The Impact of Brand Awareness on Companies' Marketing Strategies

Alexandra Zaif
andra.zaif@yahoo.com
“Transilvania” University of Brasov, Romania

Within this paper, we will try to emphasize the importance of brand awareness and its significant role in brand-building, discussing how companies implementing brand-awareness marketing strategies will have a substantial role in creating brand image, strengthening brand equity and increasing profitability. Firstly, we will conduct an empirical research based on previous published literature concerning brand awareness and will discuss the effectiveness of marketing strategies that incorporate in their objectives brand awareness increase, acknowledging its impact on significant factors such as brand image, sales increase, influencing customer behavior and other important equity-related aspects. We will try to corroborate our statements by referring to a marketing strategy designed to enhance brand awareness and stimulate other brand-equity dimensions (brand association, brand loyalty, etc.), as well as generate higher sales revenues, namely sponsorship and we will discuss a particular category, respectively sponsorship in the sports industry. The study case will be concluded with an example of a successful partnership involving a sponsorship agreement between a reputable multinational food and beverage corporation, PepsiCo (known for famous products such as Pepsi soft drinks and foods such as Lay’s Chips) and one of the most important events expected by football enthusiasts around the world, the UEFA Champions’ League annual tournament.

Keywords: brand awareness, brand image, sponsorship, marketing strategies, sports industry

1. Introduction

Kotler (1991) defines the term “brand” as a name, term, sign, symbol, or design, or a combination of them, which is intended to identify the goods and services of one seller or groups of sellers and to differentiate them from those of competitors. Consumers are likely to choose a well-known, familiar brand rather than an ordinary product, when it comes to making a purchase decision. Their reason may be determined by psychological factors, given that a recognizable brand has a strong brand image and is perceived as trustworthy; customers often rely on brands due to the fact that, mentally, they assume certain brands will guarantee them high standards of quality and services provided and the perceived purchasing risk will be reduced. Nowadays, due to higher than ever information accessibility and continuous technology innovations, accessibility to a wide range of products and services has increased. Therefore, brands facilitate consumers’ decision making, signalling the source of the product and offering a fast, clear guidance to its characteristics and benefits it has to offer and measuring quality expectation.

2. Brief literature review

2.1 Brand awareness

Considered one of the fundamental dimensions of brand equity, brand awareness reflects consumer’s ability to identify a certain brand under different circumstances—the likelihood that the brand name will come to mind and the ease with which it does so (Keller, 1993).

Brand awareness also involves linking the brand (the brand name, logo, symbol, etc.) to certain associations held in the consumer’s memory (that can be positive or negative), shaping their perception of the brand and creating brand image. The presence of strongly held, favourable associations that are unique to the brand and imply superiority over other brands is what makes a brand successful. Creating a strong brand within consumer’s minds will result in a positive brand evaluation, as well as a consistent brand image.
Along with brand image, brand awareness distinguishes the brand knowledge system (defined as a brand node in memory with a variety of associations linked to it). \textit{Brand awareness} is related to the strength of the brand node or trace in memory. (Keller, 1993).

\textit{Brand awareness} consists of the following components:

- Firstly, brand recognition, reflected in the consumer’s capacity to identify the brand, due to prior exposure, when given the brand as a cue. For instance, brand recognition answers the question of whether or not a consumer can identify a cereal brand such as Kellogg’s Corn Flakes in a supermarket, if they were previously exposed to it.
- Secondly, brand recall occurs when consumers are able to retrieve and place a brand from their own memory, when given as a cue aspects such as product category, needs fulfilled by the respective category or a purchase or usage situation. Therefore, recall of Ariel may happen when a consumer will think of what brand in the detergent category should he decide to purchase, or maybe, when thirsty, the first brand which comes to their mind will be Coca-Cola.

A representative scheme of the brand-knowledge system concept by Keller (2003) is represented in the following figure:

![Brand Knowledge System Concept](image)

**Figure 1:** The brand knowledge system concept by Keller (2003)

Taking into consideration previous statements, we can assert that brand awareness represents the first stage in including a certain brand of products in the consideration set when making buying decisions.

Increasing brand awareness plays a pivotal role in building a strong brand image, and consequently, of brand equity. High levels of brand awareness and a positive brand image increase the probability of brand choice, as well as produce greater consumer loyalty, protecting the production company against competitors’ marketing strategies.

Therefore, it is significantly important that companies’ marketing strategies should encompass methods designed to enhance brand awareness in order to establish favorable, strong, and unique associations in consumer’s memory. Through repeated exposures to a brand, people tend to become familiar with it, leading to a greater ability to recognize and recall the respective brand.

The appropriate marketing strategy to increase brand awareness should be through constant, repeated exposure of the brand and its defining elements through different channels;
frequent and proeminent mentions in advertising and promotion vehicles can increase consumer exposure to the brand, as can events or sponsorship, campaigns, publicity, and other activities.

3. Sponsorship as a brand-building marketing tool

Sponsorship is considered one of the most powerful communication tools used in marketing activities, becoming widely used by companies as one of their main strategies (Grey et al., 2003).

There are various interpretations encountered in published literature, but, broadly, sponsorship is viewed as an investment, in cash, in an activity, a person or an event (sponsoree), in return for access to an exploitable commercial potential associated with the sponsored activity, person or event by the investor (sponsor) in order to raise its profile, improve its image (corporate image of brand or product), enhance awareness, attract customers and possibly to increase sales (Meenaghan, 1998).

Sponsorship implies commercial association of a brand with properties such as cultural attractions, causes, sporting events, teams, the arts, etc., offering a unique advantage in brand-building, due to the fact that it can become a part of people’s lives, differentiating itself from advertising, which can sometimes tend to be invasive, by attempting to convince and change perceptions (Aaker & Joachimsthaler, 2000). The process and result of the brand-building efforts implicating sponsorship can positively impact the employees (at an internal level), the other brand partners and the customers (external level).

Sponsorship has become a more popular communication instrument among customers, because, as it has been mentioned above, communication techniques such as advertising can sometimes be viewed as manipulative (Meenaghan, 1998). Thus, when channeling the brand by the sponsorship strategy can be more effective, taking into consideration that potential clients are sharing enjoyable moments in a favorable environment. For example, event sponsorship increases the opportunity to connect and interact with customers and establish long-term relationships, enhancing loyalty towards the brand.

The benefits can be regarded from an emotional point of view, considering that the parts involved in the sponsorship process tend to be more engaged and are working together to obtain a certain level of pride from the eventual outcome of the sponsorship agreement, generating a greater level of synergy among those participating in the project (Aaker & Joachimsthaler, 2000). Often, in team sponsorship, the emotional involvement is higher because there is a certain attachment to a goal and a winner. Relying upon particular interests towards a certain activity and channeling the brand’s image through sponsorship is a strong marketing strategy, used internally and externally. Aaker and Joachimsthaler (2000) state that the dominant reason for sponsorship is to achieve „an association among a target segment”.

Publicity is the most effective way to introduce a new product, and sponsorship can be an excellent method to raise its awareness, enhance its visibility, and implicitly, connect the brand to the event (Aaker & Joachimsthaler, 2000). The ways in which sponsorship can contribute to brand-building are represented below in Figure 2:

![Figure 2: Building brands through sponsorships](image-url)
3.1 The objectives of sport sponsorship

Numerous researchers have identified various objectives of sponsorships, but in this study we will enumerate the most important of them and briefly explain them, referring to several distinct authors.

The first set of objectives we will be discussing about are the ones according to Jobber (2007), which consist of five principals:

- **Creating promotional activities**: by sponsoring events, companies are given the opportunity to promote their brands, logos and products (examples include branded t-shirts, pens and all types of branded merchandise) which will lead to increased brand awareness and higher sales revenues;

- **Improving community relationships**: this involves the social responsibility factor, which gives the company a caring and socially responsible image to the customers (for example, The Body Shop cosmetics company’s campaign involving environmental protection, animal rights by sponsoring posters in 1985 for Greenpeace and presenting a petition against animal testing);

- **Fostering favourable brand and company associations**: by associating a company with the positivity of the event and transferring the positive feelings towards the products as well.

- **Creating entertainment opportunities**: when a celebrity accepts to endorse the sponsored event, it will be a great publicity source, which will increase customer interest towards the event, and the branded product.

- **Gaining publicity**: through sponsorship, companies can reach a wide audience at a global level, by increasing their awareness due to publicity resulted from extensive media coverage, which will attract more customers.

An alternative study conducted by Dolphin (2003) lists the following sponsorship objectives:

- Enhancing corporate image by reaching out to customers from a specific market segment;

- Increase of brand awareness which positively impacts the brand’s corporate image, thus building brand equity;

- Stimulate sales;

- Corporate reputation;

- Alter public perceptions: association with a sponsored event will influence the perception of customers regarding the company and its products; (better perceived quality)

- Building relationships

- Create goodwill

- Enhance employee motivation

Mullin et al (2007) have common perceptions regarding sports sponsorship as the ones belonging to the above-mentioned authors, adding a few additional objectives. We will list the entire set of objectives, including the ones that are similar to the ones of the other authors:

- Increasing public awareness of the company, the product, or both;

- Altering or reinforcing public perception of the company;

- Company identification with the particular market segments;

- Involving the company in the community;

- Building goodwill among decision makers;

- Generating media benefits;

- Achieving sales objectives;

- Showcasing unique product features, technologies or advantages;

- Creating an advantage over competitors, through association or exclusivity;

- Gaining unique opportunities in terms of hospitality and entertainment;

- Securing entitlement or naming rights.

As we can observe, the authors’ views concerning the definition of sponsorship objectives share numerous similarities, but we can notice that brand awareness and brand association are mentioned in almost every set of objectives, playing a major role when implementing a sponsorship marketing strategy, due to the fact that these factors can influence customer behaviour, by attracting new customers because their perceived quality will be positively affected by associating the brand with the event or cause it sponsors, or it can strengthen loyalty among long-time consumers of the branded products or services, resulting in increase of sales.
This research will furtherly explore the benefits of a particular type of sponsorship, namely the one involving sponsoring sport events and will mention the association between one of the most popular international food and beverage brand in the world (PepsiCo) and one of the most anticipated, highly publicised sport event, the UEFA Champions` League annual football championship.

### 3.2 Sports sponsorship and a successful example of using it as a marketing strategy: The PepsiCo-UEFA Champions` League contract

Over the last decades, sports have been evolving into a complex industry, evidenced by constant coverage by the media through every channel possible (TV, newspapers, magazines, social media, etc.).

The definition of sports marketing given by Mullin et al. (2007) defines sports marketing as „consisting of all activities designed to meet the needs and wants of sport consumers through exchange processes.”

It is also mentioned that sports marketing has developed into two major thrusts: the marketing of sports products and services directly to sport enthusiasts, and the marketing of other consumer and industrial products through the use of sport promotions (Mullin et al. 2007). Sport events can generate significant revenues for their respective organizers, that is why companies frequently use sport sponsorship as a marketing strategy, not only to make a higher profit margin, but also to reach a wide audience on a global basis, thus gaining competitive advantage, creating brand awareness and improving corporate image. The market for sporting events was worth $80 billion in 2014, and is expected to grow impressively in the near future. Between 2009 and 2013—a typical sports cycle that included the Winter Olympics and World Cup in 2010 and the Summer Olympics and the UEFA European Championships in 2012—sports market revenues increased almost $18 billion (7 percent CAGR), with a peak of $78.2 billion in 2012, when London hosted the Olympics and Poland and Ukraine hosted the European Championships. The revenues for yearly events are growing steadily too, from $58.4 billion in 2009 to $76.1 billion in 2013.

Football is the leading sport when it comes to revenue growth, experiencing an increase from $25.1 billion in 2009 to $35.3 billion in 2013, a CAGR of 9%, and is expected to experience a 5% increase by 2017, as evidenced by the chart below.

![Sports market revenue chart](chart.png)

Multinational companies have a common belief that advertising is the core of building brand-awareness. It is often described as an investment in brands which generates sales revenue over time.

To approach the goals of this research, we will conduct a study case, discussing advertising through sports sponsorship as part of companies`marketing strategy, resulting in increased brand-awareness.

We will be referring to multinational food, snack and beverage corporation PepsiCo, best known for producing Pepsi, Mirinda, 7up soft drinks, as well as for snacks such as Lay’s and Doritos.

Global brands have integrated sports sponsorship into their strategic marketing programmes because it represents a long term investment in creating dynamic relationship between brands and consumers (Santomier, 2008).

The benefits of sponsorship include brand positioning in an effort to differentiate the value of a brand compared to other competitors (Davis, 2002); reaching target markets, sustaining relationship with customers and increasing sales (Crompton, 2004); Jobber (2007) also states that sponsorship of certain major events like football aids in drastically producing awareness shifts for various products.
These factors were probably taken into consideration by the Management-Marketing team of food and beverage giant PepsiCo, known to have closed various major sponsorship contracts, including with the NBA, NFL, NHL, Major League Baseball and, most recently, the contract which we shall be discussing, the three-year partnership contract with UEFA Champions League, closed in July 2015. The agreement is centered around products such as Pepsi, Pepsi Max, Lay’s Chips, Gatorade, but will also involve Doritos, Lipton and 7up.

PepsiCo has a solid tradition in supporting young, talented football players, at an international level, so that is why it became the first supporter of project Next 11-Team of the Future, after signing a partnership in Romania with the “Gheorghe Hagi Football Academy”. This project aims to offer proper training conditions to future generations of gifted football players by investing in young men who display potential, thus improving its corporate image and reputation by engaging into socially-responsible actions.

As stated by the CEO of PepsiCo Europe, Ramon Laguarta, the UEFA Champions League is without a doubt one of the most prestigious football competitions in the world, reaching significantly high audiences on a regional and global level (over 1.1 billion viewers worldwide watch every live-broadcasted match). Last year’s final which took place on the 6th June 2015 was broadcasted in over 200 countries, reaching over 400 millions of viewers, with an anticipated live audience of 180 millions of fans.

A very commonly used marketing strategy, which has been proven effective in sports partnership contracts, used by PepsiCo as well, has been initiated during this season’s UEFA Champions League, the #GameReady promotion relaunched by PepsiCo, which gives fans the opportunity to win hourly prizes of UEFA related merchandise plus entry to a draw to win tickets to the UEFA quarter final, semi final and final matches and a grand prize of a VIP trip for two to the Final in Milan. This will generate interest towards the brand, significantly enhancing awareness among new customers, mainly football enthusiasts.

PepsiCo’s latest on-pack promotion will be supported with a major marketing campaign, including new high-profile TV advertising featuring football superstar Lionel Messi (which will create favourable associations in consumer’s minds, Lionel Messi being considered one of the greatest football players of all time and a favourite of many supporters), strong levels of in-store activities, digital, social media and impactful POS materials (point of sales: ex: banners, posters, promotional stands, etc). Additionally, the campaign will be supported by stadium branding, interview backdrops and perimeter boards.

This year, the creative marketing of PepsiCo has reached a whole new level, by creating limited-edition Pepsi bottles and cans embossed with custom emojis (various smiley faces). The initiative is meant to encourage people to tell how they’re feeling in an unique way. The campaign entitled #PepsiMoji, received a test run that was conducted last year in Russia, Canada and Thailand, and is intended to firstly be launched in the UK, and then extended in more European countries. This initiative will incorporate the UEFA Champions League 2016 sponsorship, giving customers a chance to win tickets by scanning the emojis on the Pepsi Max app for iPhone and Android. This strategy is meant to help customers interact and connect with the brand in an unique, personal way and will attract both new and loyal customers.

Due to the 17-week duration of the UEFA Champions League season, with more than 100,000 hours of TV content, which will feature numerous PepsiCo brands promos during the games, the image of the brand will constantly be visible on banners on the field, branded merchandise will be sold or will be offered PepsiCo’s promotions as prizes, it is more than likely that the company’s brand awareness will reach its highest level, and, consequently, will attract numerous customers and generate substantial revenues.

Throughout the years, there have been numerous examples of sport sponsorship contracts that led to substantial profit increase, which helps us predict the company’s success in the foreseeable future following this contract.

Conclusions

Building a strong brand equity and a favourable brand image in consumers’ minds is heavily influenced by the level of brand awareness. We can certify that brand awareness constitutes a determining factor for consumers when including a certain brand of products or services in the consideration set, during a purchase decision-making process.

Furthermore, increasing brand awareness should be included in every company’s marketing plan, due to the fact that identifying, recognizing or recalling a brand represents the first step to
familiarisation with the brand, as most consumers are likely to prefer brands they are aware of and that can satisfy their expectations of quality and services provided.

Repeated exposure to a brand will generate interest towards a brand, attracting new customers and, if the client’s needs are satisfied, they will recommend it to others, thus making the brand more powerful.

Sponsorship is one of the most effective strategies that can be incorporated in a company’s marketing plan, fulfilling important objectives such as brand awareness increase, higher profit margins, gaining publicity, enhancing corporate image, reaching out to customers from various market segments and influencing their perception on the brand, attracting potentially new clients and creating stronger relationships with loyal ones.

References

15. Oladunni, R. (2011). The Significance of Sponsorship as a Marketing Tool in Sport Events
22. http://www.thegrocer.co.uk/
26. Sports marketing - Wikipedia, the free encyclopedia
27. Sports marketing - Wikipedia, the free encyclopedia