Does Cultural Brand Sponsorship Pay Off?

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ABSTRACT

This study aims to find out whether a company's cultural sponsorship activities contribute to improving the consumers' attitude toward the company's product ads. To do so, the researchers adopted three intermediate factors such as corporate image, self-brand congruity, and self-monitoring. This study found that consumer attitude toward cultural sponsorship significantly affects corporate image. Self-brand congruity significantly mediates between attitude toward cultural sponsorship and the company's product ad attitude measured for two types of ads: image-based ad and product-based ad. This study also found that self-monitoring with cultural sponsorship activities significantly moderate between self-brand congruity and ad attitude. The finding that not only the corporate image but the attitude toward cultural sponsorship contributed to a positive ad attitude through brand congruity sheds significant strategic insights for brand management.

KEYWORDS

Ad Effectiveness, Corporate Image, Cultural Brand Sponsorship, Self-Brand Congruity, Self-Monitoring

INTRODUCTION

According to the Kotler et al. (2010), Marketing 1.0 was the "product-centric era," where marketers appealed to their customers' minds; Marketing 2.0 was the "customer-centric era," where marketers appealed to the emotions of their customers; and Marketing 3.0 is the "values-driven era," where marketers seek to interact more strongly with their customers. Marketing 3.0 is a collaborative, cultural, and spiritual marketing approach which places cultural issues at the heart of a business model for a company. As material wealth increases, people tend to place relatively higher value on cultural or social awareness as something that enhances their self- worth, companies are actively using culture marketing to satisfy consumers' needs for cultural products or socially responsible companies.

Culture marketing refers to a new corporate strategy that basically incorporates culture as a tool for boosting the company's or product's brand images to distinguish it from conventional methods of marketing communications. Park and Kim (2010) define culture marketing as "all management activities that companies or organizations perform in connection with culture and art to enhance emotional and cultural values of customers". As today's consumers' needs for culture-embedded products increase, companies need to correctly understand the potential impact of this trend from a socio-cultural perspective. Today's corporate image enhancement strategies reflect this change by making efforts to create consensus among consumers about new cultural codes designed to raise the consumers' awareness about culture as a useful communication tool.

There are some notable differences in conceptual as well as practical perspectives between culture marketing and conventional marketing. First, from the product viewpoint, conventional marketing stresses benefits and functions of the products, while culture marketing emphasizes corporate image

or emotions. With regard to pricing, conventional marketing resorts to rational pricing or discounts, whereas culture marketing levies cultural premium on their products. Further, culture marketing doesn't confine itself to physical stores, as it focuses on creating new cultural value by proliferating a cultural sphere inside and outside the stores. Also, the culture marketing achieves brand differentiation through cultural events or direct consumer experiences, not as much through message-based communication strategies relying on media ads or word of mouth (Shim, 2002).

Culture marketing refers to an approach in which companies make use of culture strategically and systematically to achieve their marketing goals. The range of culture marketing varies from corporate cultural programs to support artistic activities to marketing activities that infuse cultural images into the products and services as a means of advertising or promotion (e.g., Lee & Shin, 2005).

Culture marketing has been categorized differently by several researches (Kim, 2006; Shim 2002). Shim (2002) suggested that culture marketing consists of four different categories such as cultural sponsorship, synthesis, spirit, and style. It is also divided into four categories: cultural sponsorship, communication, investment, and brands (Kim, 2006). Since the types of culture marketing carried out by companies varies depending on the characteristics and size of the company, there is no common consensus on this classification. However, cultural sponsorship may be considered one of the most important areas of culture marketing since cultural sponsorship is easily associated with companies fulfilling their societal responsibility, which renders it a very effective tool to promote positive corporate image.

Sponsorship is defined as "a cash or in-kind fee paid to a property ([a property rights holder] typically in sports, arts, entertainment, or causes) in return for access to the exploitable commercial potential of that property" (IEG, 2018). Sponsorship of sports, the arts, cultures, causes, and entertainment has appeared as a significant component of brand and advertising strategy (e.g., Cliffe & Motion, 2005). Sponsorship can be a major contributor to increasing brand awareness or preferences (McDonald, 1991) and can be a persuasive vehicle to increase corporate value and credibility by providing financial support for certain businesses (Alreck & Settle, 1999). After all, sponsorship not only effectively communicates the company or brand through communication, but also provides clues to differentiate it from the competition (Hasting, 1984). Despite the slowdown on business activities caused by the global downturn in economy, sponsorship expenditure worldwide topped $65 billion USD (IEG, 2018). In addition, for every $1 invested in sponsorship rights, $2.20 is spent on sponsorship-related advertising and promotion (IEG, 2016).

Cultural sponsorship may be considered one of the most important areas of culture marketing since cultural sponsorship is easily associated with companies fulfilling their societal responsibility, which renders it a very effective tool to promote positive corporate image. Prior sponsorship research has mainly focused on sports sponsorship and it has become the benchmark for studies on management of sponsorship. This is hardly surprising because sports sponsorship has been predominant so far, but there is escalating interest in sponsorship in cultural contexts, which make it a ripe area of empirical investigation. Cultural sponsorship enjoys a considerably lower public profile and a smaller share of the sponsorship investment (Cornwell, 2019). Recently, cultural sponsorship is one of the most interesting marketing developments, as it has bridged very distinct kinds of societal areas, namely those related to company and the arts and culture. It is obvious that investments in cultural sponsorship will increase as a result of the growing saturation of sports properties and the ever-increasing costs of bigger sporting activities (Cornwell, 2019).

Despite this increasing attention to the importance of cultural sponsorship, previous studies on this topic still seem lacking. Previous research has mostly approached the topic from the viewpoint of consumer attitudes toward and the perception of cultural sponsorship. It is, however, very difficult to find studies on cultural sponsorship that have investigated its impact on corporate image directly and the effectiveness of communication tool like advertising. In this study, the researchers aim to investigate the effect of corporate cultural sponsorship on enhancing corporate image and communication effectiveness. Specifically, the goal of this research is to examine whether cultural

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