Activating and Measuring Sponsorship Effects with RFID Engagement

A study combining RFID customer-engagement data with brand data and individual fan differences

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Top sports advertisers are mature brands with high brand awareness. The key is to differentiate from competitors through the most effective channels. How can we activate and accurately measure key performance indicators for sponsorships?

- For mature brands like American Airlines, AT&T, Wells Fargo, Coke, Ford, and Sprint, awareness is not a problem.
- These brands need more relevance, regard, and energized differentiation to gain separation.
- This happens when the brand is effectively activated among passionate fans of the property.
- Sponsorship is an active medium that drives emotional connections with a brand. Advertising is a passive medium that builds awareness.

The Research Study

In cooperation with ISC/NASCAR, fans participated in the Championship Challenge which included an RFID lanyard to check-in at 12 stations at the Miami Homestead Speedway. We combined behavioral data, tracking frequency and location of fans at the 3-day event with post-event brand equity measures to evaluate the benefits of the respective sponsor brands.

Research Findings and Implications

1. **Passion** — emotional connection drives behavior. It’s a matter of degree not category.
2. **Brand Differentiation** is much stronger among passionate fans at the event than among passionate fans nationwide. Differentiation is higher among fans than the general public.
3. **Engagement**—being turned on to the brand through active participation as measured by RFID tracking—produces significant lift in activation.
4. **Mere exposure**—just being there provides no lift, beyond being a fan, in terms of perceived activation by the brands.
5. Compared to mainstream media (TV and website) and 2nd screen activity, **activation** has 5x the impact on differentiation
6. **Brand Differentiation** strongly drives 2nd screen activity, Net Promoter Score and brand usage.
1 Introduction

Prior sponsorship research has focused almost entirely upon accurate recall and recognition of sponsors of events. This emphasis on awareness belies the fact that the primary sponsors of national and international events already possess high brand recognition and instead seek higher level brand goals to distinguish themselves from competitors via sponsorships. Audience data from two studies (An American football match and a three-day motorsports event) demonstrate the psychological processes by which audiences are engaged through sponsorship activation (Wakefield 2012). This research conceptualizes and measures the activation construct and illustrates subsequent effects on brand concreteness, brand attributions, and brand personality. These three factors, in turn, enhance the sponsoring brand’s distinctiveness and lead to positive behavioral responses favorable to the sponsor.

Figure 1 Transfer of Fan Passion to Brand

With the focus on brand awareness, prior research is premised on exposure effects. In contrast, our research measures active engagement with the brand in a sponsorship context. Combining Radio Frequency Identification (RFID) data with descriptive data from each fan allows us to tie the action and information processing of a fan relative to the sponsoring brands at an event.

We collected RFID data from fans attending the last NASCAR race at the Miami Homestead Speedway November 15-17. From this we were able to track physical exposure to 12 sponsor locations over the course of three days at the event. Following the event, we surveyed fans to measure identification of sponsor brands, activation, consideration, and components of the BAV® model Energized Differentiation, Relevance, Esteem and Knowledge. In so doing, we can estimate the incremental effects of the sponsorship among NASCAR fans at the event compared to NASCAR fans and non-fans on a national level in conjunction with the BAV® panel data.

This research combines research streams and methods typically done in parallel or isolation from each other. For practitioners, we offer substantiated recommendations around activation and the most effective ways to build a brand through sponsorship, including interdependent variables of identification, activation, differentiation and recommendations (viz., net promoter score) which are standard inputs for ROI models and drivers of brand equity and firm value.

2 Background

Sponsorship research over the past two decades has largely focused on recall and recognition (Cornwell et al. 2006; Coughlin and Mules 2001; Johar and Pham 1999; Pham and Johar 2001; Speed and Thompson 2000; Wakefield, Becker-Olsen and Cornwell 2007; Wakefield and Bennett 2010). This stream demonstrates that brands perceived to be related, prominent, congruent, or plausible sponsors are most likely to be correctly identified as sponsors of a property. Individual differences may contribute to the likelihood that brands make sense, or fit, as sponsors of the property (Johar, Pham, and Wakefield 2006; Olsen and Thjormoe 2010).
First, some brands (e.g., Nike) predictably receive false-positive identifications as sponsors of sporting events. Other less prominent or less related brands are destined to be false-negatives in any recall-related measurement, subject to effective ambush marketing (Johar, Pham and Wakefield 2006). Consequently, if recall of the brand-property association is the objective, the only winners would be those already dominant in the market place (cf., Wakefield and Bennett 2010). Second, the brands most likely to be identified as sponsors—and who also expend the most financial resources on sponsorships—hardly need any more brand recognition. Mature beer brands, for instance, do not spend upwards of $250 million on sports advertising in the United States because Americans are unfamiliar with the Budweiser, Miller, or Coors brand names.

At the same time, companies are conflicted when it comes to measuring the return on sponsorship investments. Models have historically focused on media exposure, counting the eyeballs viewing the brand for a given time period and computing the equivalent media value of the exposures. Media reports suggest American Airlines gained $95.9 million of media value for its sponsorship of the Dallas Mavericks and the Miami Heat in the 2011 NBA finals (Rovell 2011). However, the reality is that corporations with sophisticated customer research and analytic departments, including American Airlines, severely or completely discount such valuations.

Theory and practice has long suggested that awareness is the first stage in the communication process (Strong 1925). However, as brands mature and gain widespread exposure and interest, emphasis turns toward persuasive messages directed at promoting consumer loyalty and associated purchase actions. Hence, exposures are a good measure for gaining awareness, but are not a reliable measure of persuasiveness.

A second stream of research centers on the image transfer from the property to the sponsor (Carrillat, Haris, and Lafferty 2010; Drengner, Jahn and Zanger 2011; Gwinner and Eaton 1999; Gwinner, Larson and Swanson 2009). Theoretically and empirically, these studies demonstrate that congruency between property and brand image facilitates the linkage between the two entities. In short, this stream of work suggests that the reason brands engage in sponsorships is for the image of the property (e.g., Arsenal) to transfer to the brand (e.g., Emirates). The assumption of image transfer is that since fans are loyal to the team, they will similarly be loyal to the sponsor as well. However, such an assumption leaves out two important elements: activation and return.

First, mere exposure can increase the likelihood of pairing a brand with a property, but the key to strengthening the property-sponsor association is activation of the brand in the minds of the audience. Sponsor activation includes, but moves well beyond, passive static signage featuring the brand logo. While some effort has been made to measure the response to activation investments (Quester and Thompson 2001; Sneath, Finney and Close 2005) or individual activation campaigns (e.g., Weeks, Cornwell, and Drennan 2008), no attempt has been made to articulate the elements of brand activation in order to measure related audience perceptions of the construct itself. Doing so would allow sponsors to assess the extent to which the audience is engaged with the brand as a direct (rather than indirect) reflection of the activation strategy.

Second, from a managerial point of view, image transfer is not the point of sponsorships so much as the desire to clearly define the brand’s positioning relative to competition in order to increase purchases (Simmons and Becker-Olsen 2006). Hence, the goal of sponsorships is to make the brand distinct from competitors to gain a return in terms of market share and brand loyalty. Image transfer is an insufficient marketing goal, particularly with regard to sports sponsorships, since in any given season approximately half of the properties would represent losers. An important issue is whether or not the sponsoring brand advances against the leading brand (or chief competitors) among fans of the property. Competitors also maintain sponsorship strategies targeting sports fans.

3 The Study

Activation. Originating in psychobiology, according to Kroeber-Riel (1979) activation theory answers questions such as how are stimuli received and transported in the central nervous system, how/why do these stimuli spark emotions, and how do psychological processes, conscious experiencing, and behavior link together during emotional processes? Activation in sponsorship terms focuses on the measurable actions consciously received by the audience. From a managerial perspective, activation budgets often equal or surpass sponsorship rights fees and receive the most attention in terms of planning, implementation, and control.
We measure activation as a summative scale of dichotomous (Yes/No) responses regarding the actions of a given sponsor at an event:

- Prominent displays?
- Makes sure you know who they are?
- Communicated ways to do business with them?
- Made information available about products/services?
- Provided memorable event experiences?
- Stood out from other sponsors?

**Engagement.** The Advertising Research Foundation defines engagement as, “turning on a prospect to a brand idea enhanced by the surrounding context.” (Elliott, 2006) Engagement requires involvement and relevance (Webb and Ray, 1979). Typically measures are cognitive and emotional in nature, associated with traditional media with low levels of attention (Heath 2009). By comparison and contrast, in sponsorship and online contexts, engagement includes the audience as active participants in “lived” experiences (Whelan and Wohlfeil 2006). This is our focus. We expect increased engagement should lead to greater sponsor activation. In turn, brands more fully activated in the minds of fans should lead to greater perceived differentiation from its competitors.

**Research questions.** The questions answered with this research include:

1. Do different sponsorship levels (viz., anchor sponsors) receive different levels of attention to activation efforts commensurate with inventory prices?
2. What is the relative value of sponsorship engagement and activation in driving brand differentiation?
3. Accounting for traditional media, what is the contribution of sponsorship activation?
4. Accounting for traditional media and sponsorship engagement and activation, what is the contribution of second screen engagement?

**Brand Equity Research**
The combined post-event survey of subjects engaged in the RFID-based engagement included descriptive customer information and measures of fan passion, activation, and components of the BAV® model Energized Differentiation, Relevance, Esteem and Knowledge for each of the brands. We then anchor the data back to the BrandAsset® Valuator database which has data on the sponsors and competitors from a national panel of 17,000 consumers representative of the national population, collected quarterly since 2001.

- This allows us to compare to brand trends in the larger database of non-fans to make more generalized observations.
- Elements of the BAV model which have proven helpful in sponsorship considerations previously:
  1. brand knowledge: an intimate understanding of the brand by the consumer
  2. brand esteem: how well regarded the brand is by the consumer
  3. brand relevance: how appropriate the brand is to the consumer
  4. brand differentiation: the brand’s point of difference that makes it distinct from competitors

**Method & Analysis**
We employed RFID data to record the frequency of engagement at 12 interactive towers located throughout the entertainment venue associated with a NASCAR event. Fans entering any of the gates at the Homestead Miami Speedway (1) were intercepted and invited to register for the Championship Challenge (2) inside the gates to win prizes based on the frequency of checking in at 12 stations across the 3-day event. Patrons could also opt for engagement via four green-screen photo booths for mobile uploads (3). For check-ins and photos, participant were given an RFID-tagged lanyard to wave in front of the check-in RFID (4-5).
Controlling for media exposure through other means (television, radio, online, newspaper), the method of analysis includes structural equation modeling (SEM) to assess the effects of engagement (measured via RFID) perceptions of sponsor activation and subsequent brand attitudes and consumption behaviors among 216 subjects. Multivariate techniques assess the effects of sponsorship investment levels and engagement (RFID measures) on associated activation levels.

Combining the two data streams will allow us to look at behaviors to do more than assess exposure, but to measure the effects of engagement among different fans in different parts of the facilities. Our findings show:

1. **Inventory rights for inventory predicts activation.** As depicted below, sponsor location and space is commensurate with fans’ perceptions of activation.

   ![Graph showing display square footage vs. activation indexed](image)

   \[ y = -0.5329x^2 + 1.2573x + 0.284 \]
   \[ R^2 = 0.6355 \]

2. **Engagement wins over exposure.** Brand engagement as measured in terms of total encounters at 12 RFID stations over three days at the event (range = 0-36) significantly (p < .05) increases perceived activation for 9 of the 10 sponsors, but mere exposure measured by the total time spent for the three days at the event increases perceived activation for only 1 of the 10 sponsors.

3. **Activation wins over traditional media.** Among fans attending the event, the effect of perceived activation from sponsoring brands (\( B = .630 \)) outweighs the influence of traditional media (\( B = .120 \)) in explaining energized differentiation (\( R^2 = 45.8\% \)) for the sponsoring brands.
Engagement via posting of photos to Facebook does not enhance perceived activation, but does lead to greater felt excitement at the event, which in turn enhances energized differentiation of sponsoring brands.

4. **Contribution of second screens.** Accounting for the effects of sponsorship activation at the event and traditional media (ESPN, NASCAR.com, Speed TV) for this segment, individuals posting to Facebook and texting while watching NASCAR events are more likely ($B = .096, p = .05$) to possess positive perceptions of the sponsoring brands’ energized differentiation. Twitter use during the event does not enhance the effects.

5 Contact Information and Biographies

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Anne Rivers

Anne Rivers is SVP, Director of Global Brand Strategy at BrandAsset Valuator Consulting, a firm that helps business executives, investors and marketers assess and drive strategic direction and intangible value of brands. Anne uses the world’s largest database on brands to build brand level strategies that incorporate macro and micro consumer trends.

Ms. Rivers advised numerous financial firms during recent market turmoil and helped her clients protect the value of their company’s brands as competitors suffered in the court of public opinion. Anne uses her expertise in valuation from her days of being an investment banker at Bear Stearns to help firms build the hardest asset to measure, the brand, as discussed in her paper in Morgan Stanley’s Journal of Applied Corporate Finance. Ms. Rivers started the public flurry around Goldman Sach’s brand in the Financial Times and isolated the trends and tactics to repair financial brands in a Davos paper with the World Economic Forum and the Paris paper, Le Monde.

In 2010 and 2011, Ms. Rivers was recognized as a leading sports brand expert and has provided analysis for various leagues, teams and sports commentators. She is regularly quoted in the USA Today about Tiger Woods, Lebron James and teams like the Miami Heat. Recent work has focused on the effectiveness of sponsorship of professional leagues, teams and college athletics; including a paper illuminating the value of sponsoring the NFL, written with Kirk Wakefield of Baylor. Ms. Rivers also focuses on the importance of brands in the non-profit, real estate and higher education spaces. Ms. Rivers has shown these brands are often not managed as actively because they lack a direct effect on sales. However, the value of the brand to drive fans, donations and enrollments is even greater in marketplaces with no discounting and little forgiveness.

Today, Ms. Rivers serves as a strategic consultant to many Fortune 500 companies on a wide range of image, branding and corporate reputation issues. Her client relationships have included Allstate, Levi Strauss, Related Companies, NFL, American Red Cross and Aetna. Anne has been quoted in many publications including the Financial Times, Journal of Applied Corporate Finance, Le Monde, Risk Magazine, USA Today. Anne is a frequently invited speaker, recently presenting trends and brand valuation work for the Sloan Sports and Analytics Conference, Marketing Science Institute and the American Marketing Association.

Anne’s prior experience over the last 20 years includes leading the strategy, business development and corporate finance efforts at Broder Bros., Co., drugstore.com, inc. and GiftCertificates.com. Anne was also a Vice President in Investment Banking at Bear, Stearns & Co. Inc. focusing on retail and consumer companies, completing valuations and marketing materials for mergers, acquisitions, and capital markets transactions. She held several marketing and finance positions at Fidelity Investments. Anne has an M.B.A. from the NYU Stern School of Business and an
Kirk Wakefield
Since arriving at Baylor University in 2002 as Chair of the Marketing Department (2002–2008), Professor Wakefield has planned, initiated, and successfully executed plans for the creation and development of three unique programs housed in the Department of Marketing, including the Sports Sponsorship & Sales program and its advisory board of 35 major league teams, the Brand Engagement & Promotion program with its own student-run record label (www.uproarrecords.com) and entertainment company, and the $5 million endowment from Gary Keller for the Keller Center for Residential Real Estate Marketing.

In 2010, Dr. Wakefield was named the Edwin W. Streetman Professor of Retail Marketing in the Hankamer Business School at Baylor University. In 2013, Dr. Wakefield was awarded the Outstanding Professor Award-Scholarship for his productivity from 2010-2012. Building upon his work in sponsorship ROI measurement, Dr. Wakefield engages in Sponsorship Summits for properties and is affiliated with Brand Asset Consulting as a consulting scholar.


Kirk received his degrees from Southwest Baptist University (BBA, 1980), Baylor University (MBA, 1981), and Saint Louis University (Ph.D., 1991). Prior to arriving at Baylor as Chair of the Marketing Department, Kirk spent 11 years at Ole Miss in Oxford, MS, where he was promoted to Associate Professor and acted as the Marketing Area Coordinator. Kirk’s wife, Robin Wakefield, is an Associate Professor of Management Information Systems at Baylor University. Kirk and Robin have three children, John Kirk (JK), Lane, and Whitney.

Selected References