

RESEARCH ON THE EFFECTIVENESS OF OLYMPIC ADVERTISING

Horst Stipp, National Broadcasting Company, Inc.
30 Rockefeller Plaza, New York, NY 10112

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Background. In the United States, the Olympic Games are carried on commercial television networks which need advertising revenue to offset the high costs associated with rights fees and production. Many advertisers know of, or believe in, the special value of advertising during the Olympics. Still, the investment required by Olympic sponsors, as well as the increasingly competitive advertising market, make it important to document the effectiveness of advertising during the Olympics.

Research on Olympic Advertising. NBC broadcast the Summer Olympics in 1988 and 1992. For both events, a number of studies were conducted -- not only to explore how advertising works in the context of the Olympics, but also to obtain information that would help advertisers make better use of their investment. Methods used in this research included in-depth focus groups, correspondence analysis, before-and-after studies, and telephone surveys. This report will refer to findings from all those studies, but it will deal primarily with one particular piece of research. Even though this project employed a rather ordinary methodology, it led to some of the most interesting findings.

Research on Olympic advertising and sports sponsorship, both by NBC (Schiavone, 1989) and others (Winters, 1986; Abratt, Clayton and Pitt, 1987; Sandler, and Shani, 1989), indicated that sponsoring the Olympics can have substantial positive effects on product sales, attitudes towards the product, and on the image of the advertiser. The data suggest that Olympic advertising is able to generate such effects for the following reasons: (1) Great reach: over 80% of the population watch the Summer Olympics); (2) Special event: the audience has high regard for the Olympics, and there is evidence that, under specific conditions, the program environment can "rub off" on the sponsors; (3) Unique advertising: many sponsors create special advertising of superior quality for the Olympics and the research indicates that most viewers have positive reactions to those special commercials. Viewer response seemed to be particularly positive for those advertisers who identified themselves as "Olympic sponsors" and who support the Olympics (or certain Olympic teams) financially.

Several sponsors had acted on this research evidence during the 1992 Summer Olympics and created special commercials which tried to establish

positive connections between the Olympics and the product/sponsor. Through its advertising agency, one of those sponsors worked with NBC on a research project to explore whether or not the intended connections between the Olympics and the sponsor had been established through the advertising.

Olympic Image Research Project. The decision to conduct this particular study was reached during the Olympics, and the funds available for this project were limited. This ruled out a pre-post design and other expensive methods. It was decided that a simple phone survey would be appropriate and useful, since previous research had given us enough knowledge to explore some specific hypotheses. The focus of the study would be the effect of attitudes about Olympic sponsorship and advertising exposure/recall on the image of the sponsor. Sales effects were not studied; all parties involved in this project considered that to be outside of the scope of this research.

As noted, past research indicated that most people have very positive opinions about the Olympics and also have positive views about companies that support the Olympics. We hypothesized that the Olympic advertising campaign had enhanced the image of this sponsor by linking the sponsor to existing positive feelings towards those companies that help Olympic athletes and support Olympic ideals. Thus, while most studies of advertising effects only consider commercial exposure and evaluation of the advertising as factors that impact product or sponsor image, this study hypothesized an additional factor: the value of Olympic sponsorship -- to be recognized by the audience as a supporter of a worthwhile cause.

Methods. The phone survey was conducted for NBC and the sponsor's advertising agency by Statistical Research, Inc. (SRI) between August 25 and September 8, 1992. The sample was drawn at random from another Olympic survey conducted by SRI for NBC earlier in August 1992. In that survey, 800 respondents (age 12 or over) indicated they had watched the 1992 Summer Olympics; of those, 479 were interviewed for this study. (A comparison of thermographs data of the two studies shows that the composition of the recontact sample is quite similar to that of the original sample which was a national probability sample with a response rate of 52%.)

The questionnaire for the recontact study asked respondents about their attitudes towards "official sponsors of the Olympics". Then, they were asked their

perceptions regarding the degree of Olympic sponsorship of nine companies. Next came questions about their attitudes towards the one sponsor we were studying and towards awareness and evaluation of this particular sponsor's commercials during the Olympics. Information about viewing, product usage and demographic measures was derived from data supplied by respondents in the prior survey.

Measures. The study obtained the following information: Attitudes towards Olympic sponsors; Viewing of Summer Olympics; Identification of major Olympic sponsors/Perceived strength of Olympic sponsorship; Commercial recall; Evaluation of commercials; Image of sponsor; Demographics; Product usage.

Attitudes towards Olympic sponsors were measured through ten "agree-disagree" items. The first set of five items examined the respondents' understanding of what a company does to become an "official sponsor of the Olympics. (Sample: "Sponsors provide money to help athletes train".) The second set of five items explored the respondents' opinions regarding the sponsors' motivations. (Sample: "Companies sponsor the Olympics to show they support worthwhile causes".) The items covered both "pro-social" motives (like the sample items) and "business" motives, such as "Companies sponsor the Olympics to advertise effectively to a large audience". The results indicated that a large portion of the viewers has very positive attitudes about Olympic sponsorship. For example, over 40% agreed strongly that "Olympic sponsors provide money to help athletes train" and that companies sponsor the Olympics to show support for worthwhile causes. Total "agree" responses to the "pro-social" items were generally above 75%. At the same time, respondents agreed in even larger numbers that sponsors are pursuing business goals with their Olympic sponsorship. This finding seems to indicate that respondents understand advertising and marketing practices, and they seem to be saying: All advertising is meant to advance business goals, but this kind of sponsorship has additional, pro-social, functions.

The "Viewing of the Olympics" measure used for this analysis asked respondents "how often" they watched the Games. By design, all respondents of this survey viewed some parts of the Olympics; over 50% said they watched "often" or "every chance I got".

Sponsor association with the Olympics was measured with a ten-point scale. Respondents were asked to evaluate nine companies, including the company under consideration. That company's link to the Olympics was rated 8.5 by the respondents, higher than the eight other companies measured. (Just over 50% gave this particular company a "10", indicating a

very close association. Only 7% gave a very low rating or a "don't know" response.)

The link between the Olympics and the company we were studying was assessed additionally through an item that was part of a six item "agree-disagree" battery about "one particular Olympic sponsor". In response to that item, three quarters of the respondents agreed that this company was "one of the biggest sponsors of the Summer Olympics in Barcelona". The other five items measured attitudes towards that company's image as an Olympic sponsor. (e.g., "...is a responsible company committed to worthwhile causes"; "...uses the Olympics to sell its products.") It was the goal of these questions to assess to what extent positive attitudes towards the Olympics and towards companies who support the Olympics through their sponsorship had been transferred to this particular sponsor. The findings indicated that respondents believe that the company uses the Olympics to sell, but clear majorities also believe that the company is a supporter of good causes and of the Olympic ideals.

Finally, it was found that 88% of the respondents recalled at least one out of four commercials by this sponsor. (Respondents were asked about three commercials in this survey, one in the prior survey.) The commercials were evaluated positively; one received extremely high ratings. Overall, 69% said that this sponsor's commercials were more enjoyable than other commercials seen during the Olympics.

Analysis. The analysis is based on a model in which the image of the sponsor is the dependent variable (Figure 1). Independent variables are: (1) attitudes towards Olympic sponsors, assumed to be a largely pre-existing set of attitudes that was formed through experience with Olympic advertising during recent Olympics; (2) the amount of viewing during these Summer Olympics; (3) recall of commercials of this sponsor which were shown frequently during the telecasts for the Olympics; (4) the perceived strength of association between this particular sponsor and the Summer Games as a result of exposure and other information; (5) evaluation of these commercials.

The key analysis employed multiple regressions to examine which independent measures (1) through (5) were related to the image of the sponsor. (In addition, data on demographics and product usage were also considered; they were seen as independent variables.) As noted above, we hypothesized that the sponsor's image would not only be affected by commercial exposure and evaluation of the commercials, but also by attitudes towards Olympic advertising and perceptions regarding the association between the sponsor and the Olympics.

To conduct this analysis, two indices were formed

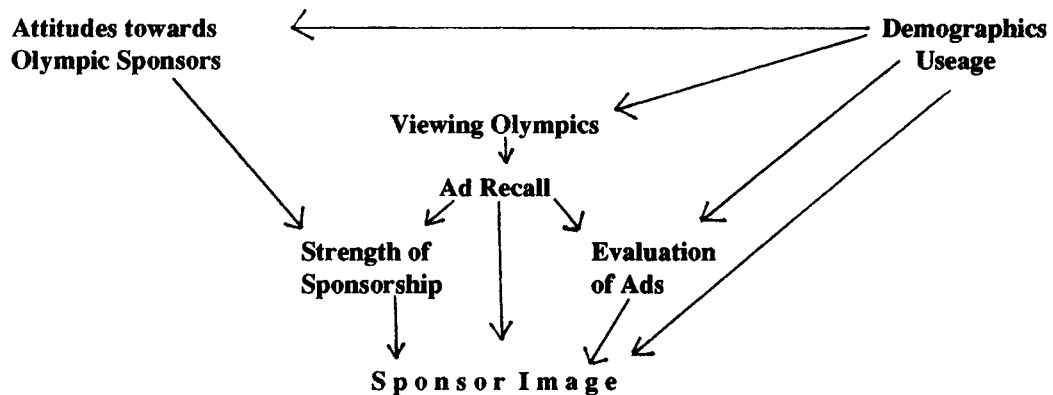


Figure 1: Analysis Model

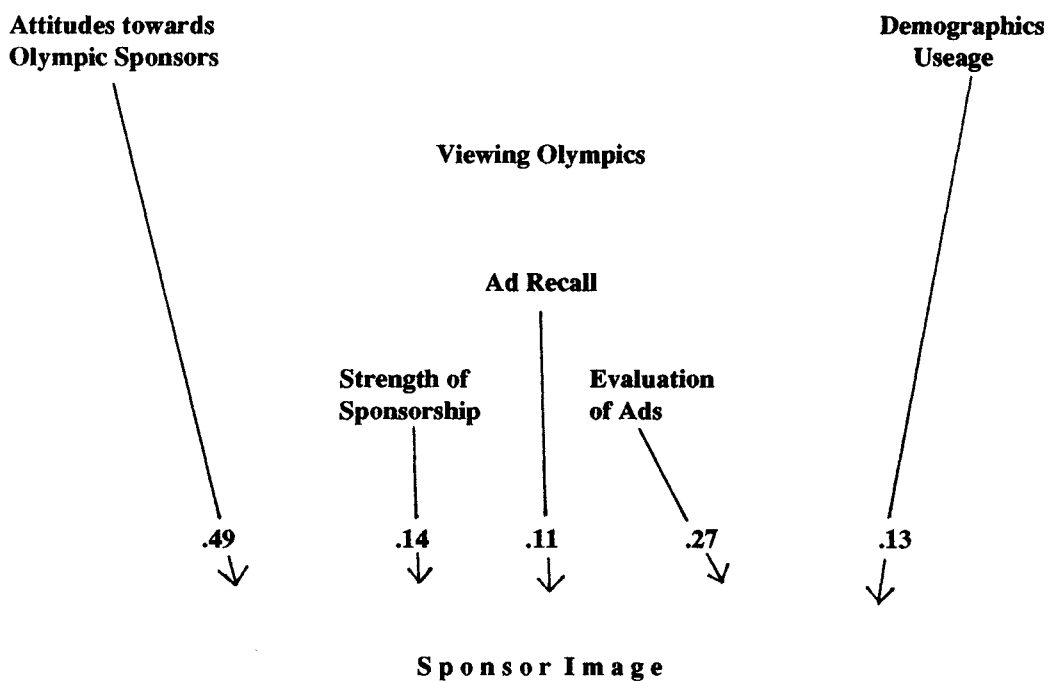


Figure 2: Model of Olympic Advertising Effects

through simple addition of individual items. The "Attitudes towards Olympic sponsors" index consists of six items. Scores range from 0 to 24, the mean 17, indicating a high degree of positive attitudes towards Olympic sponsors. The other index, "Sponsor image" consists of four items. The range is 0-16; the mean, 11, also reflects a largely positive set of opinions.

Findings. Figure 2 shows the findings of the regression analysis. The numbers represent regression coefficients (*beta*) which are assumed to be linear causal effect coefficients in this model. (Only coefficients which are predictors of sponsor image at the .05 level are shown). The regression is based on 316 cases; $R^2 = .44$. Table 1 shows the complete hierarchical regression analysis.

The findings support our hypothesis: The sponsor's image is related to viewers' evaluation and recall of the commercials (as one typically finds in advertising effectiveness studies), but it is also affected by the special qualities of Olympic advertising. Specifically, the index measuring attitudes towards Olympic sponsorship and the measure of the perceived strength of the link between the sponsor and the Olympics appear to be significant predictors of sponsor image. Demographic measures are also related to sponsor image, but only weakly. Product consumption appears to play no role at all.

A number of regressions were run which used somewhat different measures and were based on somewhat different sample sizes; all produced essentially the same findings. Regressions based on subgroups (such as product users and on non-users) indicated similar findings, but those regressions were less conclusive because of limited sample sizes.

Discussion. Despite the limitations of the study, the findings strongly suggest that this company's sponsorship of the 1992 Summer Olympics had a substantial effect on the company's image. The data suggest that three elements contributed to the success of the sponsorship: First, as in standard advertising campaigns, the quality of the advertising appeared important: those who liked the ads were more likely to express positive opinions about the sponsor. The second and third elements are indicators of the "extra" benefit which can be derived from Olympic sponsorship. One is the fact that a majority of Americans holds very positive attitudes about Olympic sponsorship which can "rub off" on a specific Olympic sponsor. The other factor is the strength of the association between the Olympics and the company. That association appears to be a result of heavy advertising during the Olympics. (The data reported earlier show that this heavy advertiser created a very strong connection which seems to have resulted in a

remarkably positive image as a company that is "responsible" and "contributes to worthwhile causes" among viewers.)

The study's findings agree with NBC's research on other Olympic advertising and are also consistent with the literature on sports sponsorship and on the effect of marketing strategies on corporate image. Still, causal studies are necessary to test the model used here and to explore open questions. Of particular interest to advertisers is the question to what extent this model can be applied to advertising on, or sponsorship of, other TV programs. As Shumann and Thorson (1990) demonstrate, the research on "context effects" is quite ambiguous and does not support the assumption that most program content has a consistent, significant impact on commercial effectiveness (other than bringing the audience to the commercial). This research identifies conditions under which positive "context effects" occur and there is no obvious reason to assume that they only apply to the Olympics. The findings suggest that if there is a television event for which a large segment of the audience has high regard, if an advertiser creates good commercials, and if he signals his commitment to the program event through heavy advertising, he can expect "extra" benefits similar to those experienced by this Olympic advertiser.

Further, this study shows a much larger coefficient for the predisposition towards Olympic sponsors than for the evaluation of the Olympic commercials. Does that mean the quality of Olympic commercials is not very important? We don't think so: the coefficient for the index measuring predispositions towards Olympic sponsors could be inflated due to the similarity of the measures. (Both employed agree-disagree statements about the motivations of advertisers.) Also, there might be interactions among the various factors which could not be explored here.

In sum, this study's findings should not be overinterpreted. We are confident, however, that the data do reflect actual causal processes. In fact, it is difficult to imagine how the relationships found in these data could have come about if this company's Olympic sponsorship did not indeed have a significant impact on its image. We hope that this research will stimulate more studies in the area of advertising and sponsorship effects to provide us with more precise knowledge about how the effects indicated here come about.

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	Regression 1	Regression 2	Regression 3	Regression 4	Regression 5
Sex	-.10*	-.09*	-.09	-.09*	-.09*
Age	.05	.12**	.11*	.18***	.13**
Education	-.11*	-.08	-.09	-.09*	-.10
Income	.05	.06	.06	.09	.03
Product Usage	.13**	.09*	.09	.08	.03
Attitudes Toward Sponsors		.54***	.54***	.47***	.49***
Viewing Olympics			.11**	.06	.02
Ad Recall				.20**	.11*
Evaluation of Ads					.27***
Strength of Sponsorship					.14**
R2	.04	.31	.31	.34	.44
(N)	(402)	(402)	(402)	(402)	(316)

Table 1: Hierarchical Regression Analysis