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Factors Influencing Sponsorship ROI in Event Marketing

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Abstract

Sponsorship is a widely adopted marketing strategy to enhance brand awareness, drive sales, and foster brand loyalty. However, measuring the return on investment (ROI) of event marketing sponsorships can be complex, particularly when it comes to quantifying consumer engagement and activation strategies. This research paper focuses on investigating the effectiveness of quantitative data collection methods in identifying strategies for maximizing the ROI of event marketing sponsorships. The study employed a quantitative approach to gather empirical evidence through various data collection techniques. The findings revealed that implementing interactive experiences, leveraging social media, and utilizing influencers as activation strategies can significantly enhance consumer engagement and result in a higher ROI. Moreover, the study identified quantitative consumer engagement techniques such as personalization, storytelling, and emotional branding that contribute to stronger brand- consumer connections and, consequently, higher ROI. These insights offer valuable guidance to companies seeking to optimize the ROI of event marketing sponsorships in Pollachi Municipality by leveraging quantitative data collection methods.

Keywords: Sponsorship, ROI, Event Marketing, Consumer Engagement, Activation Strategies, Personalization, Emotional Branding.

I. INTRODUCTION

Event marketing is a rapidly growing industry that involves promoting products, services, or brands through events and experiences. This industry includes a wide range of events, such as trade shows, conferences, product launches, music festivals, sports events, and more. According Grand View Research's report, the global event marketing industry was valued at USD 1.3 trillion in 2020. It is forecasted to grow at a compound annual growth rate (CAGR) of 5.5% from 2021 to 2028. The market size will be around USD 2.1 trillion in 2028. The growth of the industry is driven by the increasing demand for experiential marketing, rising disposable incomes, and the growing popularity of events as a marketing channel

Event marketing offers a unique opportunity for companies to connect with their target audience. Through that brand awareness are built, leads generated and thus, there will be increase in sales. Companies can leverage events to create memorable experiences for their customers, showcase their products and services, and differentiate themselves from their competitors. The effectiveness of event marketing is reflected in the fact that 91% of consumers are more likely to buy from a brand after attending an experiential event.

Research Problem

The event marketing industry is highly competitive, and companies need to adopt effective strategies to stand out from the crowd. One such strategy is to create events that are personalized, immersive, and interactive. Companies can use data and analytics to understand their target audience and create events that cater to their specific interests and preferences.

Immersive experiences, such as virtual and augmented reality, can transport consumers to different worlds and create unforgettable memories. Interactive experiences, such as gamification, quizzes, and contests, can engage consumers and encourage them to participate actively in the event.

Another effective strategy is to leverage social media to amplify the reach and impact of events. Companies can use social media platforms to promote their events, create buzz, and engage with their target audience before, during, and after the event. Social media can also be used to collect feedback, measure the success of events, and refine future strategies.

In addition, companies can use influencers to promote their events and reach a wider audience. Influencers are individuals who has large following on social media. They are able to endorse products and services and influence the purchasing decisions of their followers. Companies can collaborate with influencers to create sponsored content, promote their events, and reach a new audience.

While previous studies have explored the impact of sponsorship on brand awareness, image, and consumer behavior, there is a research gap in understanding the effectiveness of activation strategies and consumer engagement techniques specifically. This research problem highlights the need for a quantitative data collection method to examine how companies can maximize their ROI in event marketing sponsorships within this region.

Research Objectives

1. To identify whether customer preferences/behavior have a relationship with activations strategies (social media, interactive display, and gamification)
2. To identify whether activation strategies (social media, interactive display and gamification) have a relationship with purchase intention
3. To identify whether activation strategies (social media, interactive display, and gamification) have a relationship with event sponsorship in measuring ROI.

Scope of the Study

The purpose of this study is to identify effective activation strategies and consumer engagement techniques that can help companies maximize their ROI in events. The study employs a quantitative approach, utilizing various data collection techniques supported by relevant sources.

To achieve the research objectives, the study will focus on quantitative methods such as surveys and financial data analysis. The survey is conducted among event attendees to gather data on their preferences, behaviors, and perceptions regarding activation strategies and consumer engagement techniques in event marketing. The survey questionnaire is designed using established measurement scales and validated instruments to ensure the reliability and validity of the collected data (Source: Hair, Black, Babin, & Anderson, 2019).

By employing a quantitative approach, the study provides statistical evidence and numerical insights into the effectiveness of activation strategies and consumer engagement techniques in maximizing ROI.

The research scope encompasses a range of events that companies can sponsor, including trade shows, conferences, product launches, music festivals, and sports events. It investigates various activation strategies, such as social media campaigns, experiential marketing, product demonstrations, and interactive experiences, and their impact on consumer engagement and ROI. Furthermore, the study will explore the importance of aligning the event with the brand and selecting events that align with brand values, products, and services.

Literature Review

According to Fishbein and Ajzen (2010), the Theory of Reasoned Action (TRA) posits that individuals' behavioral intentions are determined by their attitudes towards the behavior and subjective norms. Attitudes are influenced by beliefs about the consequences of the behavior, while subjective norms are influenced by perceived social pressures related to the behavior.

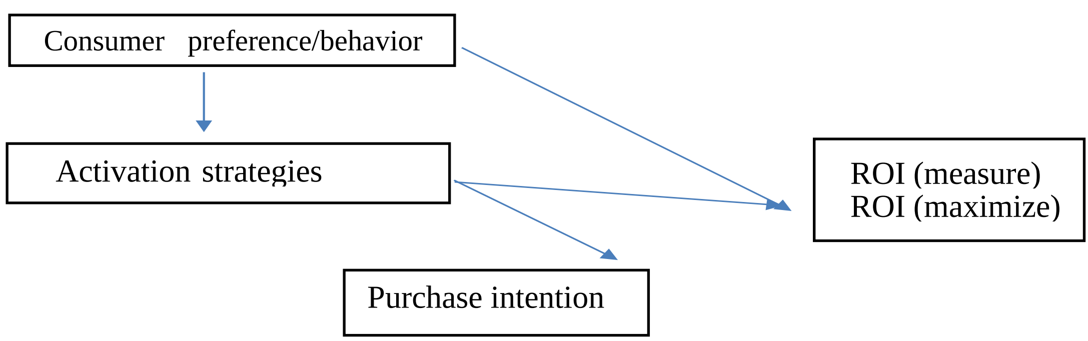
Return on Investment (ROI) is one of the performance measures that is commonly used. It measures the return on an investment relative to its associated costs. It is also used to evaluate and compare investments. Therefore, ROI can bebe usedy decision mamakerso evaluate investments. A good ROI means the returns are favorable to the cost involved. ROI can be used to measure for projects and programs in various field such as marketing, human resource and also for investment decisions, for example in measuring stock portfolio (Subramaniam et al. 2012). According to Meenaghan (1991) sponsorship is "an investment, in cash or in kind, in an activity, in return for access to the exploitable commercial potential associated with this activity".

According to Russell, Cristel Antonia, and Belk, Russell W Effective activation strategies refer to the marketing tactics and initiatives that successfully capture consumers' attention, engage them emotionally, and drive desired consumer behaviors. These strategies are designed to create a favorable brand experience, generate positive associations, and encourage consumers to take action, such as making a purchase, sharing content, or participating in brand-related activities. Experiential marketing is an activation strategy that focuses on creating immersive and memorable experiences for consumers during events. It goes beyond traditional advertising by engaging consumers in a participatory and sensory way, often incorporating interactive elements, storytelling, and emotional connections.

Research Methodology

Research Framework

Figure 1
Research Framework



Consumer Preferences and behavior

This factor involves understanding the target's preferences, behaviors, and expectations. It includes aspects such as their demographic characteristics, interests, motivations, and decision-making processes related to event attendance and engagement.

1. **Event Marketing Strategies:** This factor encompasses the various event marketing strategies employed by companies, such as activation strategies, consumer engagement techniques, personalization, storytelling, emotional branding, and alignment of events with brand values and products/services. The effectiveness of these strategies in maximizing sponsorship ROI will be analyzed.
2. **Sponsorship ROI:** This factor involves evaluating the return on investment (ROI) of event marketing sponsorships in terms of financial metrics, such as the revenue generated, costs incurred, and profitability. The research framework will assess how the alignment of event marketing strategies with consumer preferences and behaviours influences the sponsorship ROI.

Hypotheses Development

1. H1: Customer preferences/behaviour have relationship with activation strategies
   a. H1a: There is a relationship between Customer preferences/behaviour have relationship with activation strategies through social media.
   b. H1b: There is a relationship between Customer preferences/behaviour have relationship with activation strategies through interactive display.
   c. H1c: There is a relationship between Customer preferences/behaviour have relationship with activation strategies through gamification.
2. H2: Activation strategies have relationship with purchase intention.
   a. H2a: Activation strategies through social media have relationship with purchase intention
   b. H2b: Activation strategies through interactive display have relationship with purchase intention
   c. H2c: Activation strategies through gamification have relationship with purchase intention

Research design

The research design will outline the overall plan and structure of the study. A quantitative research design will be employed for this research, as it allows for the collection and analysis of numerical data to draw statistically supported conclusions. A quantitative research approach is suitable for investigating the relationships between variables and testing hypotheses.

Sources of data

The primary data sources for this study will include surveys Questionnaires is developed to collect data from event attendees. The surveys are designed based on the research framework and objectives to gather information on consumer preferences, behaviors, and perceptions related to event marketing strategies and sponsorship ROI.

Secondary data sources, including academic journals, industry reports, and relevant publications, will also be utilized. These sources will provide theoretical background, industry insights, and benchmark data for comparison and validation purposes.

Data Analysis and Results

Descriptive statistics

Table 1
Gender

Gender	Respondents	Percentage
Male	133	62.4
Female	80	37.6
Total	213	100

Interpretation:

The data provided shows the gender distribution among a group of respondents. Out of a total of 213 individuals, 133 (62.4%) identified as male, while 80 (37.6%) identified as female. This indicates that there is a higher proportion of males within this particular group. However, it's important to note that these percentages are based on the respondents' self- identified gender and may not represent the overall gender distribution in the wider population. It would be useful to further analyze this data in relation to other factors or conduct additional research to gain a deeper understanding of the gender dynamics within this group.

Table 2
Marital status

Marital status	Percentage	Respondents
Single	61.5	131
Married	38.5	82
Total	100	213

Interpretation:

The data provided shows the marital status of a group of respondents. Out of a total of 213 individuals surveyed, 61.5% (131 respondents) reported being single, while 38.5% (82 respondents) reported being married. This data indicates that a significant majority of the respondents are single, comprising more than three-fifths of the total group. On the other hand, married individuals make up a smaller portion, representing less than two-fifths of the surveyed group. These findings highlight the prevalence of single individuals within the sample and suggest that the group may consist of a larger proportion of unmarried individuals.

Table 3
No. of years of experience

No. of years of experience	Percentage	Respondents
Below 5 Years	39.9	85
5-10 Years	22.1	47
10-15 Years	26.8	57
More than 15 Years	11.3	24
Total	100	213

Interpretation:

The data provided represents the distribution of respondents based on their years of experience in a particular field. The survey collected information from a total of 213 participants. It is evident that the majority of respondents, accounting for 39.9% (85 individuals), have less than 5 years of experience. Following this group, 22.1% (47 individuals) fall within the 5-10 years' experience range. Another significant portion, 26.8% (57 individuals), have been working in the field for 10-15 years. Lastly, the survey reveals that 11.3% (24 individuals) have accumulated more than 15 years of experience. Overall, this data provides insights into the distribution of respondents based on their varying levels of professional experience, allowing for a better understanding of the demographic makeup of the surveyed population.

Table 4
Educational qualification

Educational qualification	Percentage	Respondents
No formal education	4.7	10
School education	12.7	27
UG	29.6	63
PG	47.9	102
Others	5.2	11
Total	100	213

Interpretation:

The data provided presents the educational qualifications of a group of respondents. Out of the total 213 respondents, it is observed that 4.7% (10 individuals) reported having no formal education, indicating that they did not attend school or receive any structured education. School education was reported by 12.7% (27 individuals), suggesting that they completed their basic schooling. The largest proportion of respondents, 29.6% (63 individuals), indicated that they had completed an undergraduate degree (UG), signifying a higher level of education beyond school. The next highest category was postgraduate (PG) qualification, which was reported by 47.9% (102 individuals), indicating that they had pursued further specialization beyond their undergraduate studies. A smaller percentage of respondents, 5.2% (11 individuals), fell into the "Others" category, which could include individuals with vocational or professional qualifications not covered by the previous categories. Overall, the data suggests a diverse range of educational qualifications among the respondents, with a significant proportion having completed postgraduate studies.

Table 5
Employment status

Employment status	Percentage	Respondents
Full time employee	19.7	42
Part time employee	13.6	29
Self employed	19.7	42
Student	37.1	79
Retired	5.6	12
Unemployed	3.8	8
Total	100	213

Interpretation:

According to the data provided, a survey was conducted to determine the employment status of a group of 213 respondents. The results indicate that the majority of the respondents, accounting for 37.1% (79 individuals), identified themselves as students. This suggests that a significant portion of the surveyed group is currently engaged in educational pursuits. Additionally, approximately 19.7% (42 individuals) each mentioned being full-time employees or self-employed, indicating a sizable portion of the respondents are actively involved in professional work. Part-time employees constituted 13.6% (29 individuals) of the sample, implying that a smaller yet notable proportion of individuals have part-time employment arrangements. Furthermore, a small percentage of the respondents (5.6% or 12 individuals) were identified as retired, suggesting they have concluded their professional careers. Lastly, 3.8% (8 individuals) reported being unemployed, indicating that a minority of respondents were actively seeking employment. This data provides an overview of the employment statuses within the surveyed group, illustrating the diversity of employment situations and highlighting the significant presence of students and individuals engaged in full-time and self-employment.

Table 6
Age

AGE	Percentage	Respondents
Below 20 years	16	34
20-25	25.8	55
26-30	30.5	65
31-35	23.5	50
36-40	3.8	8
Above 40	0.5	1
Total	100	213

Interpretation:

The data presented represents the age distribution of a surveyed population. Among the respondents, the largest age group was between 26 and 30 years, accounting for 30.5% of the total. This was followed by the 20-25 age group, representing 25.8% of the respondents. The age groups below 20 and 31-35 accounted for 16% and 23.5% respectively. The remaining age groups, 36-40 and above 40, had smaller percentages of 3.8% and 0.5% respectively. Overall, the data suggests that the majority of respondents fell within the range of 20 to 35 years, with a relatively smaller proportion in the older age brackets.

Table 7
Attended an Event Sponsored by a Company in the Past Year

	Percentage	Respondents
Yes	65.3	139
No	34.7	74
Total	100	213

Interpretation:

According to the data provided, 65.3% of the respondents (139 out of 213) have attended an event sponsored by a company in the past year, while 34.7% (74 out of 213) have not. This suggests that a majority of the respondents have participated in events sponsored by companies, indicating a significant level of engagement with corporate-sponsored activities. These events could include conferences, product launches, seminars, or other promotional gatherings. The data highlights the value and popularity of such events, demonstrating the interest and willingness of individuals to engage with companies in a live setting. This information could be useful for companies seeking to enhance their marketing strategies and engage with their target audience through event sponsorship.

Table 8

Attend events sponsored by companies

	Percentage	**Respondents**
Frequently	29.6	63
Rarely	55.4	118
Sometimes	15	32
Total	100	213

Interpretation:

According to the data provided, out of a total of 213 respondents, the majority (55.4%) reported attending events sponsored by companies rarely. On the other hand, a significant portion (29.6%) mentioned attending such events frequently. The remaining 15% stated that they attend these events sometimes. These findings suggest that a significant number of respondents do not actively participate in company-sponsored events, while a smaller but notable group does so on a frequent basis. This indicates a varied level of engagement and interest among the respondents when it comes to attending these types of events.

Table 9

Have you ever made a purchase from a company as a result of attending an event they sponsored

	Percentage	**Respondents**
Yes	65.3	139
No	34.7	74
Total	100	213

Interpretation:

The data shows that out of 213 respondents, 65.3% of them have made a purchase from a company as a result of attending an event they sponsored. This indicates that a majority of the respondents have been influenced by event sponsorship and have engaged in purchasing products or services from the sponsoring company. On the other hand, 34.7% of respondents have not made any purchases as a result of attending sponsored events. Overall, this suggests that event sponsorship can be an effective marketing strategy for companies, as it can positively influence consumer behavior and drive sales.

Findings and Conclusions

Findings

Customer preferences/behavior have a relationship with activation strategies

1. H1a: There is a relationship between Customer preferences/behavior have relationship with activation strategies through social media.

   The test results show the Pearson Chi-Square value is 7.157 and the p-value is 0.128, which is above the conventional significance level of 0.05. Therefore, there is no statistically significant relationship between Customer preferences/behavior and activation strategies through social media. The hypothesis is not supported. This means social media that is currently used is not an effective tool to affect customer preferences. A supporting study is by Coelho et al. (2016) who found social media does not impact on customer engagement.
2. H1b: There is a relationship between Customer preferences/behaviour have relationship with activation strategies through interactive display.

   The test results show the Pearson Chi-Square value is 9.988. and the p-value is 0.041, which is below the conventional significance level of 0.05. Therefore, there is a statistically significant relationship between Customer preferences/behaviour and activation strategies through interactive display. The hypothesis is supported. This means interactive display that is currently used is attractive to influence the customer preferences. This finding is in line with Hsiao et al. (2021) who found experiential marketing activation does influence the sports sponsorship and the sponsor's brand equity.
3. H1c: There is a relationship between Customer preferences/behaviour have relationship with activation strategies through gamification.

   The test results show the Pearson Chi-Square value is 2.774 and the p-value is 0.598, which is above the conventional significance level of 0.05. Therefore, there is no statistically significant relationship between Customer preferences/behavior and activation strategies through gamification. The hypothesis is not supported. This means gamification that is currently used is not an effective tool to affect customer preferences. This result is contradictory to Harwood and Garry (2015) who found gamification has a relationship with customer engagement.

Activation strategies have a relationship with purchase intention.

1. H2a: Activation strategies through social media have a relationship with purchase intention

   The test results show the Pearson Chi-Square value is 14.850 and the p-value is <.001, which is below the conventional significance level of 0.05. Therefore, there is a statistically significant relationship between activation strategies through social media and purchase intention. The hypothesis is supported. The result indicates that social media does influence the purchase intention. This finding is in line with Hsiao et al. (2021) who found experiential marketing activation does influence purchase intention.
2. H2b: Activation strategies through interactive display have relationship with purchase intention

   The test results show the Pearson Chi-Square value is 25.551 and the p-value is <.001, which is below the conventional significance level of 0.05. Therefore, there is a statistically significant relationship between activation strategies through interactive display and purchase intention. The hypothesis is supported. The result indicates that interactive display does influence the purchase intention. This finding is in line with Hsiao et al. (2021) who found experiential marketing activation does influence purchase intention.
3. H2c: Activation strategies through gamification have relationship with purchase intention

   The test results show the Pearson Chi-Square value is 19.699 and the p-value is <.001, which is below the conventional significance level of 0.05. Therefore, there is a statistically significant relationship between activation strategies through gamification and purchase intention. The hypothesis is supported. The result indicates that gamification does influence the purchase intention. This finding is in line with Hsiao et al. (2021) who found experiential marketing activation does influence purchase intention.

Limitations of the Study

While this study provides valuable insights into the analysis of sponsorship ROI in event marketing, it is important to acknowledge its limitations. The limitations include whereby the study relied on a specific sample size within a localized area. As such, the findings may not be fully representative of all companies or industries. Further research with larger and more diverse samples is recommended to enhance the generalizability of the findings.

The data for this study was collected through surveys, which may be subject to response biases or limitations in data accuracy. Future studies could consider incorporating additional data collection methods, such as interviews or observational studies, to triangulate findings and provide a more comprehensive understanding of sponsorship ROI in event marketing.

The study focused on, and the findings may be influenced by specific contextual factors unique to that region. External factors, such as economic conditions, cultural influences, or industry-specific dynamics, were not extensively explored. Future research could consider examining sponsorship ROI in event marketing across different geographical locations or industries to provide a broader perspective.

II.CONCLUSION

The objectives of the study have been achieved, and it has been determined through analysis. Therefore, in order to have a successful event and ability to measure and maximize the customer preferences, engagement, activation strategies are all critical.

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