRICAN SMALL BUSINESS OWNERS

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Abstract

Sponsorship is a powerful marketing tool that organisations in South Africa are embracing. From the evaluation of the sponsorship growth over the years, the industry in South Africa has developed from a R63 million industry in 1985 to the value of just under R7 billion in 2011 (City Press, 2012). Small businesses in South Africa are faced with the challenge of effectively reaching target segments. These small businesses are restricted in terms of limited marketing budgets and therefore need alternative ways of improving their brands in the eyes of the consumer. Theoretically, sponsorship is considered to improve the brand image of an organisation and ultimately improve sales. However, the question that this study aims to answer is whether small business owners perceive sponsorship to be a useful tool that even they can utilise. The study made use of a quantitative approach whereby a web-based questionnaire was distributed to small business owners. The findings indicated that the general attitude towards sponsorship as a marketing tool is positive. The correlation between sponsor sincerity and sponsorship usefulness was found positive; however, average in strength. Although sponsorship is seen as a useful tool, 15.4% of the respondents indicated that they would not consider using this marketing tool. This response may provide an opportunity for further research to be conducted which may shed some light on the strategies small business owners perceive to be most effective for their unique circumstances.

Keywords: Perception, Sponsorship, Small Business, South Africa

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1. Introduction

In the ever changing business environment, with increased advertising clutter, businesses are being forced to seek alternate and more effective ways of communicating with consumers. This has evolved existing marketing tools into more effective communication channels. Sponsorship as a marketing tool is immensely used by many well established organisations. The International Events Group (IEG Sponsorship report, 2013) has defined sponsorship as a relationship between a marketer and a property in which the marketer pays a cash or in-kind fee for access to the exploitable commercial potential associated with the property. In the business environment, sponsors are companies that pay money in the form of a sponsorship to support a programme,

event, cause, individual, a sporting organisation or teams and in return, receive public acknowledgment for the support provided (McQuerrey, 2013). These companies draw up packages unique to the sponsorship agreement that offer a variety of benefits to positively impact the organisation or achieve its objectives (McQuerrey, 2013). The reallocation of marketing funds to sponsorship results from the decrease in the effectiveness of customary media because of the increased clutter customary media has created (Nickell, Cornwell & Johnston, 2011:577). Sponsorship by nature allows organisations to target specific target audiences and communicate with them on a more personal platform.

The global sponsorship market has projected growth over the past four years. The industry has seen billions of dollars in marketing budgets being

spent by companies to associate themselves with established brands. Figure 1 illustrates the global sponsorship spending for the years 2009 to 2012.

Figure 1. Global sponsorship spending



Source: IEG Sponsorship report (2013)

As can be seen from Figure 1, \$44 billion were spent in 2009 on sponsorship which increased by 5.2 % in 2010 (IEG Sponsorship report, 2013). 2011 also saw a 5.1% increase from 2010, meaning that the global sponsorship spending in 2010 was \$48.6 billion (IEG Sponsorship report, 2013). In 2012, the global spending on sponsorship has increased to \$51.1 billion and is projected to continue to steadily escalate.

The sponsorship market in South Africa is well established and has grown from strength to strength (Sports Industry, 2012). Sponsorship is viewed as a valuable component of a company's social responsibility and marketing communications strategy (Standard Bank, 2013). Although the majority of the sponsorship funds are directed to the sports industry; whereby sports teams and athletes are being endorsed by organisations, this contributes to an industry that is showing tremendous growth potential. From the evaluation of the sponsorship growth over the years, the industry in South Africa has grown from a R63 million industry in 1985 to the value of just under R7 billion in 2011 (City Press, 2012).

Many of these organisations utilising sponsorship and incorporating it into their marketing strategies are well established organisations and have bigger marketing budgets which are used to leverage sponsorship with other marketing tools. Leveraging in this context refers to all marketing communications and activities linked to the sponsorship investment (Weeks, Cornwell & Drennan, 2008:638). However, organisations with restricted marketing budgets can also make use of this tool if strategically

implemented. The purpose of this study is to investigate the perceptions small business owners have of the usefulness or effectiveness of sponsorship as a marketing tool. Small businesses in South Africa play a vital role in the economy and are considered the building blocks that will grow the economy. As discussed above, sponsorship is an industry which is expected to continue to grow in South Africa, therefore this paper will contribute to a better understanding by extracting the views of small business entrepreneurs.

2. Role of small business

Small businesses play a fundamental role in the financial system of South Africa and contribute to the financial stability of the country (Africa Growth, 2010). These organisations contribute to job creation and represent economic growth (Finweek, 2012). It is estimated that small medium and micro enterprises, excluding government, provides more than 90% of the workforce in the country and contributes significantly to the national Gross Domestic Product (GDP) of the economy (Africa Growth, 2010). In 2012, about 70% of private employment occurred in firms with less than 50 workers employed (Finweek, 2012). In addition, around nine million South Africans are employed by Small Business Enterprises (SMEs) and therefore contribute 60% of the national GDP (Finweek, 2012).

For the purpose of this study, the term small business enterprise (SME) will refer to a small-scale enterprise that employs a small number of workers and does not have a high volume of sales (Richards-

Gustafson & Media, 2013). Furthermore, the enterprise's operations may be locally based even though its markets may be comparatively widespread (Zinger & O'Reilly, 2010:288).

Despite the tremendous attention small businesses are receiving, they still endure the same environmental conditions as multi-million dollar organisations. They are faced with similar challenges and to some extent these small businesses are left at a disadvantage, which they need to overcome. The challenges SMEs face include:

- *Lack of managerial skills.* This refers to the ability of the small business owners to make business decisions and lead subordinates within the entity (Business Dictionary, 2013). The barriers that business owners may lack in this regard would be the ability to lead and motivate employees to be both effective and efficient. Business owners could lack the knowledge, as well as the expertise to make well informed decisions regarding their business and lastly they could lack the ability to conceptualise key concepts, develop their ideas and visions for their organisations and lack the practical knowledge about implementing strategies (Business Dictionary, 2013).

- *Finance and obtaining credit.* This refers to the ability, or lack thereof, of securing funding to grow their establishments. With the economic conditions perplexed, financial service providers are less inclined to provide loans to those who might not be able to repay them.

- *Access to markets and developing relationships with consumers.* This is primarily important because developing long-term relationships can improve admittance to markets and provide more reliable market information which can be used to grow small businesses (Batt, 2003).

- *Appropriate technology and low production capacity.* Technology most certainly changed the manner in which business is conducted. The change can be seen in how consumers have evolved and have become more sophisticated. They are vastly demanding convenience of service. Small businesses may not have the technology to meet these demands, and in essence fail to capture a market. Furthermore, the capacity in which products and services are produced can be negatively affected due to the restrictions of budgets.

The above discussion illustrated the relevance and importance of small businesses. However, in order to ensure success, these businesses need to develop more effective ways of communicating to consumers. Sponsorship is a marketing tool well adopted by South African corporate organisations; therefore it is important that the perceptions of sponsorship among small business owners be investigated since limited research has been conducted in this regard.

The remainder of this research will encompass the objectives of the study, an analysis of the relevant literature and the methodology used in the study. The

research findings, concluding remarks and the recommendations will close the study.

3. Aim and objectives of the research

The Sponsorship industry in South Africa has developed into a self-sustaining multi-million rand industry. Companies are using large portions of their marketing budgets to create an association with well-known brands. The aim of the research is therefore to determine the perception small business owners have of the usefulness or effectiveness of sponsorship as a marketing communication tool. Auxiliary research objectives formulated include the following:

To determine whether small business owners perceive sponsors to be sincere.

- To establish the general attitudes of small business owners toward sponsorship.
- To investigate whether small business owners would consider using sponsorship in their marketing efforts.

4. Literature review

The primary objective of this study is to determine the perceptions of small business owners regarding the usefulness or effectiveness of sponsorship as a marketing tool. Limited research is rarely available on this particular topic; however, the next section will critically evaluate existing sponsorship literature and apply it to the study.

4.1. Research on sponsorship effectiveness

Sponsorship is considered a reciprocal relationship between the sponsor and the sponsored organisation. This means the relationship is mutually beneficial to both stakeholders. Even though sponsorship is a rapidly growing marketing communication tool, there are some reservations among researchers about aspects related to its impact and effectiveness or usefulness (Boshoff & Gerber, 2008:2).

Theoretically, sponsorship is seen to provide several benefits to organisations that choose to use sponsorship as a marketing tool. The benefits that organisations sought after are categorised in five broad objectives; firstly to drive sales, as consumers are more prone to purchase and tend to be more loyal to products and brands that sponsor teams that the consumer admires. Secondly, improve image by attaining positive public relations, this can be done through sponsorship opportunities that enhance the company's community and portray it as a good corporate citizen. Thirdly, to create greater awareness as this can increase the sponsors' visibility in the marketplace. Fourthly, sponsorships can provide hospitality opportunities by using the sports event as a forum for entertainment. Some companies reserve sections of the sporting arena for their relevant

stakeholders. The final benefit includes enhancing employee morale. This can be used as a way to reward performing employees (Fullerton, 2007). These benefits can be used as a guideline on how to measure the effectiveness of sponsorship.

Cornwell, Roy and Steinard (2001:46) found that the longer the sponsorship relationship between companies, the greater the perceived contribution toward brand equity elements and adding financial value to the brand will be. In addition, the findings showed that leveraging and active management involvement are significant predictors of both the perceived differentiation of the brand from its competitors and adding financial value to the brand

Jing (2010:293) found that researchers could seldom find a guide on how to evaluate the effects of small businesses' return on investment. Although this study was conducted within China, the results can be critically evaluated. The reasons for this can be documented as follows:

- Literature describes sponsorship as a strategic activity however; it does not involve how the strategic decision process has been made (Jing, 2010:293); meaning that small businesses are not guided on how to strategically incorporate sponsorship into their entities.

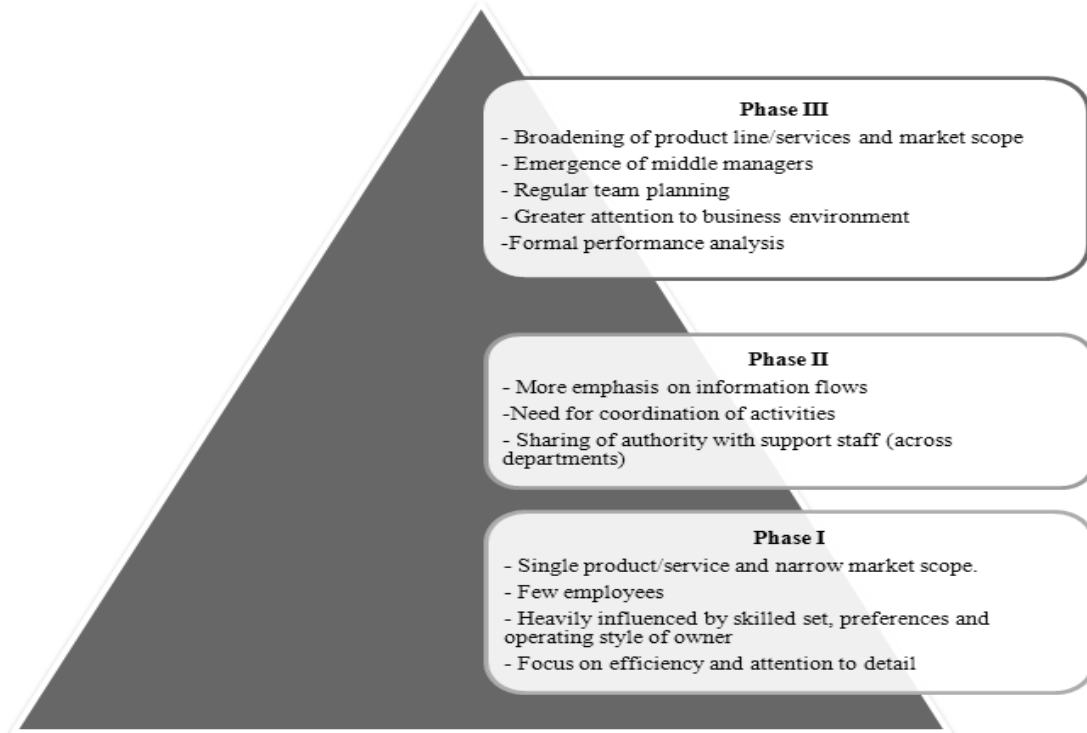
- There are a few efforts to explain how sponsorship is used as a strategic weapon to help small businesses shape their competitive environment (Jing, 2010:293).

- The communication mediums used in sponsorship ventures are mainly designed for well-established organisations with bigger marketing budgets; leaving little relevance of sponsorship to small businesses (Jing, 2010:293).

From the above reasons, it can be seen that incorporating sponsorship into the marketing strategies of small businesses can be challenging. However, it can still be an effective tool. The study conducted by Lamont (2005) found that managers and SME sponsors has varied perceptions of what constitutes as 'sponsorship'. However, the primary reason why SMEs sponsor events was documented as relating to supporting their local community and to be seen as socially responsible (Lamont, 2005). Engaging in sponsorship to achieve bottom-line objectives was secondary to community involvement (Lamont, 2005). The findings also highlighted the importance of leveraging relating to sponsorship, which literature has deemed essential for the effectiveness of sponsorship as a marketing tool (Lamont, 2005; Chang, 2012; Weeks, Cornwell & Drennan, 2008).

Zinger and O'Reilly (2010:289) identified the various phases small businesses go through as they develop. These phases can to a certain extent influence the decision of whether or not to incorporate sponsorship or illustrate the circumstances that justify whether or not sponsorship is corporate. Figure 2 therefore depicts the phases of development of small businesses.

Figure 2. The phases of development of small businesses



Source: Zinger & O'Reilly (2010:289)

As can be seen from Figure 2, small businesses have different focus areas depending on the phase they are in. A SME in Phase I; whereby a few people are employed and there are a number of limitations such as budgetary restraints and human resources exist, cannot be intensely focused only on which marketing tools to use. An SME that progresses to the next phase of development also develops in the manner in which business is conducted. More emphasis is placed on co-ordination of activities and flow of information within the organisation.

An SME in Phase III of the development phase; whereby greater attention is paid on the business environment and the SME could be pursuing competitive advantage, can adjust their strategies to incorporate sponsorship. As literature has indicated, leveraging sponsorship can have a positive effect on the objectives formulated for the sponsorship agreement. However, the various development phases SMEs are in, affect the decision to use sponsorship or the effectiveness thereof. As SMEs progress to the next level of development, this ultimately changes the allocation of resources and this may impact the success of the sponsorship.

4.2. Background on perceptions

Organisations analyse the environment around them and develop a picture of the world they operate in (Blythe, 2013:101). The main purpose of marketing communications is ensuring that the organisation's brand becomes part of the world-view of the potential consumers (Blythe, 2013:01). In ultimately reaching these potential consumers and target audiences, organisations are faced with the challenge of ensuring messages reach these audiences and are interpreted by them as intended in a creative and non-offensive manner. The perception organisations have towards marketing communication tools is therefore of great interest. The focus of the study will be on the perception small business owners in South Africa have on sponsorship, since limited research is available.

Perception is defined as a process of receiving, selecting and interpreting environmental stimuli involving the five senses (Kardes, Cline & Cronley, 2011:141). It is the way that humans use their senses to explore, experience and try to understand the world around them (Wright, 2006:106). Factors that have been identified to influence perception include the following:

- Exposure: this involves the extent to which we encounter stimulus (Sharma, 2006:43). For example, marketers are exposed to a number of potentially beneficial marketing communication tools and the manner in which they can assist in achieving marketing and corporate objectives. However,

exposure alone is simply not enough to significantly influence ones perception, attention is needed.

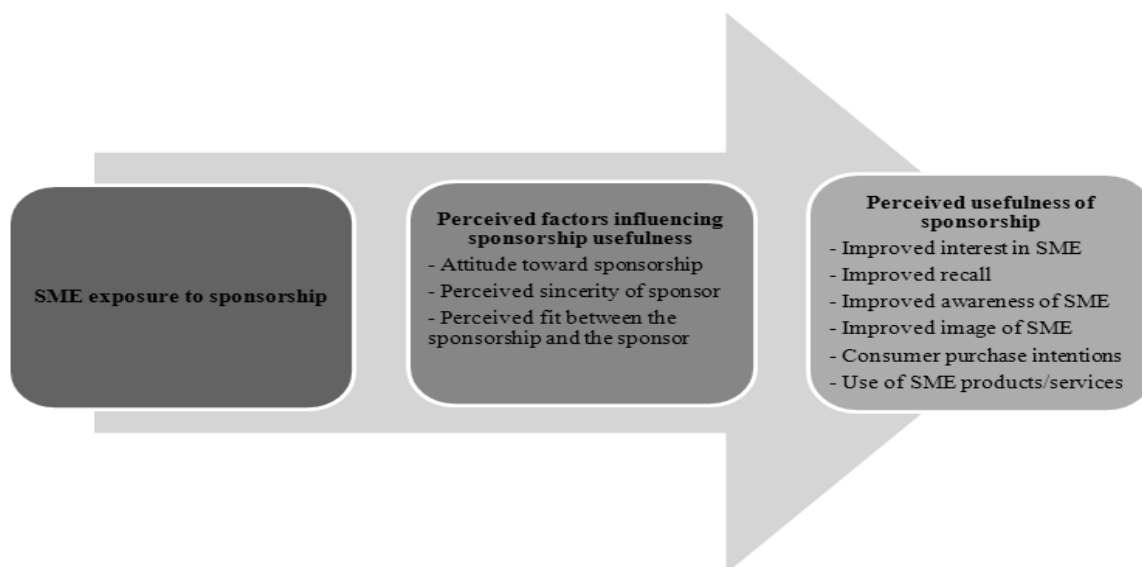
- Interpretation: this involves making sense of the stimulus which one is exposed to (Sharma, 2006:43). The way in which marketing and communication tools are interpreted by marketers can vary from how the target market will interpret it because the experiences people have are different and they use these experiences to develop these perceptions.

- Relevance: this influences the degree to which the stimuli will be noticed (Sharma, 2006:44).

5. Conceptual framework for the study

The theory of classical conditioning is applied in this study to develop a model to predict small business owner's perception of the usefulness of sponsorship. The model will contribute to the knowledge by providing a holistic understanding what small business owners believe would ensure the effectiveness of sponsorship. Classical conditioning can be defined as a process which a previously neutral stimulus, by being paired with a conditioned stimulus produces a response similar to that originally extracted by the unconditioned stimulus (Du Plessis, Rousseau, Boshoff, Ehlers, Engelbrecht, Joubert & Sanders, 2008:187). This is seen to occur over time and is reinforced by repeated exposure to the unconditioned stimulus (Du Plessis *et al.*, 2008:187). Alay (2008:16) highlights the suggestions made by classical research in advertising. Research suggests that the size of the conditioned response will depend on (a) the respondent's attitude towards the unconditioned stimulus (for example sponsorship), (b) the respondent's previous attitude toward the conditioned stimulus (sponsoring brands or organisations), and (c) the respondent's perception of the fit between the unconditioned and conditioned stimulus (the sponsorship partnership and the sponsoring organisation) (Alay, 2008:16).

In applying this theory; the perception of the effectiveness of sponsorship can be affected or influenced by (a) the attitude toward sponsorship as a marketing tool, (b) the perceived sincerity of the sponsor, and (c) perception of the fit between the sponsorship and the sponsor. Sponsorship effectiveness means that the sponsorship can be measured to be effective in one or more areas as stipulated in the formulated organisational objectives. This includes improved interest of consumers in the SME, improved recall, improved awareness, improved image, consumer purchase intentions and the improved use of product or service offerings. This conceptual framework is therefore illustrated in Figure 3.

Figure 2. Conceptual framework

Adapted from: Alay (2008:18)

Various attitudinal and behavioural outcomes such as media exposure, awareness, recognition and recall rates, sponsor image, stock prices, purchase intentions and word of mouth communication have been identified as sponsorship outcomes (Tsiotsou & Alexandris, 2008:359; Speed & Thompson, 2000; Olson, 2010). These variables have been used to evaluate sponsorship and are used as guidelines by sponsors when determining sponsorship objectives.

5.1. Conceptual framework constructs

Attitude towards sponsorship

People have varying attitudes towards sponsorship which may influence the effectiveness of sponsorship in achieving the objectives formulated. Attitude towards sponsorship reflects consistently favourable or unfavourable response to the sponsorship (Lee, Sandler & Shani, 1997:163). MacKenzie and Lutz (1989) in Kim, Ko and James (2011:568) suggested that the credibility of an advertisement, the perception of the advertisement, the attitude towards the advertiser and the attitude towards advertising are essential antecedent variables of attitude toward a specific advertisement. Kim, Ko and James (2011:568) further highlights that sponsorship literature suggests that a consumer's response toward sponsorship is affected by their perception of the sponsor. The above literature supports the idea that in order for attitudes have an impact on preconceived ideas, in this context, the attitudes of small business owners toward sponsorship will influence their belief of the usefulness of the sponsorship. It is therefore hypothesised that:

H1: There is a positive correlation between the general attitudes of small business owners towards

sponsorship and the perceived usefulness of sponsorship

Perceived sincerity of sponsor

Speed and Thompson (2000) found that there was a positive association between a consumers' perceived sincerity of the sponsor and their response to the sponsorship. When consumers perceive a sponsor to be sincere in their involvement in the sponsorship agreement, they are likely to show interest, favourability towards the sponsor and ultimately use the sponsor's products. This likelihood is stirred up by the trust that consumers develop towards the sponsor as they may feel that the sponsor's motives are pure. Trust is defined as one party's belief that its needs will be fulfilled by actions undertaken by the other party (Kim & Trail, 2011:61). The trust is conceptualised as the confidence in the quality and reliability of the product offered by the sponsor (Kim & Trail, 2011:61). In addition, consumers develop positive attitudes and report a likely purchase intention when sponsors have a philanthropic motivation rather than when sponsors are purely motivated by commercial considerations (Kim, Ko & James, 2011:568).

The above literature illustrates how the sponsors' sincerity may affect consumers and their response to sponsorship. Since sponsorship effectiveness can be measured through consumer's reaction to the sponsorship, it can be hypothesised that:

H2: There is a positive correlation between the sincerity of the sponsor and the perceived usefulness of sponsorship.

H3: A small business owner's perception of the sincerity of the sponsor is positively related to their attitude towards sponsorship.

Perceived fit between the sponsorship and the sponsor

Literature suggests that consumers try to assess the strategic fit between the sponsor and the sponsored organisation or the sponsorship (D'Astous & Bitz, 1995:9). A good strategic fit can have a positive effect on the image of the sponsor (D'Astous & Bitz, 1995:9). Kim (n.d.:5) highlights that if there is an imbalance between sponsors and the sponsorship, positive changes in firm value due to sponsorship may be marginal or even decreased. This means that if the strategic fit is not established, relevance cannot be established and objectives cannot be met. For example, if an SME provides sponsorship for a cause in their immediate environment, if the consumer cannot establish a strategic fit between the two, they cannot develop informed attitudes and opinions about the sponsor and the initiative will not achieve its goals. It is therefore imperative that a strategic fit be established and communicated to relevant stakeholders.

6. Methodology

The purpose of this study is to determine the perception small business owners have of the usefulness or effectiveness of sponsorship. The research followed a quantitative analysis and an online survey questionnaire (Survey Monkey) was used to collect the data from SME owners in South Africa. A total of 39 usable responses were received

back. The conceptual framework provided in Figure 3 was used as a guideline to compile the questionnaire. The questionnaire contained statements on sincerity and usefulness of sponsors upon which they had to indicate their level of agreement via a 5-point Likert scale. Their general attitude towards sponsorship as a marketing tool was measured on a 7-point Likert scale with respect to: pleasantness, likeability, favourability and appropriateness. These responses were analysed qualitatively. The reliability of the statements on sincerity and usefulness was tested, and where applicable the constructs were represented with a single continuous score. The influence of biographic detail and also the general attitude of respondents regarding sponsorship upon the construct scores were investigated, using parametric and non-parametric statistical inferential techniques.

7. Research Findings

The demographic profile of the respondent group is presented in Table 1. The gender split for the respondent group is male (61.5%) dominated. The majority (41.5%) of the SME owners are between 31 and 40 years of age. Almost half (46.3%) of the small businesses are in existence for more than three years, and almost two-thirds (65.9%) of these businesses have a staff compliment of between 2-5 staff members.

Table 1. Biographic profile of respondents

	N	%		N	%
Gender			Business type		
Male	24	61.5%	Sole proprietor	6	15.0%
Female	15	38.5%	Partnerships	3	7.5%
			Private company	8	20.0%
Age			Close corporation	23	57.5%
18-30	12	29.3%			
31-40	17	41.5%	Period of operation		
41-50	6	14.6%	Not yet started	5	12.2%
51-60	5	12.2%	<6mths	3	7.3%
>60	1	2.4%	6-12mths	5	12.2%
			1-2years	9	22.0%
Education level			3-4years	11	26.8%
<Gr12	4	9.8%	5years and more	8	19.5%
Gr12	13	31.7%			
Certificate	7	17.1%	Number of employees		
Diploma	8	19.5%	1	7	17.1%
Undergrad degree	3	7.3%	2-5	27	65.9%
Postgrad degree	6	14.6%	6-10	5	12.2%
			>10	2	4.9%

7.1. Attitude towards Sponsorships

The attitude of respondents towards sponsorship was measured on a scale from 1 to 7, where 1 was most

negative and 7 was most positive. Table 2 gives a summary of SME owners' attitudes towards sponsorships.

Table 2. Attitude towards Sponsorships

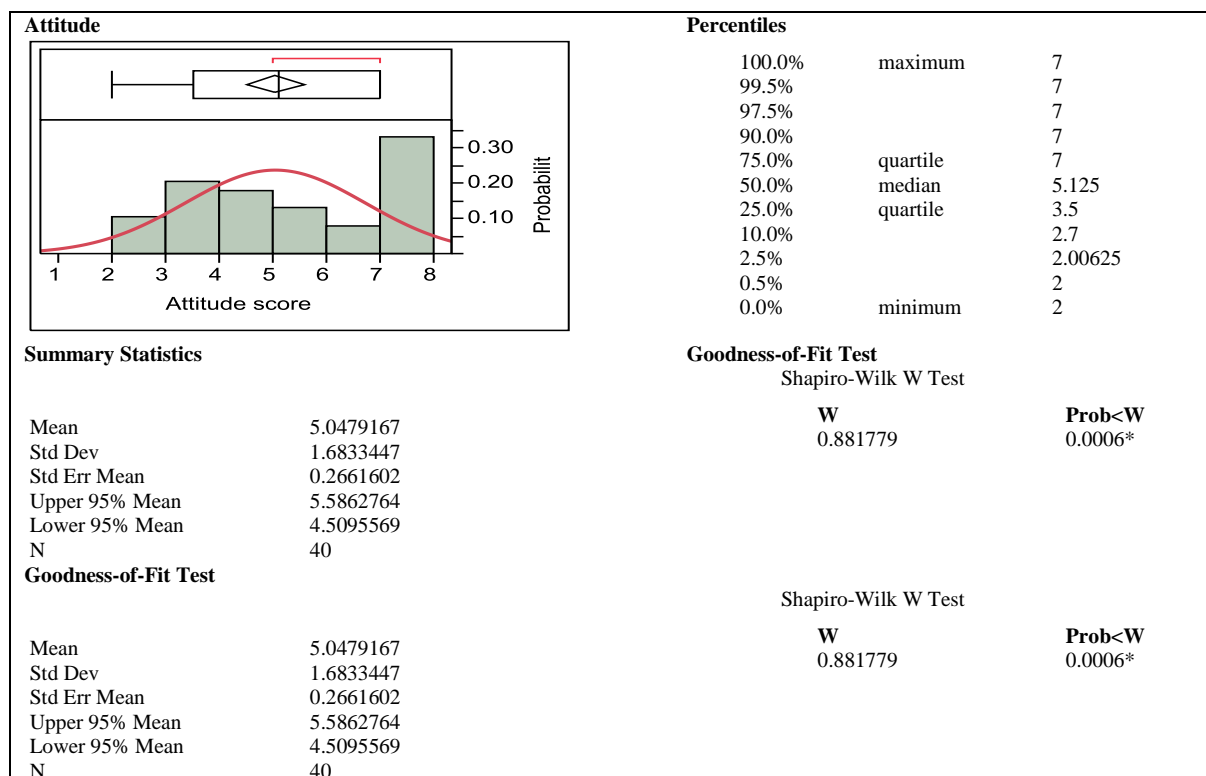
Attitude	Most Negative			↔	Most positive		
	1	2	3	4	5	6	7
Unpleasant → Pleasant	7.7%	12.8%	5.1%	12.8%	15.4%	10.3%	35.9%
Dislike → Like	8.1%	8.1%	10.8%	13.5%	10.8%	16.2%	32.4%
Unfavourable → Favourable	0.0%	5.3%	18.4%	13.2%	13.2%	13.2%	36.8%
Bad → Good	5.0%	2.5%	20.0%	7.5%	15.0%	10.0%	40.0%

From the table of results above it is evident that the attitudes towards sponsorship, is generally positive.

The items were subjected to a reliability analysis to determine the strength of the internal consistency between the items of the theme **attitude**. The four items of the proposed construct of **attitude** yielded an

overall Cronbach's alpha coefficient of 0.8839, which represents good reliability.

A single continuous score was determined for the construct attitude for each respondent by calculating the mean of the items and the nature of these scores, are described in the figure 4.

Figure 4. Attitude - distribution and descriptive statistics

The construct "**attitude**" has a mean score of 5.05 and a standard deviation of 1.683. The median score is 5.125 and the interquartile range of the scores is 3.5. The mean and median scores are predominantly positive, but the extent of the standard deviation and interquartile range indicates a range of differing **attitude** views.

The distribution is considerably skewed towards the higher scores of the distribution. This non-normal form is confirmed by the Shapiro-Wilk test. The W-

statistics is 0.8818 with an accompanying probability value of 0.0006 indicating a distinct departure from a normal distribution.

7.2. Sincerity of Sponsorships

Numerous statements were posed of respondents on their perception of the sincerity of sponsorship. These views are summarised in table 3.

Table 3. Statements used to measure agreement on sponsor sincerity

Sincerity items	% Strongly disagree	% Disagree	% Neutral	% Agree	% Strongly agree
The main reason sponsors would be involved in an event is because the sponsor believes the event deserves support.	7.1%	4.8%	16.7%	38.1%	33.3%
The sponsor would be likely to have the best interests of the event at heart.	2.4%	11.9%	19.1%	40.5%	26.2%
This sponsor would probably support the event even if it had a much lower profile.	19.1%	33.3%	19.1%	9.5%	19.1%
Sponsors only want to make money.	14.3%	31.0%	26.2%	14.3%	14.3%
I think companies are sincere in their support for events.	9.8%	4.9%	31.7%	46.3%	7.3%
I think sponsors sponsor events in order to give the events the opportunity to succeed.	0.0%	7.3%	19.5%	46.3%	26.8%

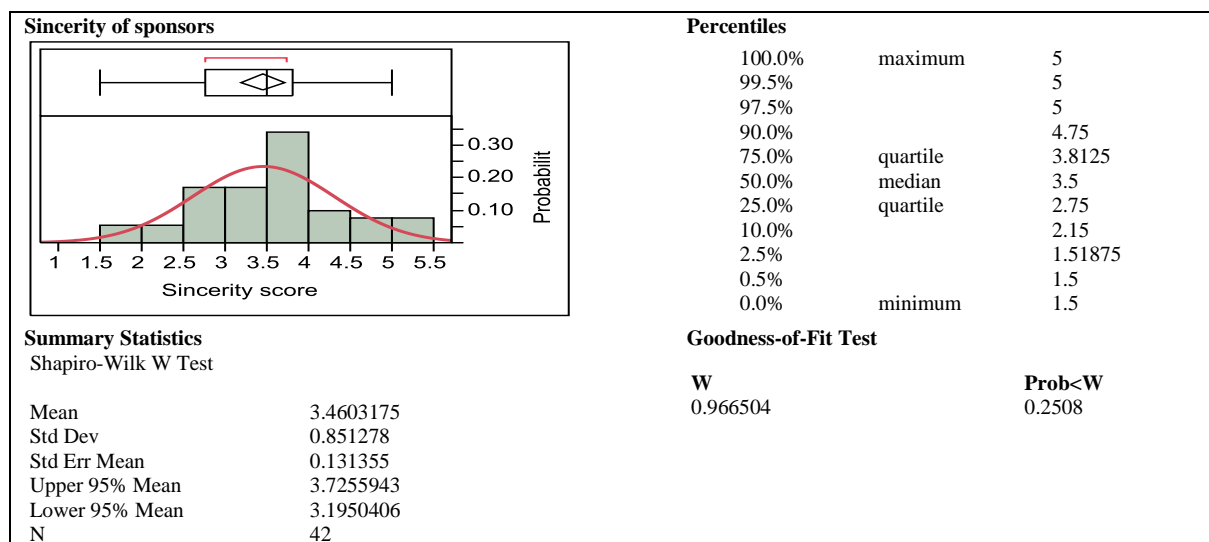
The statements “*This sponsor would probably support the event even if it had a much lower profile*” and “*Sponsors only want to make money*” seem to contradict the general trend of sincerity. Note that the statement “*Sponsors only want to make money*” is stated negatively with respect to the direction of other statements of the sincerity construct. This was also highlighted during the reliability analysis.

7.3. Reliability analysis

The removal of statements “*The main reason sponsors would be involved in an event is because the*

sponsor believes the event deserves support” and “*Sponsors only want to make money*” from the group of statements that measure sincerity of sponsorship increased the overall Cronbach’s alpha coefficient from 0.7075 to 0.7603 (an increase of 7.5%).

The constructs scores of sponsor sincerity were calculated from the reliable items. This was determined by calculating the mean scores for the items and the nature of these scores are described in the figure 5.

Figure 5. Sincerity - distribution and descriptive statistics

The distribution is reasonably symmetric as borne out by the Shapiro-Wilk test of normality. The W statistic is 0.9665 with an accompanying p-value 0.2508, indicating a non-significant departure from a normal distribution.

The mean and median scores are 3.46 and 3.5, and the variation about these measures of centrality is given by a standard deviation of 0.8513 and an interquartile range of 1.063 respectively. This

represents an average view of “Agree” on the sincerity of sponsors. Respondents’ views however vary from “Disagree” to “Strongly agree”.

7.4. Usefulness of Sponsorships

Numerous statements were posed to respondents on their perception of usefulness of sponsorship. These views are summarised in table 4.

Table 4. Statements were used to measure agreement on sponsor usefulness

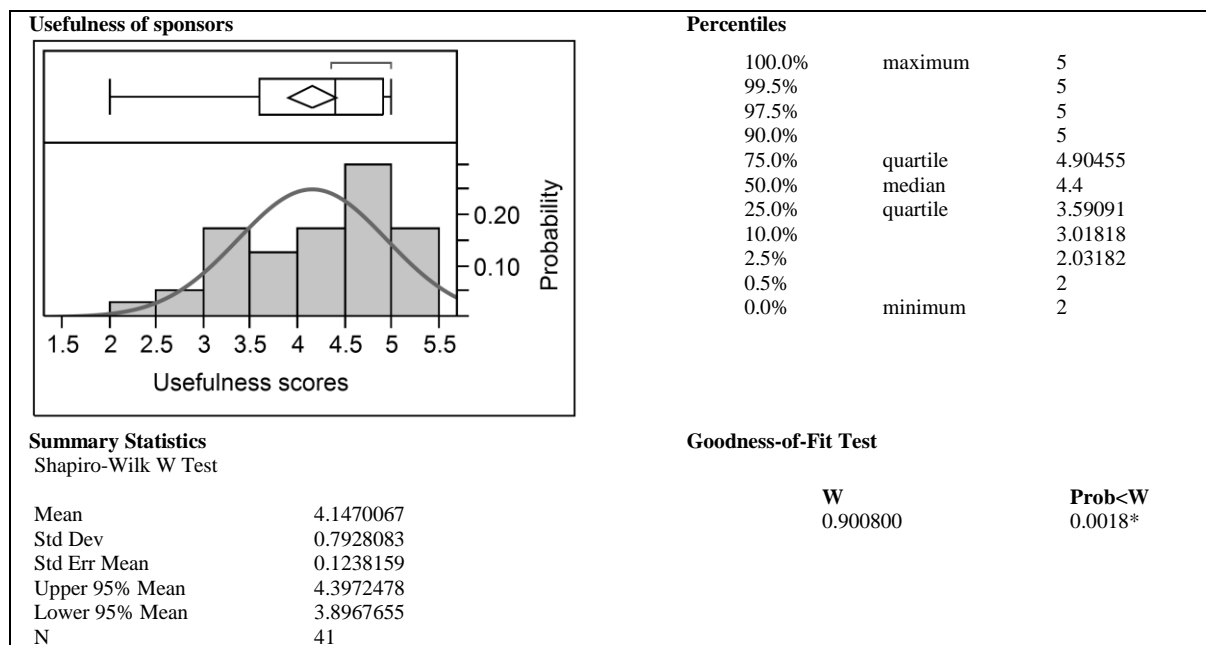
Usefulness items	% Strongly disagree	% Disagree	% Neutral	% Agree	% Strongly agree
Sponsorship would increase my customers' interest in my business.	2.4%	4.9%	4.9%	43.9%	43.9%
Sponsorship would make my shop/business more likely to be remembered by customers.	2.4%	2.4%	7.3%	41.5%	46.3%
Sponsorship would make customers more likely to notice my shop/business.	0.0%	2.4%	9.8%	34.2%	53.7%
Sponsorship would make customers more likely to pay attention to my advertising.	0.0%	4.9%	14.6%	31.7%	48.8%
Sponsorship would improve the perception customers have of my business.	0.0%	7.3%	19.5%	31.7%	41.5%
I think customers will be more likely to buy my products/services because of sponsorship.	2.5%	10.0%	25.0%	32.5%	30.0%
I think sponsorship will make customers use my products/services.	0.0%	7.3%	22.0%	36.6%	34.2%
I think sponsorship can convince my customers that my products are good.	2.5%	10.0%	15.0%	35.0%	37.5%
Sponsorship can make my company trustworthy in the eyes of my customers.	0.0%	9.8%	19.5%	19.5%	51.2%
Sponsorship can improve the image of my company.	0.0%	7.3%	9.8%	26.8%	56.1%
Sponsorship can improve my company's reputation.	2.4%	2.4%	14.6%	29.3%	51.2%

There appears to be an agreement on the statements that constitute to the construct of usefulness.

An overall Cronbach's alpha value of 0.9541 was produced with an item analysis upon the 11 items that measured usefulness of sponsorship. The

constructs scores of sponsor usefulness were calculated from the reliable items above. This was determined by calculating the mean scores for the items and distribution and descriptive statistics describe the nature of these scores are described in figure 6.

Figure 6. Usefulness - distribution and descriptive statistics



The distribution of sponsor usefulness scores is skewed towards the positive side (Agree/Strongly agree) of the Likert scale. The asymmetry of the distribution is also indicated with the Shapiro-Wilk test which has a W-statistic of 0.9008 and an accompanying p-value of 0.0018. This confirms a decided departure from normally distributed scores.

The mean and median sponsor usefulness scores are 4.15 and 4.4 respectively. The variation about the mean/median as measured by the standard deviation and interquartile range is 0.793 and 1.32 respectively. The average view of respondents on the usefulness of sponsors is between "Agree" and "Strongly agree". There is however considerable variation in views.

The predominance of positive views is apparent from the grouping of 25% of the usefulness scores above 4.9.

The relationship between the constructs of sponsor attitude, sponsor sincerity and sponsor usefulness

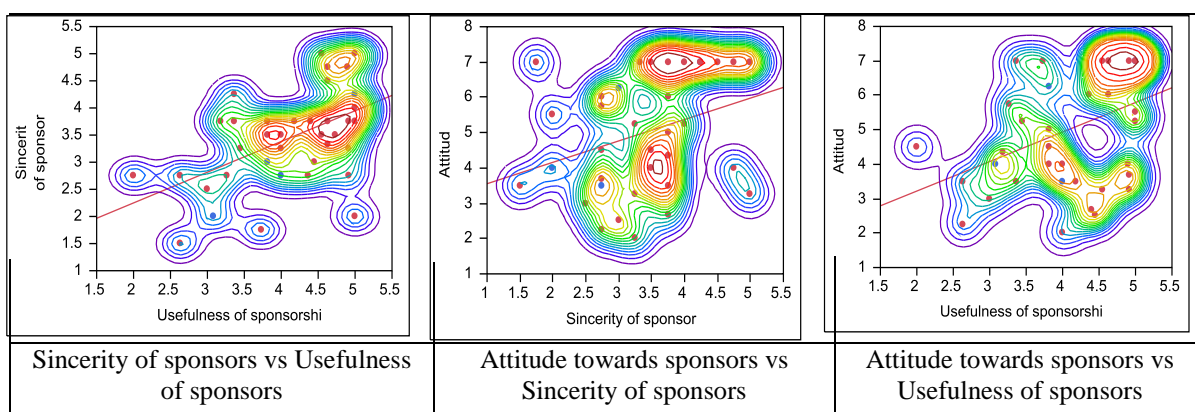
The Pearson correlation coefficient is a measure of the linear strength between pairs of continuous variables.

The following matrix (table 5) and density plots (figure 7) provide the correlations between pairs of the variables of sponsor attitude, sponsor sincerity and sponsor usefulness:

Table 5. Correlation Matrix

Construct	Attitude	Sincerity of sponsors	Usefulness of sponsorship
Attitude	1	0.3076	0.4012
Sincerity of sponsors	0.3076	1	0.5169
Usefulness of sponsorship	0.4012	0.5169	1

Figure 7. Density plots highlighting the correlations between the constructs



The correlation between sponsor sincerity and sponsor usefulness is positive but average in strength. The correlation between the construct pairs of sponsor attitude/sponsor sincerity and sponsor attitude/sponsor usefulness approaches average from the weak correlation side.

Thus, an increase in one sponsor construct is associated with an increase in an accompanying sponsor construct.

7.5. Sponsorship as a marketing tool

Respondents were also requested to indicate whether they would consider using sponsorship as a marketing tool. The following table provides the responses:

Table 6. Sponsorship as a marketing tool

Sponsorship as a marketing tool?	N	%
Yes	33	84.6%
No	6	15.4%

It is clear that the majority of respondents (84.6%) would consider using sponsorship as a marketing tool.

Conclusion:

Sponsorship is a financial support of an organisation, person, or activity in exchange for brand publicity and association (Duncan, 2005). It can take many forms such as:

- Individual or entity that organises and is committed to the development of a product, programme, or project.
- Advertiser who pays (in part or in full) the cost of broadcasting a radio or television programme, by running commercials during the programme's broadcast.
- Donor firm that underwrites a part, or whole, of the expense of staging a public event through contributions in cash or kind, and is allowed to display advertising banners or to otherwise promote itself or its products during the sponsored event.

- General partner who organises and promotes a general partnership or limited partnership. (Business Dictionary (2014).

The study investigates three aspects regarding sponsorships in a SME context. The first is sincerity; having a character which corresponds with the appearance, genuine without false pretences. The second is attitude; a predisposition or a tendency to respond positively or negatively towards a certain idea, object, person or situation. The third aspect is usefulness; to be used advantageously or beneficially.

It is evident from the study that SME owners have a positive attitude towards sponsorship and are in an agreement on the usefulness and sincerity thereof. The items measured of the proposed construct of attitude, yielded an overall Cronbach's alpha coefficient of 0.8839, which represents good reliability. The construct "attitude" has a mean score of 5.05 and a standard deviation of 1.683. The median score is 5.125 and the interquartile range of the scores is 3.5. Even though the average view is positive, there is a wide range of views which varies from negative to strongly positive.

The items that were used to gauge sincerity and usefulness of sponsors/sponsorship were found to reliably measure these two constructs. The mean and median sincerity scores are 3.46 and 3.5 and the variation about these measures of centrality are determined by a standard deviation of 0.8513 and an interquartile range of 1.063 respectively. This represents an average view of "Agree" on the sincerity of sponsors. Respondents' views however vary from "Disagree" to "Strongly agree".

The mean and median sponsor usefulness scores are 4.15 and 4.4 respectively. The variation about the mean/median as measured by the standard deviation and interquartile range is 0.793 and 1.32 respectively. The average view of respondents on the usefulness of sponsors is between "Agree" and "Strongly agree". There is however considerable variation in views. The predominance of positive views is apparent from the grouping of 25% of the usefulness scores above 4.9.

The correlation between sponsor sincerity and sponsor usefulness is positive but average in strength. The correlation between the construct pairs of sponsor attitude/sponsor sincerity and sponsor attitude/sponsor usefulness approaches average from the weak correlation end.

Thus, an increase in one sponsor construct is associated with an increase in an accompanying sponsor construct. The findings support the set hypotheses:

- H1: There is a positive correlation between the general attitudes of small business owners towards sponsorship and the perceived usefulness of sponsorship.

- H2: There is a positive correlation between the sincerity of the sponsor and the perceived usefulness of sponsorship.

- H3: A small business owner's perception of the sincerity of the sponsor is positively related to their attitude towards sponsorship.

The majority of respondents would consider using sponsorship as a marketing tool. It is therefore recommended that SME owners seek opportunities in their local communities to financially support community activities in exchange for brand publicity and association, thus creating a win-win situation.

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