

MASTER'S THESIS

Investigating the effect of integrated product relevance on consumer response toward arts sponsor

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**Investigating the Effect of Integrated Product Relevance on
Consumer Response toward Arts Sponsor**

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**A thesis submitted in partial fulfillment of the requirements
for the degree of
Master of Philosophy**

Principal Supervisor: Dr. Gerard P. PRENDERGAST

Hong Kong Baptist University

September 2004

ABSTRACT

Sponsorship has received insufficient attention in the marketing research literature (e.g., Grimes and Meenaghan, 1998). In the literature, the product relevance issue (i.e. the fit between the sponsor and sponsee) is treated incorrectly. In particular, two kinds of product relevance, namely functional based similarity (sponsor's product is used in the event) and image based similarity (sponsor's image is convergent with that of event), are treated as "mutually exclusive." This is obviously not the case in reality. The current research proposes a new construct, integrated product relevance (IPR) with four variants (high in both functional based and image based similarity, abbreviated as HFHI; high in functional based and low in image based similarity, HFLL; low in functional based and high in image based similarity, LFHI; low in both functional based and image based similarity, LFLI), by combining the two types of product relevance. From this conceptualization, as well as the FCB grid, research hypotheses about IPR's effect on consumer responses (perceived quality, attitude toward the brand, and purchase intention) toward the arts sponsor are developed. Hypotheses related to the sequence of these responses in the hierarchy of effects models are also tested.

Package delivery service and cuisine restaurant dining services were chosen to represent quadrant 1 and 2 services of the FCB grid respectively for hypotheses testing. Results based on data collected in an experiment suggest that, first, partial mediation occurred in the hierarchy of effects for both kinds of services. Second, the effect of IPR depends on the type of service. For quadrant 1 service, the IPR HFHI creates a more favorable consumer response in terms of the three dependent variables compared with that of the no sponsorship condition. However, for quadrant 2 service, none of the IPR variants can have a positive influence on consumer purchase intention. In addition, for both kinds of services, LFLI cannot create a more favorable consumer response at all compared with that of the no sponsorship condition. Managerial implications regarding sponsorship selection and management, as well as future research directions, are discussed.

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