

# Sports sponsorship as a communication tool used in corporate reputation management: A case study of Kenya Commercial Bank

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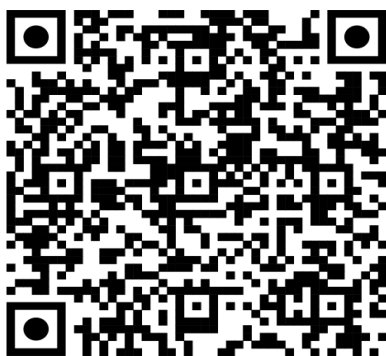
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## Abstract

This study aimed at determining the image stakeholders have towards KCB as a sports sponsor. Corporate image is defined by the constructs of good feeling, trust, admiration and respect, as informed by Fombrun and Gardberg's RepTrak™ Pulse tool. A case study design was used in order to gain in-depth information about KCB. This study was premised on Stakeholder Theory as it focuses on the impact of a company's activities on stakeholders, whereby these activities may result in a positive or a negative view of the company. Purposive sampling was used to select participants. This study was conducted in Nairobi County, and participants in this study were external stakeholders of KCB. Respondents included 10 players from KCB Rugby Football Club, 10 supporters (fans), 10 KCB agents and 15 KCB clients. A quantitative method of collecting data was used. Data was generated using a Likert-type scale questionnaire informed by RepTrak™ Pulse. Findings from this study revealed that KCB's reputational capital is enhanced because it sponsored sports. Most of the respondents took a neutral stance on the statements informing the constructs of good feeling, trust, admiration, and respect. A small percentage of the respondents expressed disagreement with the statements, while a considerable percentage were positive and agreed with the statements. KCB's corporate image is favourable as stakeholders have a good feeling towards it, trust and admire and respect it on account of sponsoring sports.

**Key terms:** Sports sponsorship, corporate reputation, image.

## INTRODUCTION

A company's reputation is of critical importance to its stakeholders, and one way of enhancing it is by engaging in strategic Corporate Social Responsibility (CSR). CSR is one of the many tools employed in corporate communications, with one of its purposes being the management of the company's reputation. Aksak et al. (2016) point out that a large number of corporations practice CSR as a communications strategy. Lorena (2018) notes that CSR offers banks numerous benefits, with reputational gains being the most important benefit. In an increasingly competitive business world, companies need to boost their competitive advantages by taking up effective CSR activities to enhance their reputation. Sports sponsorship is one of those activities (Maden et al., 2012; Taghian et al., 2015). Prochazka (2014) claims that even though CSR concerns sports and is not primarily motivated by profit, it has the ability to enhance a company's reputation and profits. Buhler (2006) notes that many companies sponsoring football do so in order to promote their products and enhance their image.

## LITERATURE REVIEW

The Kenya Commercial Bank (KCB) is a financial institution that was started in 1869 and currently has 202 branches serving 26.9 million customers (KCB, 2022). KCB employs numerous CSR activities intended to positively impact stakeholders. Kenya Commercial Bank (KCB), has been the title sponsor of the Kenya National Rally Championship (KNRC) from 2003 to 2016 (KCB, 2018). In 2021, the financial institution sponsored the World Rally Championship (WRC) in Kenya to the tune of 100 million shillings and played a role as its official financial partner (Safari Rally, 2021). The financial institution, in 2019, made a Kshs. Seventy-five million financial commitment to KNRC as its title sponsor for three years (Tumo, 2019). KCB also sponsors its own football team, KCB FC; Rugby Club, KCB RFC, KCB Ladies Volleyball Club, KCB Rally, KCB Autocross and KCB Chess Club. In addition, in partnership with Karen Country Club, KCB sponsored the KCB Karen Masters golfing event in the 2017 and 2018 seasons. The aim of this study was to determine the image resulting from sports sponsorship as a result of its heavy investment in sports sponsorship in Kenya.

## RESULTS AND FINDINGS

Hatch and Schultz (1997) define a corporate image as the "outside world's overall impression of the company including the views of customers, shareholders, the media, the general public and so on." The image of a company is determined by what the stakeholders (external or internal) feel about it, the level of trust and, admiration and respect that they have towards it. The mentioned constructs, namely good feeling, trust, admiration and respect, were informed by a series of statements under each. These statements were adapted from RepTrak™ Pulse but with some modifications to suit the current study. Responses to these statements were measured on a five-point Likert scale ranging from 1 to 5 (where, 1= strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree).

### Good Feeling

This study aimed at determining the extent to which sports sponsorship elicited good feelings among the stakeholders of KCB. Good feeling as a construct was assessed from a series of 4 statements seeking respondents' agreement or disagreement with them. As shown in Table 1 and its corresponding grouped bar chart, a total of 7 per cent of respondents under the statement "I like KCB because it sponsors sports" either disagreed or strongly disagreed. In comparison, a total of 49 per cent of the respondents either agreed or strongly agreed with it. A total of 44 per cent took a neutral stance. A total of 8 per cent of the respondents either disagreed or agreed with the statement, "I find KCB impressive because it sponsors sports," while 51 per cent agreed with it. 40 per cent took a neutral stance. A total of 9 per cent of the respondents either disagreed or strongly disagreed with the statement "I have positive opinions towards KCB because it sponsors sports", while a total of 53.2 per cent either agreed or strongly agreed with it. A total of 38 per cent took a neutral position and a total of 2 per cent of the respondents either disagreed or strongly disagreed with the statement, "I think highly of KCB because it sponsors sports" while 58 per cent agreed or strongly agreed and 14 per cent took a neutral stand.

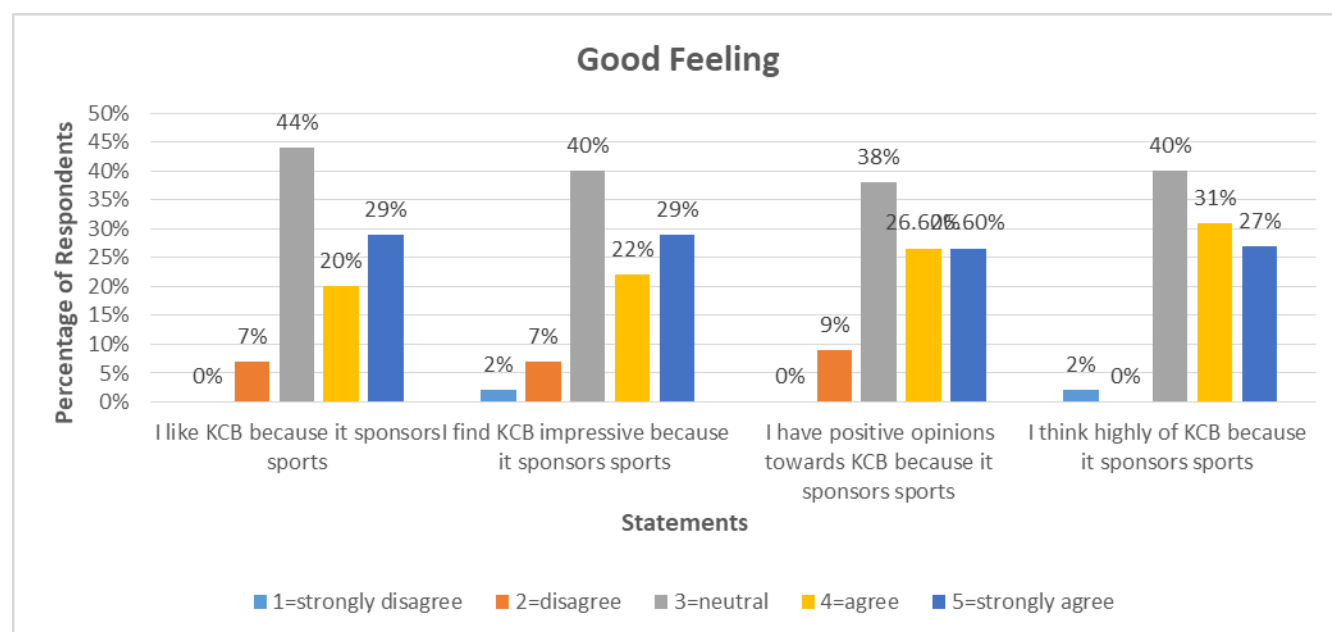
As can be seen, a number of respondents who did not have a good feeling towards KCB because it sponsors sports were very few compared to those who agreed

that they have a good feeling. The grouped bar chart clearly displays this. Most of the respondents, however, took a neutral position. A good feeling is an attitude. Attitude is the way a person feels about an institution, person or object (Coon & Mitterer, 2010).

Therefore the data shows that most respondents had a good attitude towards the bank, and Akyuz (2018) says stakeholders will develop a good attitude towards the sponsor, which will, in turn, make them acknowledge and patronise the sponsor.

**Table 1: Good Feeling**

	1	2	3	4	5
I like KCB because it sponsors sports	0%	7%	44%	20%	29%
I find KCB impressive because it sponsors sports	2%	7%	40%	22%	29%
I have positive opinions towards KCB because it sponsors sports	0%	9%	38%	26.6%	26.6%
I think highly of KCB because it sponsors sports	2%	0%	40%	31%	27%



**Figure 1: Grouped Bar Chart 1**

## Trust

The study sought to determine the level of trust respondents had for KCB because of sponsoring sports. Trust as a construct was informed by a series of four statements seeking respondents' disagreement or agreement with them. As shown in Table 2 and its corresponding grouped bar chart, a total of 11.1 per cent of the respondents either disagreed or strongly disagreed with the statement "I believe in KCB because it sponsors sports", while a total of 48.8 per cent of the respondents either agreed or strongly agreed with it. Under this statement, 40 per cent of

the respondents were neutral. A total of 6.6 per cent of the respondents either disagreed or strongly disagreed with the statement, "I'm confident in KCB because it sponsors sports". For this statement, a total of 53.2 per cent of the respondents either agreed or strongly agreed 40 per cent took a neutral stand.

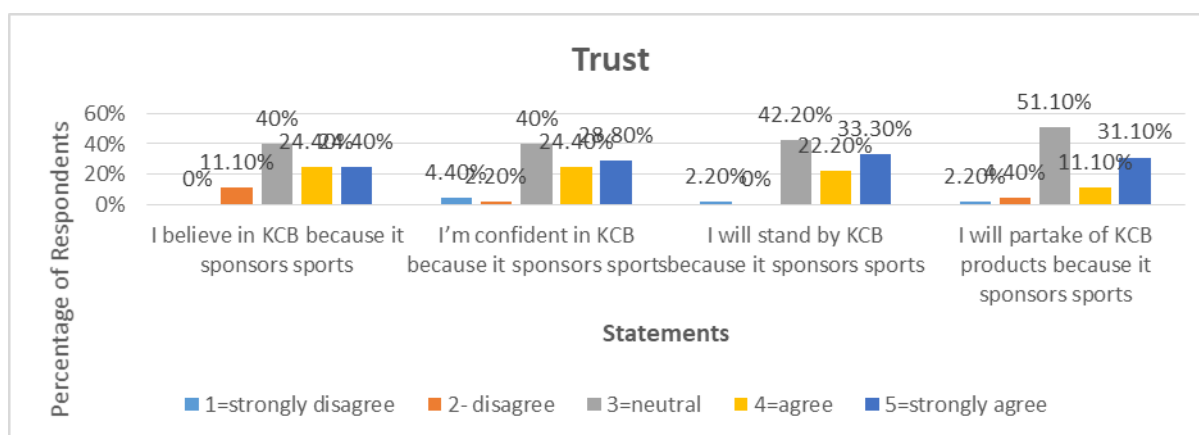
A total of 2.2 per cent of respondents, under the statement "I will stand by KCB because it sponsors sports", disagreed or strongly disagreed, while 55.5 per cent of them either agreed or strongly agreed. A total of 6.6 per cent of the respondents either disagreed or strongly disagreed with the statement "I

will partake of KCB products because it sponsors sports”, while a total of 42.2 per cent of the respondents either strongly disagreed with it. There was 51.1 per cent of who took a neutral position. Many respondents expressed their trust in KCB because of its sport sponsorship activities. Few of them disagreed, while most of the respondents took a

neutral position. A company that supports good causes like sports sponsorship is likely to earn the trust of stakeholders. Gazzola (2014) says that if a company is a good corporate citizen and supports good causes, stakeholders are bound to trust and support its brands.

**Table 2: Trust**

	1	2	3	4	5
I believe in KCB because it sponsors sports	0%	11.1%	40%	24.4%	24.4%
I’m confident in KCB because it sponsors sports	4.4%	2.2%	40%	24.4%	28.8%
I will stand by KCB because it sponsors sports	2.2%	0%	42.2%	22.2%	33.3%
I will partake in KCB products because it sponsors sports	2.2%	4.4%	51.1%	11.1%	31.1%



**Figure 2: Grouped Bar Chart 2**

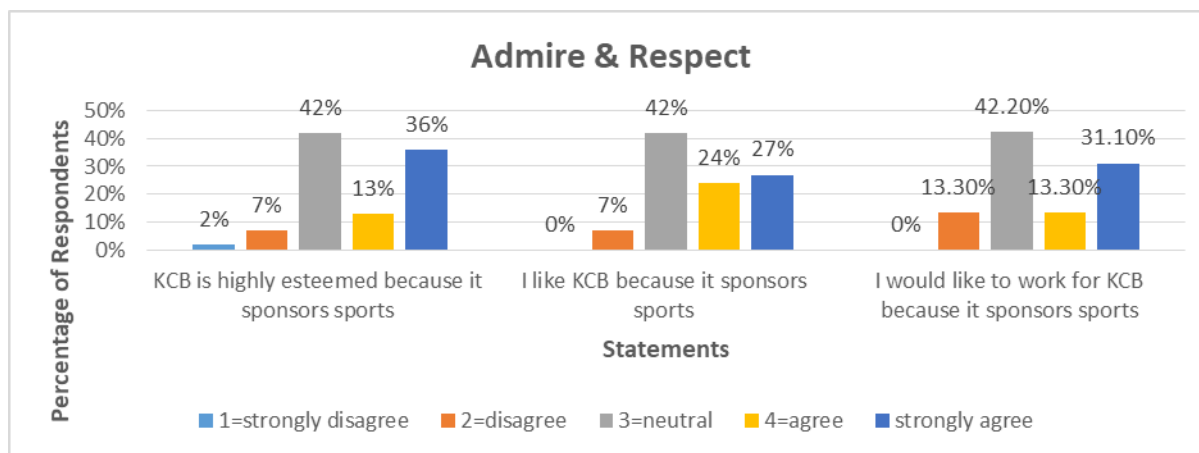
## Admire and Respect

The study sought to determine the level of admiration and respect respondents accord KCB because of its sports sponsorship activities. Under the construct “admire and respect” were three statements that sought respondents’ disagreement or agreement with them. As shown in Table 3 and its corresponding grouped bar chart, a total of 9 per cent of the respondents either disagreed or strongly disagreed with the statement “KCB is highly esteemed because it sponsors sports”, while a total of 49 per cent either agreed or strongly agreed. A total of 42 per cent took

a neutral stance. A total of 7 per cent of the respondents either disagreed or strongly disagreed with the statement “I like KCB because it sponsors sports”, while a total of 51 per cent either agreed or strongly agreed and 42 per cent took a neutral position. A total of 13.3 per cent of the respondents either disagreed or strongly disagreed with the statement “I would like to work for KCB because it sponsors sports”, while 44.4 per cent either agreed or strongly agreed and 42.2 per cent took a neutral stand.

**Table 3: Admire and Respect**

	1	2	3	4	5
KCB is highly esteemed because it sponsors sports	2%	7%	42%	13%	36%
I like KCB because it sponsors sports	0%	7%	42%	24%	27%
I would like to work for KCB because it sponsors sports	0%	13.3%	42.2%	13.3%	31.1%



**Figure 3: Grouped Bar Chart 3**

Many respondents agree that KCB is admirable and respectable because of its sports sponsorship activities compared to those of the opposing view, who were few. The majority of the respondents held a neutral position. A company that engages in CSR activities such as sports sponsorship earns admiration and respect from its stakeholders. Smith (2013) states that people admire an organization as a result of its CSR activities, while Park et al. (2016) say that when stakeholders admire a brand, they will stand by it, support it and spread good words about it. KCB's image from the respondents who are the company's stakeholders is favourable because they have a good feeling, trust and admiration and respect towards it. Many interviewees find the bank impressive and have a positive attitude towards it because sports sponsorship benefits stakeholders. Most of them

pointed out that they are confident and would stand by the bank because they consider sports sponsorship a good gesture towards the stakeholders. Respect is derived from sponsorship because stakeholders consider the bank to value them. The bank is also admired because sponsoring sports is seen as a way of giving back to society.

## CONCLUSIONS

**Conclusions:** Feedback from the respondents indicates that KCB has a good image as a result of its sport sponsorship activities. The image of a company stems from how the stakeholders feel about it, whether they trust, admire, or respect it. From the findings, the respondents felt good, trusted, admired, and respected KCB because it sponsors sports.

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