

Assessing the Impact of Scandals on Brand Attitude in Sport Sponsorship *versus* Endorsement

ABSTRACT

The objective of this research is to examine the relative impact, on brand attitude, of a scandal involving an athlete or a brand in the context of two popular sports marketing communication strategies: endorsement and sponsorship. An online experiment was conducted with a convenience sample of 140 adult consumers where the nature of the scandal (athlete *versus* brand) and the type of marketing communication strategy (endorsement *versus* sponsorship) were manipulated by means of a 2×2 completely randomized factorial design. The results show that a brand scandal generally leads to more negative brand attitudes than an athlete scandal. This difference however is more pronounced in an endorsement context as opposed to a sponsorship context. In addition, regression-based moderated mediation analyses confirm that the perceived relative power of the athlete over the brand acts as a mediating variable in the relationship between the nature of the scandal, the type of partnership and brand attitude.

Sporting events attract a considerable number of people, attendees and viewers alike. For instance, it is estimated that the 2023 Super Bowl event was viewed by around 115 million people in the U.S. (Statista, 2023). The 2022 Olympic Winter Games in Beijing are not to be left out with an estimated 2 billion and more viewers around the world (Olympics, 2022). The FIFA World Cup Qatar 2022 event for its part generated on average nearly 25 million TV viewers in France alone (L'Équipe, 2022). Because of the huge interest that sporting events create among people, it is therefore not surprising that they represent a key factor that many firms consider when they build their marketing communication arsenal.

Although sports advertising accounts for a significant part of the marketing communication expenditures of firms (Consoli, 2023), there has been an important growth during the last forty years in the use of two alternative sports marketing communication strategies, which usually complement advertising efforts: sponsorship and celebrity endorsement.

Sport sponsorship

In the case of sport sponsorship, a brand provides financial assistance to a sport entity (e.g., a team, a player, an event) by means of a contractual association, to support various activities (training, travel expenditures, apparel, etc.) (Carrillat and d'Astous, 2015). In return, the brand is displayed prominently on various platforms (e.g., logo on players' clothing, event advertising). It is estimated that the global sports sponsorship market was worth 66 billion U.S. dollars in 2020 and will reach 108 billion U.S. dollars by 2030 (Gough, 2023).

Research in this area is abundant (see Carrillat and d'Astous, 2015) and has shown that sponsorship has a significant impact on brand image through the transfer of relevant associations from the sponsored entity to the brand (e.g., with its partnership with Formula 1 racing, DHL may be perceived as providing fast delivery) (see Meenaghan, 2005). Sponsorship also increases brand awareness which leads to greater sales and market shares (Speed and Thompson, 2000).

Celebrity endorsement

In the case of celebrity endorsement in a sports context, a famous athlete becomes the spokesperson for the brand and is paid in return for associating his or her name with the brand, principally through advertising (see e.g., Carrillat and d'Astous, 2014; Keel and Nataarajan, 2012). Because of the large sums of money that are involved, the endorsement deals between brands and athletes are highly publicized in the media. For instance, de Crespigny (2023) reports that such sports stars as Cristiano Ronaldo, Tiger Woods, and Lebron James have lifetime endorsement deals that are worth 1 billion dollars and more.

The research literature on celebrity endorsement is also abundant (see Bergkvist and Zhou, 2016, for a review). The impact of using celebrities as spokespersons has been shown to lead to better memory of ads (Misra and Betty, 1990), more favorable brand evaluations (Silvera and Austad, 2004), and greater brand awareness (Erdogan and Baker, 1999).

When things go wrong

Sponsorship and endorsement are remarkable marketing communication tools, but they are not risk-free. When one partner engages in reprehensible activities, this may have disastrous consequences for the brand. Research has shown that when a celebrity endorser is involved in a scandal (e.g., the athlete is accused of doping), consumers form negative perceptions not only of the athlete, but also of the partner brand (Carrillat, d'Astous, and Christianis, 2014; White, Goddard, and Wilbur, 2009). Negative events may also be associated with the partner brand (e.g., a company selling defective products). Numerous studies have reported that negative attitudes toward the brand are formed in such situations (for a review, see Kapoor and Banerjee, 2021). In general, brand scandals should have a greater negative impact on consumer brand attitudes toward the brand than athlete scandals, because the object that is evaluated (i.e., the brand) is directly involved. However, as explained in the following section, this negative impact is likely to differ depending on the type of partnership that links the brand and the athlete.

Power imbalance

The issue of power imbalance arises whenever two or more entities enter a partnership (Emerson, 1962). Sponsorship and celebrity endorsement not only differ with respect to the nature of the contractual association between the brand and the athlete – the entity that is of interest in this research –, but also as regards the relative power of each partner. As argued by Carrillat and d'Astous (2014), in a sponsorship situation, consumers are likely to perceive that the athlete needs the financial assistance provided by the brand to pursue his or her activities and reach his or her goals and, therefore, the brand is likely to be seen as having more power. In an endorsement situation on the other hand consumers know that the brand pays a high price to be associated with a famous athlete and benefit from his or her image. Thus, consumers should infer that in this case the athlete has more power. It follows from this rationale that in the context of a scandal involving an athlete, brand attitudes should be more negative in sponsorship situations because the brand is perceived as having greater power. However, in the context of a brand scandal, brand attitudes should be more negative in an endorsing situation because the brand is perceived as having less power.

CONCEPTUAL DEVELOPMENT

The conceptual framework of this research is presented in Figure 1. As discussed previously, in general a brand scandal should lead to more negative attitudes toward the brand than a scandal involving the athlete. This relationship is however hypothesized to be moderated by the type of partnership between the brand and the athlete. That is, a greater difference in brand attitude should be observed in a situation where the athlete endorses the brand rather than when he or she is sponsored by the brand. This follows from consumer perceptions of the relative power of each entity. It is thus hypothesized that the relative power of the athlete over the brand acts as a mediating variable in the relationship between the nature of the scandal and its interaction with the type of partnership.

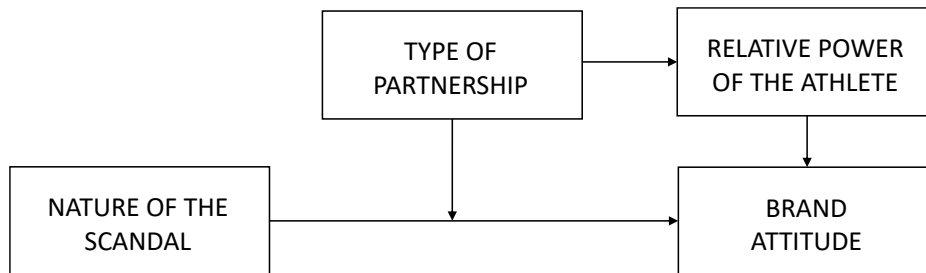


Figure 1. The conceptual framework

METHOD

A preliminary study with 22 adult consumers was conducted to define appropriate experimental stimuli: the athlete, the brand, and the scandals. Valérie Maltais, a Canadian short track speed skater (valeriemaltais.ca) and the CCM brand were selected since they triggered positive, but not excessive, familiarity and appreciation judgments. Several scandals involving brands and athletes were identified from a thorough research in the media at the international level. From this list, two scandals emerged as being comparable with respect to ethical judgment, perceived likelihood, and affective reaction: the brand has commercialized defective products that have led to several accidents (brand scandal) and the athlete made a racist remark during a sporting event (athlete scandal).

An online experiment was conducted in which the nature of the scandal (athlete *versus* brand) and the type of marketing communication strategy (endorsement *versus* sponsorship) were manipulated by means of a 2×2 completely randomized factorial design. A convenience sample of 140 adult consumers (females: 53.6%; full-time workers: 79.2%; mean age: 29.6 years; college degree or more: 79.2%) participated in the experiment. They were exposed to a fictitious one-page realistic online article that varied depending on the specific experimental condition they were in. The article first presented the athlete (Maltais) and her sport achievements. Then, it described the type of commercial relationship between the athlete and the brand, that is sponsorship (i.e., the athlete receives financial support from the brand to pursue various activities associated with her sport) or endorsement (i.e., the athlete is paid to promote the brand principally through advertising). Finally, the scandal involving the athlete (i.e., she had made a racist comment during a sporting event) or the brand (i.e., the brand had commercialized defective products having provoked accidents) was described. A stimulus example is presented in the Appendix (in French). The participants were thoroughly debriefed at the end of the experiment.

The participants answered various questions after having been exposed to the experimental stimuli. A 5-item additive scale was used to measure brand attitude (the CCM brand: bad/good quality, negative/positive opinion, does not like/like, inferior/superior to other brands, and undependable/dependable, see MacKenzie and Lutz, 1989). A 4-item perceived power scale was created specifically for the purpose of this study (the successes of [CCM/Valérie Maltais] greatly depend on the successes of [Valérie Maltais/CCM], [CCM/VM greatly permits [VM/CCM] to reach [its/her] objectives, [CCM/VM] has great power over [VM/CCM], and the actions of [CCM/VM] have a great deal of impact on the achievements of [VM/CCM]). In each case, a factor

analysis of the scale items led to a single factor (minimum explained variance = 72%), which is consistent with their unidimensionality. The reliability of all scales is excellent (minimum Cronbach's alpha = 0.87). The relative power of the athlete over that of the brand was operationalized as the athlete's perceived power minus that of the brand.

RESULTS

The data were analyzed using regression-based moderated mediation (Hayes, 2018). Firstly, as predicted the interaction between the nature of the scandal and the type of partnership is statistically significant ($F_{1,136} = 4.58, p < 0.05$): in both the case of endorsement and sponsorship, a brand scandal leads to more negative attitudes than an athlete scandal (overall mean difference = 1.47). However, this difference is more pronounced in the context of sponsorship (mean difference = 1.97) than in that of endorsement (mean difference = 0.97) (see Figure 2).

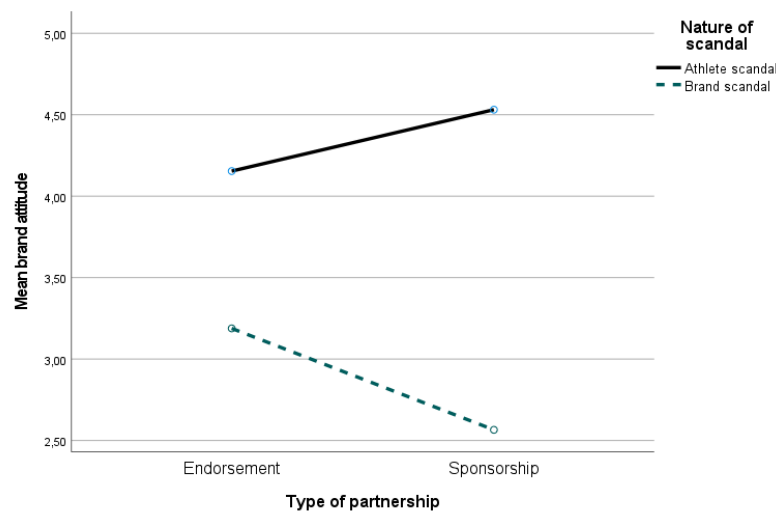


Figure 2. The type of partnership \times nature of the scandal interaction

Second, as expected, the perceived relative power of the athlete over the brand is higher in the endorsement situation (mean = 0.49) than in the sponsorship situation (mean = -0.66), a difference which is statistically significant ($t_{138} = 4.40, p < 0.001$). In addition, the results show that the effect of the scandal on brand attitude is explained by consumers' perception that the power of the athlete within the partnership is greater than that of the brand. That is, the perceived relative power of the athlete acts as a mediator in the relationship between the nature of the scandal, the type of partnership and brand attitude. This follows from the observation of statistically significant effects of the scandal \times partnership interaction ($F_{1,135} = 8.19, p < 0.05$), nature of the scandal ($F_{1,135} = 65.52, p < 0.001$), and perceived relative power of the athlete ($F_{1,135} = 8.98, p < 0.05$). Because of the statistically significant effect of the scandal \times partnership interaction, it can be concluded that this mediation is partial.

DISCUSSION AND CONCLUSION

This research has shown that the impact of a scandal on brand attitude in the context of a partnership between a brand and an athlete depends on the nature of the scandal (brand scandal *versus* athlete scandal) as well as the type of partnership that links these two entities (sponsorship *versus* endorsement). Moreover, it has shown that it is through consumers' perceptions of the relative power of each partner that the effects of these two variables on brand attitudes unfold. These results bring support to Carrillat and d'Astous's (2014) claim that power imbalance among partners in sponsorship and endorsement deals is an important variable to consider when examining how these marketing communication strategies perform in changing brand attitudes.

One significant research contribution of this study is the construction of a reliable scale to assess the relative power of each partner in sponsorship and endorsement ventures. Carrillat and d'Astous's (2014) research about power imbalance did not incorporate a measure of the concept. It is hoped that the proposed relative power scale will stimulate researchers to explore in more depth the role that these perceptions play in shaping consumers' reactions to these two major marketing communication strategies.

This study obviously carries important limitations. It centers on one sport, one brand, one athlete and two very specific scandals. Further research is needed to verify that the effects observed in this study are robust with respect to variations in these features. Further research is also needed to examine the impact that brand and athlete scandals in sponsorship and endorsement situations has on consumers' perceptions of athletes. This appears to be an interesting research opportunity to the extent that sponsored athletes and endorser may be seen as human brands (Carlson and Donovan, 2013).

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Appendix

Experimental stimulus (condition: sponsorship and athlete scandal)

Zoom arrière (Ctrl+1)

LA PRESSE .CA

VIDÉOS DÉBATS


ACTUALITÉS INTERNATIONAL AFFAIRES SPORTS AUTO ARTS CINÉMA VIVRE VINS VOYAGE MAISON TECHNO

Baseball Course auto Football Golf Hockey Hockey junior Ski et surf Soccer Sports de combat Tennis Autres sports Pools

Accueil > Sports > Autres sports > Patinage de vitesse

Publié le 20 Février 2017 à 07h59 | Mis à jour le 20 Février 2017 à 07h59

LES PROPOS RACISTES DE VALÉRIE MALTAIS REMETTENT EN QUESTION LE PROGRAMME DE COMMANDITE DE CCM



Source : La Presse canadienne

À 26 ans, ayant remporté une médaille d'argent aux Jeux Olympiques d'hiver et une médaille d'or aux championnats du monde, la patineuse de vitesse canadienne, Valérie Maltais, est considérée comme une des athlètes les plus abouties dans son domaine sportif.

Depuis 2013, la sportive est commanditée par l'équipementier sportif CCM. En tant que commanditaire, la marque CCM offre à l'athlète un soutien financier qui lui permet entre autres de payer son entraîneur, ainsi que les frais de transport et de subsistance associés aux diverses compétitions auxquelles elle participe.

On a appris cette semaine que la relation d'affaires entre CCM et Valérie Maltais battait de l'aile et serait probablement interrompue. Cela fait suite à un incident ayant eu lieu lors de la préparation pour les jeux du Québec 2017 se déroulant dans la ville d'Alma, où l'athlète aurait refusé de signer un autographe à un fan de couleur noire en faisant le commentaire suivant « *c'est le troisième noir qui me demande un autographe aujourd'hui* ».

Les responsables de relations publiques chez CCM n'ont pas fourni d'autres commentaires à propos de cet événement.

ma AJOUTER À MA PRESSE

PARTAGER

Recommander 81

Tweeter

G+1 0

À LIRE AUSSI

[Patinage : doublé québécois au 500 m](#)

[Valérie Maltais est résolue à poursuivre ses progrès](#)

[De l'argent pour Drolet](#)

[Guillaume Bastille en bronze malgré une chute](#)

[Charles Hamelin sauve l'honneur](#)

SUR LE MÊME THÈME