

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

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#### 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





#### 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."

Ruth, J. A. & Simonin, B. L. (2006). The power of numbers: investigating the impact of event roster size in consumer response to sponsorship, *Journal of Advertising*, 35(4): 7-20.



#### Sponsorship rarely occurs in a one sponsor-one sponsored dyad

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

Groza, M. D., Cobbs, J. & Schaefers, T. (2012). Managing a sponsored brand: The importance of sponsorship portfolio congruence, *International Journal of Advertising*, 31(1): 63-84.



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Journal of Consumer Psychology 23, 3 (2013) 288-300



Research Article

Corporate sponsorships may hurt nonprofits: Understanding their effects on charitable giving  $\stackrel{\checkmark}{\succ}$ 

Christine M. Bennett<sup>a, 1</sup>, Hakkyun Kim<sup>b,\*</sup>, Barbara Loken<sup>c, 2</sup>

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)



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#### 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)



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#### 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.

Simonin, B. L. & Ruth, J. A. (1998). Is a company known by the company it keeps? Assessing the spillover effects of brand alliances on consumer brand attitudes, *Journal of Marketing Research*, 35(1): 30–42.



#### 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).

Becker-Olsen, K.L. & Hill, R.P. (2006). The impact of sponsor fit on brand equity, *Journal of Service Research*, 9(1): 73–83.



#### Corporate Sponsorships benefit Nonprofits (3)

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

Pappu, R., & Cornwell, T. B. (2014). Corporate sponsorship as an image platform: Understanding the roles of relationship fit and sponsor-sponsee similarity, *Journal of the Academy of Marketing Science*, 42(5): 490–510.



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).* 





#### It is Important to resolve this debate

- 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.



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#### (a) Nonprofit sponsorship roster size

- 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.



#### (b) Familiarity with Nonprofit

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 Nonprofit

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.

Simonin, B. L., & Ruth, J. A. (1998). Is a company known by the company it keeps? Assessing the spillover effects of brand alliances on consumer brand attitudes, *Journal of Marketing Research*, 35(1): 30–42



#### 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





#### 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) X 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) X 2 (nonprofit familiarity: low vs. high) between-subjects factorial design
  - <u>Sponsorship articulated</u>



#### **Pre-testing**

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





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





## 6. Results





(N = 124, Undergraduate students)



#### (*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









(N = 279, Consumer panel)







#### Attitude 7 6.02 5.95 6.02 6.05 6 6 5 5 4 3 3 2 2 1 St Vincent de Paul Society Australian Red Cross St Vincent de Paul Society Australian Red Cross *NP*: $F_{1,277} = .177, p = .674, N = 278$ *NP*: $F_{1,277} = .061$ , p = .804, N = 278M = 5.98, SD = 1.31

**Results of Hypothesis Testing** 











### 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