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BY

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A Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree

Of

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ACCEPTANCE

This dissertation was prepared under the direction of the David Nickell's Dissertation Committee. It has been approved and accepted by all members of that committee, and it has been accepted in partial fulfillment of the requirements for the degree of Doctoral of Philosophy in Business Administration in the Robinson College of Business of Georgia State University.

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ABSTRACT

The Drivers of a Successful Corporate Sponsorship and the Quantified Financial Impact: Applying the Attitudinal Triad of Cognition, Affect, and Conation and Customer Lifetime Value to Corporate Sponsorships

BY

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December 2010

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While the volume of research on corporate event sponsorships as a marketing tool has increased markedly over the past decade, the results have done little to help marketers to justify sponsorship spending. Not only do marketers have little knowledge of a sponsored event's financial return, they also struggle to demonstrate any impact on consumer behavior at all.

Using multi-wave survey data, we quantified the financial impact of a sponsorship. We predicted the number of new buyers based upon changed brand attitudes, consistent with a hierarchy of effects model. We then established the financial return on the sponsorship spending by estimating the customer lifetime value (CLV) of these new buyers.

We collected the data around a major college football bowl game. Six phases of data collection were used to determine purchasing behavior and brand attitudes of attendees before and after the sponsored event, in comparison to television viewers of the event and the general public. We applied Lavidge and Elrick's (1961) attitudinal constructs as the independent variables in a logistic regression to predict future purchase. The final data collection was used to validate the model's prediction.

The findings show that the model accurately predicted the number of new customers after one buying cycle for the sponsor's products. We also quantified the positive impact of the sponsorship on the CLV of existing customers within the same time frame.

The managerial implications of this study are significant. Sponsorships are highly risky, with fixed outlays up front, and unclear benefits to be realized in the future. We provide a methodology that not only allows sponsors to measure the effectiveness of the sponsorship, but to determine the return on their sponsorship investment. We have taken consumer behavior theory from marketing communications research and combined it with CLV tools, thus allowing marketers to determine the number of new customers that a sponsorship generates, as well as how it influences the buying patterns that drive customer lifetime value.