Does Size Matter? Understanding the Impact of Nonprofit Sponsorship Roster Size on Consumer Prosocial Behaviour

Iris Goh Kai Lin Ravi Pappu P Monica Chien
1. Nonprofit sponsorship

- Most nonprofits are affiliated with corporate sponsorships
- Corporate sponsors provide financial or in-kind support to the nonprofits.
Most nonprofits are affiliated with multiple sponsors

Australian Red Cross

Sponsorship Roster

COUNTRY ROAD

- LAND ROVER
- ALDI
- The Cheesecake Shop
- NRMA
- medibank
- iag
- Kathmandu
Lack of academic attention on the topic of multiple sponsors

This is “in sharp contrast to practice, where many, if not most, events [properties] are sponsored by more than one firm.”

Sponsorship rarely occurs in a one sponsor–one sponsored dyad

“yet a large portion of sponsorship research takes this [one sponsor-one property] perspective.”

Publicizing corporate sponsors has a negative impact on consumers’ willingness to help a nonprofit.
Corporate Sponsorships hurt Nonprofits

Social loafing

“individuals contribute less to an effort when working collectively toward a goal than when working individually toward it”

Bennett, Kim and Loken (2013)
Corporate Sponsorships hurt Nonprofits (2)

Consumers exposed to sponsorship cues perceive their contributions as less impactful on the sponsored nonprofits and are less willing to support these nonprofits.

Bennett, Kim and Loken (2013)
However...

most of the current sponsorship literature observes positive effects of corporate sponsorships of nonprofits....
Corporate Sponsorships *benefit* Nonprofits

- Publicizing corporate sponsors has a **positive** impact on consumers’ attitudes towards the nonprofit.
- Consumers view corporate entities as **reliable** sources of information.
- Spillover effects from the sponsor to the nonprofit encourage consumers to develop **favourable attitudes towards the nonprofits**.

Corporate Sponsorships benefit Nonprofits (2)

- High-fit sponsorships allow consumers to experience cognitive consistency and respond favourably to the corporate-supported nonprofit.

- Positively influence consumers’ brand relationships (e.g. time, financial contribution and recommendation).

Corporate Sponsorships benefit Nonprofits (3)

- High-fit sponsorships lead to consumers responding favourably to the corporate-supported nonprofits (e.g., intention to support).

How does corporate sponsorship affect a nonprofit?

Conflicting views in the literature..

The literature presents **conflicting views** regarding the impact of corporate sponsorship of nonprofits on consumer **prosocial behaviour** *(e.g. intention to donate, intention to support).*
With 57,500 charities, Australia has the largest number of charities per capita in its history, with one charity for every 422 people.

Donations and bequests to charities have decreased by $600 million, from $10.5 billion in the 2016 to $9.9 billion in the 2017.

(Australian Charities Report 2017)
2. Research Objective

- We re-examine and extend the findings of Bennet et al. (2013) in the current research.
Studies that have observed a positive effect on the corporate sponsored nonprofit (e.g., Becker-Olsen and Hill 2006; Pappu and Cornwell 2014) were conducted in the single sponsor-single nonprofit context.

Studies that have observed a negative effect on the corporate sponsored nonprofit (e.g., Bennet et al. 2013) examined a single nonprofit with multiple sponsorships.
Bennet et al. (2013) examine the relationship for an unfamiliar nonprofit.

“The participants were first asked to examine an appeal from an actual, but relatively unfamiliar, local nonprofit organization serving homeless teens and young adults”
Familiarity with the nonprofit is known to moderate the impact of consumers’ attitudes toward sponsor-nonprofit relationships on their attitudes toward the nonprofits involved in the relationship.

c) Willingness to help a Nonprofit

- Bennet et al. (2013) examine *willingness to help a nonprofit* which is a composite of two concepts: *willingness to donate* and *willingness to support*. 
3. Research Questions

1. How does the size of a nonprofit’s sponsorship roster influence an individual’s willingness to engage in prosocial behaviour towards the sponsored nonprofit?

2. How does consumer familiarity with the nonprofit affect the ‘nonprofit sponsorship roster size-prosocial behaviour’ relationship?
4. Conceptual Model

Corporate Sponsorship

Perceived Sponsorship Roster Size

Covariate
Attitude toward the Nonprofit

Perceived Impact on the Supported Nonprofit

Familiarity with the Nonprofit

Willingness to Support the Nonprofit

Willingness to Donate to the Nonprofit

$ Amount Willing to Donate

H1

H2

H3

Prosocial Behaviour
5. Methodology

- **Experiment 1** (H1 & H2) ($N = 124$, Undergraduate students)
  - 6 (sponsorship roster size: no sponsor vs. one sponsor vs. two sponsors vs. three sponsors vs. four sponsors vs. five sponsors) $\times$ 2 (nonprofit familiarity: low vs. high) between-subjects factorial design

- **Experiment 2** (H1, H2 & H3) ($N = 279$, Consumer panel)
  - 3 (sponsorship roster size: no sponsorship vs. three sponsors vs. five sponsors) $\times$ 2 (nonprofit familiarity: low vs. high) between-subjects factorial design
  - Sponsorship articulated
Pre-testing

- **Pre-test 1** \((N = 15)\)
  
  - Identified 2 nonprofits that are generally well-liked but differ in their familiarity.

  ![Australian Red Cross](image1.png)  ![St Vincent de Paul Society](image2.png)

- **Pre-test 2** \((N = 16)\)
  
  - Identified 5 sponsors brands that are equally well-liked and familiar to consumers, and generally good fit with the two nonprofits.

  ![Target](image3.png)  ![coles](image4.png)  ![Bunnings Warehouse](image5.png)  ![Qantas](image6.png)  ![OPTUS](image7.png)
6. Results
Experiment 1 \((N = 124, \text{Undergraduate students})\)

**Model tested**

**Corporate Sponsorship**

- Perceived Sponsorship
- Roster Size

**H_1**

**Familiarity with the Nonprofit**

**H_2**

**Prosocial Behaviour**

- Willingness to Support the Nonprofit
- Willingness to Donate to the Nonprofit
- \$ Amount Willing to Donate

**Covariate**

- Attitude toward the Nonprofit

Model tested
Experiment 1

(N = 124, Undergraduate students)

\[
F_{1, 122} = 10.44, p = .002, N = 124
\]

\[
F_{1, 122} = 10.52, p = .002, N = 124
\]
Experiment 1

\(N = 124\), Undergraduate students

Results of Hypothesis Testing
Mode Fit:

Model 1: WTS: F(5, 118) = 4.01, \( p = .002 \)

Model 2: WTD: F(5, 118) = 3.88, \( p = .001 \)

Model 3: NDA: F(5, 118) = 1.90, \( p = .099 \)
Experiment 1: Direct effects

Corporate Sponsorship

Perceived Sponsorship

Roster Size

Willingness to Support the Nonprofit

Willingness to Donate to the Nonprofit

$ Amount Willing to Donate

H₁

Covariate

Attitude toward the Nonprofit

Perceived Sponsorship

Willing to Donate

.25^{ns}

- .12^{ns}

2.15^{ns}
Experiment 1: Interaction effects

Corporate Sponsorship $ H_2 \leq .01^{ns}$
Perceived Sponsorship Roster Size $ <.01^{ns}$

Familiarity with the Nonprofit

Willingness to Support the Nonprofit
Willingness to Donate to the Nonprofit
$ Amount Willing to Donate

Covariate
Attitude toward the Nonprofit

$0.66^*$
Experiment 2

(N = 279, Consumer panel)
Experiment 2
Model tested

Corporate Sponsorship

Perceived Sponsorship Roster Size

H1

Perceived Impact on the Supported Nonprofit

\( H_2 \)

Familiarity with the Nonprofit

Prosocial Behaviour

Willingness to Support the Nonprofit

Willingness to Donate to the Nonprofit

$ Amount Willing to Donate

Covariate
Attitude toward the Nonprofit
Experiment 2

(N = 279, Consumer panel)

**Familiarity**

|    | 5.95 | 6.02 |

**Attitude**

|    | 6.02 | 6.05 |

NP: $F_{1, 277} = .177, p = .674, N = 278$

$M = 5.98, SD = 1.31$

NP: $F_{1, 277} = .061, p = .804, N = 278$
Experiment 2

Results of Hypothesis Testing

Model 1:
WTS & WTD: $\chi^2_{186} = 356, p < .001$
TLI = .96, CFI = .97, RMSEA = .057 [.048 - .066]

Model 2:
NDA: $\chi^2_{104} = 188.5, p < .001$
TLI = .96, CFI = .97, RMSEA = .054 [.042 - .066]
Experiment 2: Direct effects

Corporate Sponsorship → Willingness to Support the Nonprofit

Perceived Sponsorship

Roster Size → Willingness to Donate to the Nonprofit

$3.14^*$

Willingness to Donate

$ Amount Willing to Donate

H1

.42*

.33*

Covariate

Attitude toward the Nonprofit
Experiment 2: Interaction effects

- Perceived Sponsorship
- Corporate Sponsorship
- Roster Size
- Familiarity with the Nonprofit
- Willingness to Support the Nonprofit
- Willingness to Donate to the Nonprofit
- $ Amount Willing to Donate

$ Amount Willing to Donate

H$_2$

- .07ns
- .13ns
- 1.0ns

Covariate
Attitude toward the Nonprofit
Experiment 2: Indirect effects (2)

Corporate Sponsorship

Perceived Sponsorship Roster Size

Perceived Impact on the Supported Nonprofit

$ Amount Willing to Donate

Willingness to Donate to the Nonprofit

Willingness to Support the Nonprofit

Covariate
Attitude toward the Nonprofit

H₃

.22*

.41*

1.14*

Prosocial Behaviour
7. Key Findings

• Nonprofit’s sponsorship roster size has a positive influence on consumers’ willingness to engage in prosocial behaviour towards the sponsored-nonprofit, when the relationship is articulated. \((H_1)\)

• This impact of nonprofit’s sponsorship roster size is also routed through consumer perceptions that their donations to the sponsored-nonprofits are impactful, when the relationship is articulated. \((H_3)\)

• No support for the moderating role of familiarity with the nonprofit. \((H_2)\)
8. Contribution

- Reconciles contradictory findings in the literature, on the effects of corporate sponsorship on consumers’ charitable giving.
- Shows that corporate sponsorship positively affects the sponsored-nonprofits.
- Contributes to the nonprofit sponsorship literature (Becker-Olsen and Hill 2006; Bennett et al. 2013; Pappu and Cornwell 2014) and extends our understanding of the sponsorship roster research (Ruth and Simonin 2006).
- Guides nonprofit managers in effectively managing their sponsorship rosters and support from their target consumers.
Thank you!

Comments & Questions