

**THE IMPACT OF SPONSORSHIPS AND THEIR ACTIVATION THROUGH
DIGITAL MEDIA ON BRAND AWARENESS IN THE REPUBLIC OF
MACEDONIA**

**UTJECAJ SPONZORSTVA I NJIHOVA AKTIVIRANJA KROZ DIGITALNIH
MEDIJA NA ZNANJU ZNANJA U REPUBLICI MAKEDONIJI**

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Abstract

In this research paper an attempt was made for a wider elaboration and analytical approach to marketing management from the perspective of sponsorships and their effect on brand management. The wider scope of the paper covers sponsoring as part of the marketing strategy of companies, but also from the aspect of influence on customers, elaborating the enhanced effect on brand performance. Specifically the research focuses on the use of digital media in communicating sponsorships, as well as on the experiences and effects of the use of sponsorships in companies in the Republic of Macedonia.

The research question is related to the use of digital versus traditional media. The main hypothesis in the paper is whether sponsorships are an effective tool of the communication mix, and whether their activation increases brand awareness. The second hypothesis is the assumption that digital media offers greater efficiency in activating sponsorships expressed through the level of coverage and engagement of the target group versus traditional media.

By using a survey questionnaire on a sample of Macedonian companies, quantitative results were obtained, which further by statistical analysis (cumulative frequency, percentage frequency and arithmetic mean) provide data for confirming/ rejecting the set hypotheses.

Regarding the main hypothesis the research results indicate generally low level of application of sponsorships in Macedonian companies. Regarding the use of digital media, we can conclude that they positively influence the increase of brand awareness.

Key words: sponsorship, brand management, corporate marketing communication, digital media.

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Sažetak

U ovom istraživačkom radu napravljen je pokušaj šireg elaboracionog i analitičkog pristupa marketing menadžmentu iz perspektive sponzorstava i njihovog efekta na upravljanje brandovima. Širi spektar rada pokriva sponzorstvo kao dio marketinške strategije kompanija, ali i sa aspekta uticaja na kupce, elaborirajući poboljšani efekat na performanse brenda. Konkretno, istraživanje se fokusira na korišćenje digitalnih medija u komuniciranju sponzorstava, kao i na iskustvima i efektima korišćenja sponzorstava u kompanijama u Republici Makedoniji.

Istraživačko pitanje odnosi se na upotrebu digitalnih i tradicionalnih medija. Glavna hipoteza je da li su sponzorstva efikasan alat komunikacionih kombinacija i da li njihovo aktiviranje povećava svijest o brandovima. Druga hipoteza je pretpostavka da digitalni mediji pružaju veću efikasnost u aktiviranju sponzorstava izraženih kroz nivo pokrivenosti i angažovanja ciljne grupe nasuprot tradicionalnim medijima.

Korišćenjem anketnog upitnika na uzorku makedonskih kompanija dobijeni su koantitativni rezultati, koji dalje putem statističke analize (kumulativna učestalost, procentualna frekvencija i aritmetička sredina) pružaju podatke za potvrđivanje / odbijanje postavljenih hipoteza.

Što se tiče glavne hipoteze, rezultati istraživanja ukazuju na generalno nizak stepen primene sponzorstava u makedonskim kompanijama. Što se tiče korišćenja digitalnih medija, možemo zaključiti da oni pozitivno utiču na povećanje svijesti o brendu.

Ključne reči: sponzorstvo, upravljanje brendom, korporativna marketinška komunikacija, digitalni mediji.

1. INTRODUCTION

The primary research interest and motive of this paper is based on the global function of sponsorships in modern marketing. The reasons arise from the growing presence of sponsorships communication in digital marketing, as well as from the traditional significant social function of sponsorships in helping events and projects of public interest.

The main research problem in this paper is the role and importance of sponsorships in modern marketing, where elaboration begins with their role and significance in marketing management. Special place in this paper is devoted to the issue of the use of sponsorships by the companies in Macedonia. In addition to the aforementioned research objectives, this paper also attempts to answer several open questions and marketing decision dilemmas related to the use of digital versus traditional media in activating and communicating sponsorships.

The research part of this paper consists of several levels, one of which is literature review, as well as empirical research on the influence of sponsorships and their activation through digital media. This research tries to define the impact of activation of sponsorships through digital media on brand awareness among companies in Macedonia. Semi-structured interviews were also conducted in order to analyze the experience of companies related to inclusion of sponsorships in the communication and marketing mix.

The first part consists of literature review and definition of sponsorships, forms and main reasons for using sponsorships, as well as the relation between sponsor-

ships and digital media. In this part, special attention is paid to the impact of activation of sponsorships through digital media on brand performance and business goals achievement. The second part presents the research methodology, while in the third part are presented the research results. The last part finalizes the concluding observations of interest for sponsorships in Macedonia and their relation with the digital media.

2. SPONSORING AS A BRAND BUILDING TOOL

Sponsorship is different tool for brand building from other elements of the marketing and communication mix, and it is necessary to manage it in a different way. Sponsoring involves business association of the brand with a sports event, team, organization, project, cultural event, humanitarian event or entertainment event. In sponsorship, the owner can put product name, which will appear in the advertising of the brand on the event (Aaker & Joachimsthaler, 2000).

Due to the wide range of marketing events, sponsoring is interpreted as part of marketing management (Cornwell & Maignan, 1998), whereas the sponsor's promotion is in return for funding of the event. Some different is the situation with socially responsible marketing. This two types of promotion can be linked, but still are independent from one another (Rajh, 2006). Social responsibility is one of the strongest tools in raising brand awareness and brand building generally, which in today's society may be the most valuable property of any company (Nujic, 2009).

During sponsorship activation, the level of brand awareness grows among the target audience. The values obtained from this venture are: increased presence of the company, improved corporate reputation in social context, increased brand recognition and brand awareness (Batu, 2010). What is particularly important is that the sponsor maximizes his sponsorship through the use of additional promotional and communication activities ensuring the sponsorship to become more effective, both in terms of operational and financial benefits (Day, 2009) .

Strategic approach to sponsoring that contributes to the corporate brand building and is part of corporate communication, must consider (Vračar, 2010) whether each particular sponsorship is in line with the brand's strategy, policy and values, which is the target audience of the sponsored project and whether the sponsored event will be covered by the media for mass communication. If the sponsor is interested in the event being shown on television, the question arises whether this activity will be attractive to be broadcasted and whether there will be enough interest to be viewed by the target audience.

Many companies that use sponsorships are avoiding to talk about the effects of sponsorships. The reason is that for sponsorship there is no generally accepted way for precise quantitative measurement of the effects as for other marketing activities. Sponsorship is used in order to achieve certain business goals, but the company is at the same time aware that it will not be able to accurately measure the level of their fulfillment.

According to Sleight (2004), measuring the set sponsorship goals is done by measuring the level of audience exposure to the sponsored event and the sponsor's popularity (recognition, partial recognition and full recognition). The benefit of the activated sponsorship is perceived through increased brand awareness versus the previous level of awareness before the sponsorship. The results of the achieved level of awareness, have an impact on the company's next investments in sponsorships, and it is one of the criteria in preparation of future sponsorship plans (Cliffe & Motion, 2005).

3. DIGITAL MEDIA AND SPONSORSHIPS COMMUNICATION

Most of the companies that for years use sponsorships as part of their communication mix are not yet involved in the digital era, or at least do not use digitalization in their marketing efforts. Namely, many companies need additional knowledge and education about the impact and significance of digital marketing. This is the basic reason why only small number of companies are deciding to activate sponsorships through digital media, and when they decide on it, they allocate a small, almost insignificant part of the budget.

According to Santomier (2008), new media are becoming an important dimension of branding because they offer an opportunity for communication with consumers around the world through powerful digital platforms. The technology and development of digital media significantly increases the utilization and, consequently, the value of sponsorships around the world, which sets new challenges for brands in terms of mastering and applying marketing skills for greater utilization of technological infrastructures in the direction of long-term brand building. Digital marketing, in all its forms, adapts to the new environment and uses all modern technological advancements in communication and interaction with the audience and with a great deal of creativity achieves the set goals (Landry, 2012). Taking into account that the global internet network and especially the social media are constantly expanding and there are a growing number of users, the advantages of digital media are increasing. All this creates new online opportunities for sponsorships on digital media (Voight, 2007).

Wilcox (2012) emphasized that companies and brands in contemporary society have the opportunity to communicate with the "market" by means of new media and social networks, thus dramatically overcoming restrictions of traditional media. Today, companies can not afford absence from social networks, such as Facebook, Twitter, LinkedIn, Google+, Youtube, Pinterest, Snapchat and it's desirable for companies to develop strategy for their presence on all major social networks. Professor Wilcox (2012) found that nearly 80% of companies actively respond to tweets on their Twitter account, 85% answer questions and remarks, and 55% participate regularly in online communication with consumers.

In recent practices, companies that decide to use sponsorships and activate them through digital media also use sponsorship and advertising on television

media. This means that digital media is becoming part of the media mix joining traditional mass communication media. Sponsors are becoming active in several media outlets through which they promote their brand and reach larger part of the target audience. This increases their brand awareness and consequently positively influences their sales. More specifically, sponsors achieve better results in increasing brand awareness and brand strength by applying multiple communication platforms (TV, PR, digital media, etc.). The use of new media in the activation of sponsorships has an impact on the efficiency improvement in reaching consumers.

Today, sponsoring as a part of multichannel and multiplatform marketing communication is a reality, but how and how much it is applied in the Republic of Macedonia is not explored enough. This research will provide a basic understanding of the know-how of companies on sponsoring, the level of usage of sponsoring, the usage of digital media in their activation and measuring its influence on brand building.

4. RESEARCH METHODOLOGY

The research subject of this paper is the influence of sponsoring on increasing brand awareness among companies in the Republic of Macedonia, as well as the operational results from sponsorships, referring also to the role of the digital, primarily social media, in the co-creation of communication content and communication efficiency increase.

Research goals are directed towards:

- Analysis and assessment of the level of brand awareness at Macedonian companies after activation of sponsorships and the related communication campaigns,
- Gaining knowledge and understanding of the level of Macedonian companies that believe that sponsoring really contributes to increased brand awareness, and
- Exploring the extent of the impact on brand awareness of activating sponsorships through digital media versus activation through traditional media.

Survey questionnaire, composed of open and closed type questions, was used as a research tool, with the respondents having the opportunity to select one of the offered answers. The survey questionnaire was conducted in Macedonian companies that use sponsoring in their business operations, and were open for cooperation.

The research helped identifying the most common types of sponsorships used by Macedonian companies and their experience from the activation of sponsorships through digital media. Also, the research included open-end questions, where the respondents presented their views on sponsorships activation through digital media, efficiency, success, impact on the brand, etc. The research included employees and managers from the selected companies.

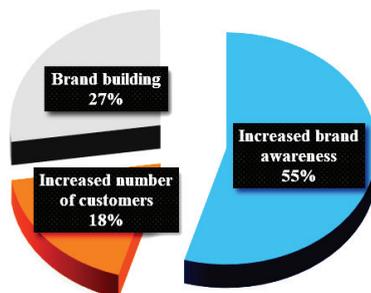
The research sample included total of 99 respondents from 50 companies operating the Macedonia. The research was conducted in the first 6 months of 2016. According to the gender structure, 40.4% of the respondents are male, while 59.6% are female. Regarding the age structure, 6.1% of respondents are between the ages of 18 and 25, 81.8% are at the age of 26 to 35, 11.1% are aged 36 to 45, and 1% are aged 46 to 55 years. According to the educational level, 4% of the respondents have completed high school education, 3% have college education, 51.5% have completed higher education, 39.4% are masters of science and 2% are doctors of science. According to the working experience of the interviewed respondents in the companies in which they work, 70.7% have an experience of less than 5 years, 25.3% have an experience of between 6 and 10 years and 4% have working experience between 11 and 15 years.

5. RESULTS AND DISCUSSION

According to the empirical research of companies in Macedonia, the results show that most of the companies, 68% of the surveyed companies, use sponsoring and plan to continue to use in the future. Only a small percentage, only 3% said they had sponsored in the past, but they do not intend to continue in future, 18% said that they have not applied sponsorships activation so far, but in the future they plan, and the remaining 11% have not used sponsoring and do not plan to use.

Regarding the question "What are your goals when applying sponsorship?" the results are shown in (Graph 1) and it can be concluded that in the majority of cases, for 55% of respondents, when applying sponsorship the main goal is increased brand awareness, while 27% of respondents emphasized brand building, and 18% said that the main goal was to increase the number of customers.

Graph No.1 - What are your sponsorship goals?

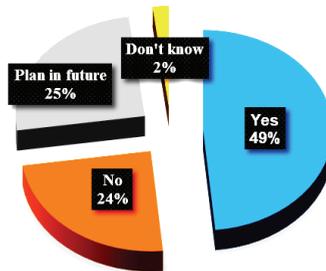


(Source: authors research)

Therefore, it can be concluded that companies that decide to use sponsorships in their communication mix, primarily aim to strengthen their brand's awareness, and only then to attract more customers, which is in the interest of the research question on the importance of sponsoring towards building stronger brands.

From the answers to the question: "Do you activate sponsorships through digital media (web pages, social networks, etc.)?", as shown in (Graph 2), can be concluded that the majority 49% of the respondents pointed out that their company activates sponsorships through digital media, 24% do not activate sponsorships through digital media, 25% plan to do it in the future, and 2% do not have answer to this question. This shows average utilization of digital media, but there is still interest and positive intention for the future.

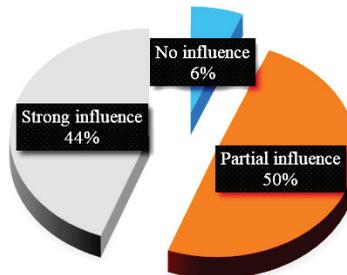
Graph No. 2 - Do you activate sponsorships through digital media?



(Source: authors research)

The responses to the question (Graph 3): "How much do you think the activation of sponsorships through digital media influences the increase of brand awareness?", shows that the respondents estimate that digital media have major impact on brand awareness, as many as 44% say it has strong influence and 50% of the respondents say that activation of sponsorships through digital media partially affects the brand awareness. Very small percentage of respondents, only 6% think that activation of sponsorships through digital media has no influence on brand awareness.

Graph No. 3 - Influence of the activation of sponsorships through digital media on brand awareness increase

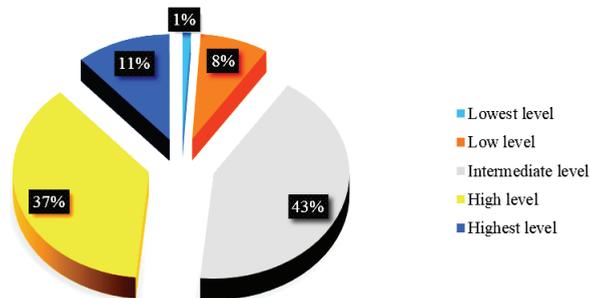


(Source: authors research)

Also, on the question of the level of satisfaction with building brand awareness by activating sponsorships through digital media, on a scale from 1 to 5, presented in Graph 4, the majority of the respondents (91%) answered positively. 43% of the

respondents rated their satisfaction at an intermediate level, 37% of the respondents rated their satisfaction at a high level and 11% rated it at the highest level. Only 9% are unsatisfied, where 8% are at a low level and 1% at the lowest level. This clearly shows significant positive opinion and satisfaction with using digital media in sponsorship campaigns.

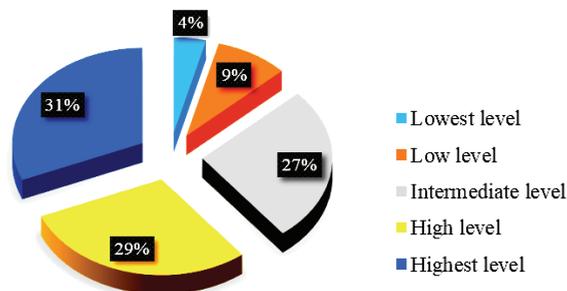
Graph No. 4 - Satisfaction with building brand awareness by activating sponsorships through digital media



(Source: authors research)

To the question: "Evaluate, how much do you agree that digital media offer greater efficiency, both from the aspect of generating content and from the aspect of the level of coverage of the target audience, compared to traditional media", the results are shown in Graph 5.

Graph No. 5 – Greater efficiency of digital media both from the aspect of generating content and from the aspect of the level of coverage of the target audience, compared to traditional media



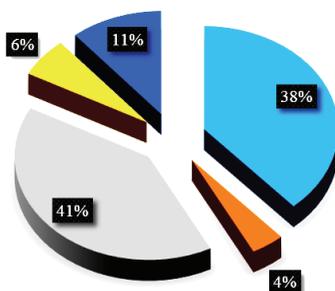
(Source: authors research)

From the results shown in Graph 5 it can be seen that most respondents, 31% agree at the highest level that digital media is more efficient in generating content, but also with a larger coverage of the target audience versus the efficiency and coverage of traditional media, 29% of respondents agree to a high level, 27% agree

on intermediate level, 9% agree at a low level and 4% agree on the lowest level, i.e. disagree.

The research further analyzes the experience in creating brand awareness through the question: "According to the experience so far, better results in building brand awareness have been experienced through." which gave the results as shown in Graph No. 6.

Graph No. 6 - Best results in creating brand awareness in the public achieved through

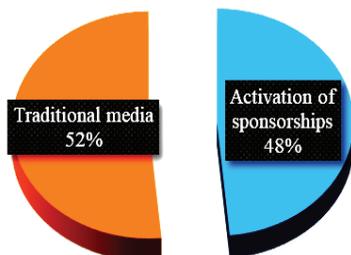


(Source: authors research)

According to the survey results shown in Graph 6, it can be seen that according to the past experience, the best results in the creation of brand awareness in the public were noted by the use of digital media 41%, however, traditional media should not be neglected, where 38% of the respondents pointed out to TV, 11% to events sponsorships, 6% to billboards and 4% to radio.

Also in terms of efficiency in investing in sponsorships and their activation or in traditional media, respondents showed divided opinions. The answers to the question: "Is it more efficient to invest in sponsorships and their activation or in traditional media?" are shown in Graph 7.

Graph No. 7 - Efficiency of investing in sponsorships and their activation versus investing in traditional media



(Source: authors research)

A slightly larger percentage (52%) of the respondents consider that the investment in traditional media is more efficient than the same in sponsorships and their activation, while 48% of the respondents consider the opposite. However, in this case, the goals of the company are not taken into account, because the decision to use one or the other communication tool depends on the marketing communication goals and the overall corporate communication strategy towards building a recognizable brand on the market.

6. CONCLUSION

Through the conducted empirical research, it can be concluded that sponsoring, especially on the Macedonian market, is one of the most efficient and effective tools of the communication mix. By promoting its brand and products through sponsorships, companies are increasing customer loyalty and sales results thus achieving their operational and financial business objectives. As a consequence of the previously stated arguments derived from the conducted research, sponsorships can be regarded as efficient communication tool and if properly activated, can have immense positive impact on brand awareness and brand recognition.

Sponsoring is used as well by the Macedonian companies as part of their marketing communication strategy in order to improve brand image and reputation. Digital media offer opportunity for efficient activation of sponsorships and if properly used they provide unlimited possibility for effective two way communication between the company, its brand and the target audience. With the help of digital media, sponsorships achieve new dimension, where even people who do not attend the sponsored events will become aware of it, can follow it and dependably on the activation method even take part in it in an interactive way. Digital media and especially social collaboration platforms also offer a unique opportunity for customer interaction and communication content co-creation, which in the past was almost unimaginable.

It can therefore be concluded that digital media serves as an effective tool for companies, for efficient implementation and activation of sponsorships, regardless of the industry they belong to and regardless of their size. It can even be said that the smaller the company, more effective and more useful is the use of digital media when activating sponsorships and communicating in general. Accordingly, we can conclude that if digital media are used properly, the value of sponsorships will increase and the impact on brand awareness will be greater.

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