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**GAINING AND LOSING RESPECT OF THE NEW ZEALAND  
PUBLIC: ADIDAS' 2011 RUGBY WORLD CUP JERSEY  
PRICING CRISIS**

A thesis

submitted in partial fulfilment

of the requirements for the degree

of

**Master of Management Studies in Marketing**

at

**The University of Waikato**

by

**KAYLEIGH FARQUHAR**



THE UNIVERSITY OF  
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The University of Waikato

2013

## ABSTRACT

As principal sponsors of the All Blacks over the past 13 years, Adidas have gone to great lengths to ensure their advertising campaigns reflect respect for the New Zealand public in relation to the traditions, history and heritage of the All Blacks, and the importance of rugby as the country's national sport. Their carefully crafted advertising campaigns and television commercials have articulated Adidas's understanding and respect for the historical legacy and primal power of the All Blacks (Scherer & Jackson, 2007) allowing the brands to form a successful co-brand (Motion, Leitch & Brodie, 2003). However in August 2011, Adidas released their Rugby World Cup Edition supporter's shirt to the New Zealand public selling for \$220.00 in New Zealand retailers. This price was over \$100.00 more (including shipping) than prices set by international websites selling the exact same shirts. The pricing of this jersey led to a public outrage and quickly became a public relations crisis for Adidas.

Through a two phase qualitative research design this study aims to understand the New Zealand public's response towards Adidas after the jersey pricing crisis by understanding the role that (dis)respect plays in the response. The first part of phase one involved gathering data via a media analysis (Altheide, 2000) to identify the main stages in the crisis from news articles, followed by a netnography (Kozinets, 2002) of the public's reaction at the different stages of the crisis. The second phase of the research design involved a survey that consisted of four open ended questions and six demographic questions.

The analysis of the crisis stages identified the importance of crisis response strategies when dealing with a crisis (Benoit, 1997). This study highlights the need for organisations to carefully consider the believability, timing, consistency, target audience and of the type of crisis response method before employing any strategy. This finding contributes to the literature by identifying how implementing incorrect and slow response strategies can impact a brands reputation.

The bloggers and participants responses reveal the importance of respect in maintaining and developing relationships in sponsorship. This study demonstrates how disrespectful behaviour in sponsorships can negatively impact relationships with the public. This finding

is specifically important for organisations that sponsor national teams, as it is clear from this study that national teams, like the All Blacks, are a key signifier of national identity. Thus organisations need to respect the local communities in which they operate. This study shows how the consumer response towards Adidas as a result of their perceived disrespectful behaviour is intensified due to the attachment with the All Blacks and the jersey. This research adds to the sponsorship literature by demonstrating how sponsoring organisations treat the public plays an important role in building and maintaining quality relationships. Thus it is concluded from this study that fans value respect and that respect is a mainstay in sponsorship.

## DEDICATION

This thesis is dedicated to Dr Ron Garland (Rono). It's because of you that I found my love and passion for sports marketing. You were my role model, my mentor, and my teacher. I thank you for all of the knowledge and inspiration that you gave me. You are the reason I wrote this, and the reason I could continue to write this, even though your guidance and your sense of humour were greatly missed.

I will never forget that only the best people eat kiwifruit in the weirdest ways.

## ACKNOWLEDGMENTS

I would firstly like to thank my Mum and Dad, and my brothers Nicholas and Matthew. Your encouraging words and your patience kept me going throughout this process. You have listened to me, counselled me, and motivated me to never give up on something I have started. This means a lot. Thank you for your infinite love and support.

Thank you to my supervisors, Fabrice Desmarais and Lorraine Friend for your continued knowledge and guidance. Your constant feedback and words of advice and direction were greatly appreciated. Thank you for being patient with me.

Thank you to my boyfriend Jason, who helped keep my stress levels in check and motivated me to just keep going and finish, especially when I needed it the most. Thank you for giving me the time and space to write, but at the same time also just being there. It meant a lot to have your support, especially in the final few months.

Thank you to Jes. Who answered every single email and always had something positive and encouraging to say. I don't think you understand quite how much it means to always have someone who will always listen and reply, even when the emails start to sound repetitive. Thank you for being a great friend.

Thank you to Fiona and Allan, who encouraged me to keep writing (the SFT) and constantly reminded me of the reason as to why I need to finish, especially when I have wanted to give up. Thank you for constantly feeding me, especially when I needed to write. To Charlotte, thank you for your infectious smiles, giggles and your cuddles.

Thank you to my extended family, friends, and colleagues (you know who you are), for the text messages, the emails, the dinners and the supportive, encouraging words. I got there in the end. Finally, thank you to Amanda Sircombe for your proof reading services.

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## 1.0 CHAPTER ONE: INTRODUCTION

Demonstrating respect for consumers is believed to be an important dimension in determining a successful relationship (Costley & Friend, 2012; Ali & Ndubisi, 2010). As Meenaghan (2001) and McDonald (1991) state that little is known about the effects of sponsorship in terms of its impact on relationships with the consumer. This research aims to fill a gap in the literature by understanding the importance of respect in building and maintaining sponsorship relationships. This research focuses on the development and maintenance of the sponsorship relationship between Adidas, the All Blacks, and the New Zealand public and the impact the 2011 jersey pricing crisis has on this relationship, specifically in regards to the notion of disrespect.

Respect has played an important role in Adidas's sponsorship of the New Zealand All Blacks over the past 13 years, and has been one of the key core values in developing the relationship between the Adidas and the New Zealand public. As principal sponsors of the All Blacks, Adidas has gone to great lengths to ensure their advertising campaigns reflect respect for the New Zealand public in relation to the tradition, history and authenticity of the All Blacks (Scherer, Falcous, & Jackson, 2008; Motion et al., 2003). Adidas has also been careful to respect the New Zealand customers and All Blacks fans as the 'owners' of the All Blacks (Motion et al., 2003) and have done their best to demonstrate their understanding of the importance of rugby in New Zealand. Their carefully crafted advertising campaigns and television commercials highlight their understanding and respect for the "historical legacy" of the All Blacks (Scherer & Jackson, 2007, p. 269). However, in August 2011, Adidas found itself in the middle of a public relations crisis over the pricing of the Rugby World Cup jersey; a situation that one could argue did not demonstrate respect for the New Zealand public.

In August 2011, Adidas released their Rugby World Cup Edition supporter's shirt to the New Zealand public selling for \$220.00 in New Zealand retailers. This price was over \$100.00 more (including shipping) than prices set by international websites selling the exact same shirts. The pricing of this jersey led to a public outrage that was relayed by the media and quickly became a public relations crisis for Adidas.

The purpose of this research is to understand New Zealand consumer's responses at the time of the pricing crisis and the role that (dis)respect plays in the response. This study first identified the different stages of the crisis via a media analysis (Altheide, 2000). Next, for each stage of the crisis, a netnography (Kozinets, 2000) of bloggers' responses were analysed to determine how the public felt at each stage of the crisis. The responses were analysed in relation to the notion of (dis)respect (Costley & Friend, 2012; Ali & Ndubisi, 2010; Kumar, 2009; Dillon, 2007; Costley, Friend & Babis, 2005). Additionally each stage of the crisis was analysed to decipher which crisis response methods it would appear that Adidas made use of and how bloggers felt about Adidas's handling of the crisis at each stage in relation to the crisis response literature (Benoit, 1997). Secondly, an open ended survey was conducted to gauge how participants felt about the crisis one year later. Participant responses were also analysed in relation to the crisis response literature (Benoit, 1997) and the notion of (dis)respect (Costley & Friend, 2012; Ali & Ndubisi, 2010; Kumar, 2009; Dillon, 2007; Costley et al., 2005).

## 1.1 OVERVIEW OF THE THESIS

Chapter two of this thesis outlines the supporting literature to give a theoretical background to the study. The purpose of this chapter is to review the literature to understand what sponsorship is; the objectives of sponsorship as a marketing tool; and the determinants of an effective sponsorship. This chapter then outlines how sponsorship can develop into co-branded relationships. Next, as respect plays a significant role in the relationship between Adidas and the All Blacks, I discuss the concept of respect to identify the types of respect; how respect can and should be applied in marketing and in relationships. Finally as Adidas's pricing move resulted in a pricing crisis, this chapter aims to identify and understand the image restoration or renewal crisis response strategies available to Adidas. This chapter is crucial to defining some of the terms and concepts that are necessary to develop the background story to this study.

Next, chapter three explains the importance of the All Blacks in New Zealand and the role of the 1905/1906 Originals Rugby team, identifying who they are and the characteristics that



make them attractive to Adidas as a team to sponsor. The chapter then discusses how the relationship between Adidas and the All Blacks has developed into more than a sponsorship to become a successful co-brand. I explain that this development occurred due to the synchronising of both brands' core values. Finally the chapter outlines how Adidas's marketing campaigns demonstrate both the core values of the co-brand and respect for the All Blacks and the New Zealand public. This discussion includes specific examples of their advertising campaigns that illustrate how Adidas have endeavoured to show respect.

The fourth chapter then looks into the case of the 2011 Rugby World Cup jersey pricing crisis. This chapter provides details of the case and highlights the development of the research statement. This is followed by chapter five which outlines the method for the research. The methodology chapter explains the research's unique two phase qualitative research design. The first phase is a media analysis with two parts. The first part is an analysis of media texts from Stuff News, The New Zealand Herald, TV 3's Campbell Live and TV Ones Close Up, to identify the different stages of crisis. The second part is a netnography (Kozinets, 2002) of New Zealand bloggers' comments in and on new media websites to understand the readers' response to the crisis. The remainder of the method section describes the second phase of the research, an open ended survey which was designed to capture a snap shot of the New Zealand participant's response towards Adidas one year after the pricing crisis.

Chapter six and seven present the findings of the study. Chapter six outlines the findings of the media analysis and examines each stage of the crisis via Adidas's actions and bloggers' reactions at each stage of the crisis. This chapter also includes an analysis of the crisis response strategies (Benoit, 1997) Adidas appeared to use. Chapter seven discusses the findings from the open ended survey. This chapter's analysis follows the order of the questions asked in the open ended survey. The participant responses are analysed using a key term analysis and a thematic analysis based on Kumar's (2009) research. The key terms and themes are presented in a table format.

The two findings chapters are followed by a discussion chapter, chapter eight, which summarises the key findings from both phases of the research and discusses these in depth in

relation to the theoretical foundations discussed earlier, specifically the crisis response strategies and the notion of (dis)respect. This chapter is followed by a conclusion to the study of the importance of developing and maintaining respect in sponsorship relationships.

## 2.0 CHAPTER TWO: LITERATURE REVIEW

This chapter explores the theoretical foundations that underpin this study. The chapter first explains the concept of sponsorship, and then discusses how sponsorships can merge into co-brands. Next, the chapter reviews the concept of respect and concludes with a section reviewing the literature on different crisis response strategies.

### 2.1 SPONSORSHIP

The concept of sponsorship plays an important role in understanding the relationship between Adidas and the All Blacks. This section defines sponsorship and explains its benefits and objectives as a marketing tool. The section also discusses the factors that impact the effectiveness of sponsorship as a marketing tool.

#### 2.1.1 THE IMPORTANCE OF SPONSORSHIP

Sponsorship is one of the most popular marketing tools and consequently a rapidly growing area in marketing research (Woisetschlager & Michaelis, 2012; Meenaghan, 2001; Erdogan & Kitchen, 1998; d'Astous & Bitz, 1995). Over the past 30 years, sponsorship has evolved from a small scale promotional activity used by only a few organisations, to a vital communication tool now embedded in the marketing strategy for many sporting organisations (Roth, 2009; Farrelly & Quester, 2005; Meenaghan, 2001; Speed & Thompson, 2000). The literature shows that sponsorship has emerged as a key strategic initiative that organisations use to strengthen their overall promotional strategy, and to cut through the advertising and media 'clutter' (Hoek, Gendall, Jeffcoat & Orsman, 2010; Roth, 2009; Madrigal, 2001; Erdogan & Kitchen, 1998). Sponsorship expenditure has also increased significantly, with millions of dollars of growth in this area (Woisetschlager & Michaelis, 2012; Wilson, Starvos & Westberg, 2010; Alexandris, Douka, Bakaloumi, & Tsasousi, 2008; Madrigal, 2001; Meenaghan, 2001). As Roth (2009) notes, this growth has encouraged researchers to investigate the sponsorship phenomenon. This section of the review will provide further insight into sponsorship as a concept by firstly discussing what sponsorship is and how the literature defines it as a concept.

### 2.1.2 WHAT IS SPONSORSHIP?

Meenaghan (1983) was one of the first academic researchers to define sponsorship as “the provision of assistance either financial or in kind to an activity, by a commercial organisation, for the purpose of achieving commercial objectives” (p. 9). This definition is one of the most frequently cited and has become a foundation for many other definitions, from researchers such as Madrigal (2000, 2001); Speed & Thompson (2000); Erdogan & Kitchen (1998) and McDonald (1991). Farrelly and Quester (2005) for example support Meenaghan’s (1983) definition stating that sponsorship is “a form of exchange between a sponsor and the entity it invests in, with both parties seeking to achieve their own strategic goals” (p. 211). McDonald (1991), adds to Meenaghan’s (1983) definition by defining sponsorship as a “promotional spend, intended to achieve marketing objectives and an alternative to other ways of spending marketing money” (p. 31).

Sponsorship has also been defined as a relationship between an organisation and a brand that both parties can use for mutual benefit. Dealing specifically in the realm of sport, Hensler, Wilson and Westberg (2011) define sponsorship as “a strategic business to business relationship between a sponsor and a sport entity or athlete for mutual benefit” (p. 7). Hensler et al., (2011) argue that sponsorship is more than just a monetary exchange; it is the opportunity for an organisation to link its brand to a sponsored sport, team or individual. This linkage, gives the sponsoring organisation not only the right to associate itself with the sport, team or individual, but also the right to use and exploit the association (Hensler et al., 2011) by communicating and publicizing the association with the brand via promotional activities in their marketing and public relations campaigns (Cornwell & Maignan, 1998). Sponsorship is therefore the right for a brand to associate itself to a sport or a team and vice versa. In the following section I will review the reasons why organisations partake in sponsorship, also known as sponsorship objectives.

### 2.1.3 THE OBJECTIVES OF SPONSORSHIP

Marketers use sponsorship to achieve various objectives (Madrigal, 2000; Pope & Voges, 2000). These objectives are not just in the form of financial gain but also in terms of generating favourable brand image and brand awareness. This section outlines some of the main objectives of sponsors, which include the generation of goodwill, development of a

positive brand image, image transfer, and finally commercial intentions which include the selling of supporter's merchandise.

#### 2.1.4 GOODWILL

Many authors have argued that it is sponsorship's ability to generate positive goodwill with fans that make it a unique and effective marketing tool (McDonald, 1991; Meenaghan, 2001). Meenaghan (2001) argues that fans will hold a positive emotional orientation towards sponsors who bestow benefit into the fan's favoured activity or sport. Thus, as these authors argue, the generation of goodwill is an obvious sponsor objective and is central to understanding the effectiveness of sponsorship.

The goodwill a sponsorship can generate is determined by the fan's perception of a sponsor's overall behaviour (Meenaghan, 2001). This perception can affect consumer favourability and preference toward a sponsoring brand and in some instances their purchase intentions. According to Meenaghan (2001) sponsors will be rewarded with goodwill from fans when they feel content and happy about a sponsor's overall behaviour. In particular, sponsorships that go beyond mere commercial concerns, to demonstrate a level of care for a sport or team, are more likely to generate further goodwill (Meenaghan, 2001).

Both Meenaghan (2001) and McDonald (1991) note the sensitivity of fans. According to Meenaghan (2001) sponsorship is both "contingent and highly fragile and a fan's reaction is conditional upon the sponsor's respect for the sanctity/integrity of the activity" (p. 109). Essentially, when a sponsor strives to be "a good sponsor" they are rewarded with strong feelings of respect and affinity (Meenaghan, 2001, p. 109). However, sponsors who abuse the sponsorship relationship through excessive commercial exploitation are "punished" with negative attitudes from the fans (Meenaghan, 2001, p. 109). Therefore sponsors need to carefully plan and manage their sponsorships as goodwill cannot be bought, it is only earned (Meenaghan, 2001). Thus, sponsors need to ensure that their overall behaviour is received positively by fans. As several authors have pointed out, this requires, careful planning and consideration of marketing communications on the part of the sponsoring organisation (Alexandris et al., 2008; Meenaghan, 2001; McDonald, 1991).

### 2.1.5 POSITIVE BRAND IMAGE, REPUTATION, AND IMAGE TRANSFER

The marketing literature shows that sponsorship is an important tool to enhance brand image (Hensler et al., 2011; Meenaghan, 2001; Gwinner & Eaton, 1999; McDonald, 1991). Sweeny (2006) describes brand image as the mental picture of the brand held by the consumers. Sweeny (2006) and Herbig & Milewicz (1997) suggest that a positive brand image provides an organisation with a very powerful and valuable asset, a unique competitive advantage. For marketers the challenge is to not only develop a solid brand image between a sponsor and sponsored sport or team, but to also maintain this image (Motion et al., 2003). The ability to successfully create and maintain a positive, desired brand image lies at the very heart of a successful marketing strategy (Hensler et al., 2011; Keller 2009).

These days it is vital that brand image is given high priority and significant consideration (Sweeny, 2006). Organisations need to understand how brand image impacts consumer behaviour. Sweeny (2006) states that if a brand is liked and held in high regard by consumers, it will be supported, especially if it consistently delivers a positive message. Consumers will show brand loyalty and purchase intentions (Hoek et al., 2010; Keller, 2009; Sweeny, 2006) in return. Inconsistent messages from brands will result in a negative impact on purchase intentions (Sweeny, 2006).

It is important to recognise that brand image and brand reputation are closely related, and are deemed to be more valuable when they complement and magnify the effects of one another (Sweeny, 2006). Brand reputation is defined as the values and beliefs held by a consumer towards a particular firm that have developed over time (Sweeny, 2006; Herbig & Milewicz, 1993). It is an emotional response from stakeholders, developed from the consistency in an organisation's actions (Sweeny, 2006). Brand reputation is also established by the flow of information from one user to another and is dependent upon consumers' initial beliefs in conjunction with the organisation's previous behaviour (Sweeny, 2006; Herbig & Milewicz, 1997). If customers continually get what they expect from a firm, time and time again, then the brand reputation is strengthened (Herbig & Milewicz, 1997). However, brand reputation is also fragile and can be easily lost (Herbig & Milewicz, 1997). As Milewicz & Herbig (1994) explain an organisation will lose its brand reputation if it continually fails to execute on its stated intentions. Once a reputation is lost it takes seven to ten times the effort to restore that reputation (Herbig & Milewicz, 1997; Herbig & Milewicz, 1993). Therefore reputation

requires careful management and diligence (Sweeny, 2006). It is imperative that firms consider the long term consequences of their decisions and actions on their future reputation (Herbig & Milewicz, 1997).

In addition to developing and maintaining a positive brand image, another goal for sponsors is to achieve successful image transfer. Image transfer is a much sought after sponsorship objective (Meenaghan, 2001; d'Astous & Bitz, 1995) and operates under a 'two way street' theory where, if successful, the sponsor's brand and the sponsored sport or team will both be positively enhanced throughout the duration of the sponsorship (Hensler et al., 2011). Gwinner and Eaton (1999), and Erdogan and Kitchen (1998) clarify image transfer, stating that when a brand becomes linked with a sport or team through sponsorship activities, the associations held in consumer's memories regarding the sport or team become linked in memory with the sponsored brand. This allows sponsors to tap into fans' psychological connectedness, linking their brands with the emotional affinity and strong feelings one may have for a sport or team (Hensler et al., 2011; Madrigal, 2001). In essence the investing sponsor hopes that the personality, personal meanings or favourable associations held by consumers toward a sport or team will rub off or be transferred to the brand via the sponsorship association (Grohs & Reisinger, 2005; Madrigal, 2001; Meenaghan, 2001; Gwinner & Eaton, 1999). The aim of image transfer is to evoke positive feelings and attitudes towards the sponsor, by closely linking the sponsor to a sport or team that the consumer highly values (Grohs & Reisinger, 2005). For example, when a brand is aligned with a particular team or athlete that is respected, considered the best in the world and holds an all-round positive brand image, that same image should develop for that sponsoring brand (Adidas NZ, personal communication, 2006, cited in Sweeny, 2006).

Image transfer does not always have a positive effect on the sponsoring brand. If for example a sport or team becomes negatively positioned in the media due to a crisis, this can have a negative effect on the sponsoring brand's image (Sweeny, 2006). It is also important to note that image transfer is highly dependent upon the level of a fan's emotional attachment with a sport or team (level of fan involvement) and their perception of the fit between the sport or team and the sponsor (Woisetschlager & Michaelis, 2012; Grohs & Reisinger, 2005). These concepts will be discussed in more detail in the next section.

#### 2.1.6 COMMERCIAL OBJECTIVES: PURCHASING FAN MERCHANDISE

An important objective of sponsorship is to positively influence purchase intentions. However, as Ngan, Prendergast and Tsang (2011), Smith, Graetz and Westerbeek (2008) and Pope and Voges (2000) highlight, the relationship between sponsorship and consumer purchase intentions remains unclear. There is ambiguity around what factors influence purchase intention, especially due to the vast range and inconsistency in the arguments outlined in the literature. For example, Pope and Voges (2000) argue that a consumer's intention to purchase is determined by a positive attitude towards the brand, brand familiarity and a positive sponsor image. Madrigal (2001), Speed and Thompson (2000) and Keller (1993) provide support to this argument, finding that a positive attitude towards a sponsor is positively associated with purchase intentions. Smith et al., (2008) on the other hand, found that sponsor integrity and fit influence consumer purchase intentions. Ngan et al., (2011) also found that team performance is a predictor on whether or not fans will purchase the sponsor's product. On this premise, Ngan et al., (2011) and Smith et al., (2008) recommend that sponsors should spend more time generating enthusiasm for the sport and team to help influence fans purchase intentions, whilst also paying attention to the perceived image and performance of the team they sponsor. Smith et al., (2008) suggests that sponsors should also focus on strategies to strengthen perceived integrity through not only financial support, but also maintaining a genuine interest in the sport and its fans, and continuing to support local communities who support the sponsor.

What the literature does strongly suggest is that consumers' purchase intentions of licenced merchandise and the sponsor's products is highly dependent upon team identification, and fan's involvement with the sport or team (Ngan et al., 2011; Smith et al., 2008; Gwinner & Swanson, 2003; Madrigal, 2000; McDonald, 1991). According to Smith et al (2008) and Madrigal (2000) the more passionate the fan, the more likely they are to attend matches, consequently leading to a higher level of merchandise purchase and spending on tickets and products. Additionally, Madrigal (2000) notes that when fans recognise that an organisation is providing significant financial support to their team, their willingness to purchase the sponsor's products increases. These concepts will be discussed in more detail in the next section.



## 2.2 DETERMINANTS OF AN EFFECTIVE SPONSORSHIP

It is crucial for firms to understand what factors may impact positively or negatively upon sponsorship outcomes (Alexandris et al., 2008). The sponsorship literature shows that the effectiveness of a sponsorship is based on the level of fan identification and involvement, and national identity or connectedness to national brands, or the perceived congruence between the sponsor and the sport or team. This section outlines the determinants of effective sponsorship.

### 2.2.1 FAN IDENTIFICATION

Fan identity is an important construct in understanding sponsorship effectiveness (Gwinner & Swanson, 2003). Branscombe and Wann (1992) cited in Kim and Kim (2009) defines fan identification as the level of psychological attachment felt by a sports fan towards his or her favourite team. In order to understand this concept it is important to understand what a fan is. Hunt, Bristol and Bashaw(1999) define a fan as “an enthusiastic devotee of some particular sports consumptive object” (p. 440). Essentially a fan is a consumer of sport who has some level of attachment to a team, and experiences the teams’ failings and achievements as their own (Hunt et al., 1999; Gwinner & Swanson, 2003).

According to Hunt et al (1999) fans manifest their attachment through specific behaviour (including attendance at matches, watching sport on TV) and sport consumption (for example purchasing products endorsed by the team or individuals) in order to signal their own individual identity and belonging to a group (Hunt et al., 1999; Madrigal, 2000). Additional predictors of fan identification include whether the team is considered to be the ‘local team’ or whether the family support for the team is strong (Hunt et al., 1999).

In explaining fan identity in relation to sports, Hunt et al. (1999) and Kim and Kim (2009) discuss the idea of self-concept. Following Ball and Tasaki (1992 cited in Hunt et al., 1999), Hunt et al. (1999) argues that a person uses particular objects in order to maintain his or her self-concept. In the sports context, this object can be a sports team. Hunt et al. (1999) found that the more the team constitutes a part of a consumer’s self-concept the more the consumer protects and works to maintain his or her relationship with the team. When the consumer’s self-concept is involved in maintaining a relationship with a team, the fan will then fully

invest in that team (Hunt et al., 1999). Consequently, fans purchase more team merchandise and products from team sponsors in order to support their team (Cornwell & Coote, 2005; Gwinner & Swanson, 2003; Madrigal, 2000).

Social identity theory (Tajfel, 1978 cited in Phua, 2010) has been applied to study sports fans' identification with teams. It is concerned with "the part of the individual's self-concept which derives from their knowledge of their membership in a social group, together with the value of the emotional significance attached to that membership" (Underwood, Bond & Baer, 2001, p. 2). Social identity is thus part of an individual's self-concept (Phua, 2010). As Phua (2010) further argues individuals internalise the values and beliefs of a group, creating a shared social identity. In the sports realm, an individual's social identity can be impacted by an emotional attachment to a team (Phua, 2010). Underwood, Bond and Baer, (2001) adds that the individuals (or fans) level of identity with a team is based on their personal commitment and emotional involvement with the team. The higher the commitment and involvement, the more individuals identify with a team (Meenaghan, 2001; Sutton, McDonald, Milne and Cimperman, 1997). As such, there are different levels of fan identification; referred to as "fan involvement" (Meenaghan, 2001, p.110).

Meenaghan (2001) and Sutton et al., (1997) identify three different types of fan involvement - highly involved, moderately involved, and low involved. The next section explains the difference between these three groups of fans.

### 2.2.2 FAN INVOLVEMENT

Academic research shows that consumers' response to sponsorship is fundamentally driven by their degree of involvement with, and knowledge about, a sport or team (Meenaghan, 2001). Fan involvement refers specifically to the extent to which people identify with and are motivated by their engagement and affiliation with a sport (Alexandris et al., 2008; Meenaghan, 2001). Fan involvement helps explain the different level of reactions that people, as consumers, have to sponsorship associations (Meenaghan, 2001).

Highly involved fans (or as Sutton et al., (1997) call them, "vested fans" (p.17)) show the greatest interest in a sponsorship. They are considered the most knowledgeable fan group and

the most sensitive to sponsorship benefit/abuse (Sutton et al., 1997; d'Astous & Bitz, 1995). They are the most likely group to generate positive goodwill about the sponsorship because of their extreme loyalty to the sport and team (Sutton et al., 1997). According to Meenaghan (2001) highly involved fans will not only financially invest by purchasing fan merchandise but also emotionally invest themselves in the sport or team and devote a significant amount of time to showing their support (Sutton et al., 1997). For highly involved fans, sport provides a means of personal identification and expression (Hunt et al., 1999; Gwinner & Swanson, 2003). They consequently attend more games and purchase more merchandise than other fans, irrelevant of whether the team is winning or not (Ngan et al., 2011; Meenaghan (2001). As the most knowledgeable group, they are the most favourable towards the sponsoring brand and likely to be the most satisfied by the sponsor's actions due to their high level of awareness (Meenaghan, 2001).

Moderately involved fans (or as Sutton et al (1997) call them "focused fans" (p.17)) find some attributes of the sport or team attractive, including player personality, player performance or social elements of the game atmosphere (Sutton et al., 1997). Moderately involved fans are sometimes influenced by sponsorship but their level of involvement is often dependent upon team performance. Sutton et al., (1997) describe these fans as being attracted to the "big game" (p.17), demonstrating strong emotional involvement and support at the time, but have a tendency to disappear once the game is over. Garland, Macpherson and Haughey (2004), and Gwinner and Swanson (2003) argue that it is these fans that marketers should turn into highly involved fans, as they have the most potential to turn into loyal vested fans. According to Ngan et al (2011) moderately involved fans are also more likely to purchase sponsors' products when the team is winning in comparison to when the team is not performing well.

For low involved fans (or as Sutton et al (1997) state, "social fans" (p. 17)) the effects of sponsorship are quite limited. Low involved fans experience far less intensity than committed, highly involved fans (Meenaghan, 2001). They do not recognise sponsor abuse or misuse to the same degree as vested fans and therefore accord little goodwill or hostility toward the sponsor (Meenaghan, 2001; Sutton et al., 1997). These fans have little emotional connection towards the sport or team and have a low level of financial investment (Sutton et al., 1997). They mostly interact with the sport due to the social aspect and follow the team for

the entertainment of the sport not for the 'fanship' (Sutton et al., 1997; Gwinner & Swanson, 2003). As Garland et al., (2004) argue, these fans, along with moderately involved fans, only display temporal and situational involvement with the sport or team. Purchase intention for low involved fans drops completely when the team loses as their attachment to the team is only based on entertainment value (Hunt et al., 1999; Ngan et al., 2011).

### 2.2.3 NATIONAL IDENTITY AND NATIONAL BRANDS

An individual's self-concept can be influenced by an individual's link to his or her nation, in other words his or her national identity (Bulmer & Buchanan-Oliver, 2010). National identity is a form of collective identification that binds people together within a community; it is a socially constructed phenomenon that assists an individual to understand his or her place in the world and is characterised by the belief that there are commonalities which unite members of a nation (Kirloskar-Steinbach, 2004; Bulmer & Buchanan-Oliver, 2010). Additionally, as Grimson (2010) notes, national identity is not just about shared culture, it is also about the feeling of belonging to a country. Applying this to the sports realm, it can be argued that a national sports team provides a basis for this collective bind (Bulmer & Buchanan-Oliver, 2010).

According to Underwood et al., (2001) national brands develop a positive brand image by making an emotional connection with their audience. This connection is achieved by brands that reflect, capture and communicate the core values of their country of origin (Ailawadi, 2001 cited in De Wulf, Odekerken-Schroder, Goedertier & Van Ossel, 2005; Jaworski & Foshier, 2003; Berry, 2000 cited in Underwood et al, 2001). The All Blacks are an example of national brand that reflects the core values of the country of origin, New Zealand. According to Underwood et al., (2001) successful national brands, such as the All Blacks, are able to "cultivate a distinct brand image and seek to capitalise on the oftentimes extreme emotional-laden response of their fans" (p. 2). Here, as Hogg and Abrams (1998 cited in Madrigal 2000) argue, the public's support for the national home team is more than an act of support; it is part of identifying with that team and what they represent. National sports fans will often see the national team as an extension of themselves, in which the team is part of who consumers are and they cannot imagine themselves without it (Underwood et al, 2001). According to Underwood et al., (2001) the sponsoring brands ability to tap into consumer identification

with a national team will depend upon the level of consumer commitment and emotional involvement associated with the team.

#### 2.2.4 CONGRUENCE BETWEEN THE SPONSOR AND THE SPORT OR TEAM

As outlined in an earlier section, achieving image transfer is a highly sought after sponsorship objective. Image transfer will be successful if there is congruence or a logical fit between the sponsor and the sponsored team/event (Grohs & Reisinger, 2005; Meenaghan, 2001, Speed & Thompson, 2000). Keller (1993) defines congruence as “the extent to which a brand association shares content and meaning with another brand association” (p. 7). McDonald (1991) refers to this as synergy.

It is vital that careful consideration is made by sponsors when choosing a sporting team or individual to sponsor (Wilson, Starvos & Westberg, 2008; Grohs & Reisinger, 2005; Meenaghan, 2001) as consumers who perceive a logical link between the brand and the sponsored sport or team, have a more positive perception of the sponsorship (d’Astous & Bitz, 1995; Erdogan & Kitchen, 1998). This positive perception can result in image transfer of the sponsored sport or team’s “aura” back to the sponsoring brand (d’Astous & Bitz, 1995, p. 9). Conversely a weak logical link between the two may have a negative effect on consumer perception, potentially impacting consumer purchase intentions (d’Astous & Bitz, 1995).

In addition to sponsors carefully choosing the team to sponsor, all new sponsorships need to adequately support the relationship with satisfactory marketing and communications. This is to ensure the link between the two brands is clearly introduced. Erdogan & Kitchen (1998) argue that a sponsoring brand can fail to link itself to the sponsored sport or team because it does not support the link with “adequate advertising, public relations, point of purchase and other promotional activities” (p. 371). To enhance the strength of image transfer, marketing managers of the sponsoring brand may wish to alter the communication regarding the sport or team to be more congruent with the image with their brand (Gwinner & Eaton, 1999). Thus careful planning and execution of sponsorship objectives and communications is required to enhance a congruent sponsorship (Erdogan & Kitchen, 1998; McDonald, 1991). This point is valid from the point of view of the sponsoring brand and the sponsored team.

## 3.0 CO-BRANDING

As outlined, sponsorship is a relationship between an organisation and a brand that both parties can use for mutual benefit. Ideally sponsorships want to develop over time into strong mutually beneficial relationships, in order to make the most of their sponsorship opportunity. Sponsorships that are successful in doing so have the potential to develop into long term relationships that are more than just a one way exchange. These long term relationships are referred to as co-brands (Motion et al., 2003). This section outlines the concept of co-branding as and explains how sponsorships can develop into co-brands.

### 3.1 WHAT IS A CO-BRAND?

Co-branding is defined as a form of cooperation between two or more brands with significant customer recognition, in which all brand names are retained (Blacket Broad, 1999 as cited in Motion et al., 2003). A co-brand requires two or more brands to be successfully merged, in which the consumer's behaviour shows acceptance for the linkage (Motion et al., 2003). Essentially co-branding is an ideal result of image transfer. Motion et al (2003) build on Meenaghan and Shipley's (1999, cited in Motion et al., 2003) argument that for a sponsorship "both the sponsor and sponsored activity become involved in a symbiotic relationship with transference of inherent values from the activity to the sponsor" (p. 1083). Co-branding thus extends symbiotic exchange over a long period of time, developing a specific branded relationship that has a unique individual identity (Motion et al., 2003). This identity adds value to both brands involved, by allowing each brand to play off positive brand image characteristics that already exist for the other brand (Farrelly & Quester, 2005; Motion et al., 2003). Farrelly and Quester (2004) and Motion et al. (2003) argue that sport sponsorships should operate at this relationship level to encourage new ways of thinking about individual brands. The question is how do sponsorships develop to operate at such a level?

### 3.2 FROM SPONSORSHIP TO CO-BRANDS

In order to achieve a successful co-brand the linkage process should start with incorporating the values of each brand into an easily recognisable new fusion identity. The brand values of

each organisation provide the base for the co-brand relationship to be constructed (Motion et al., 2003). As Motion et al. (2003) outline, each co-branded partner has its own core values that define the brand and differentiate it from the competition. It is important that there is an element of congruency between each brand's core brand values. When these core brand values align this forms the 'common starting points' for the establishment of the co-branded identity (Motion et al., 2003). These common starting points then provide the foundation for the marketing communications campaign, serving as a base for all advertising and media (Motion et al., 2003; Farrelly & Quester, 2005). The communications and marketing should reflect the new core values of the co-brand and communicate these clearly to the consumer (Madrigal, 2001).

The challenge within co-branding is to not only align the core values of both brands but also to "augment absentee values that the [sponsoring] brand lacks but wishes to acquire" (Motion et al., 2003, p. 1082). Co-brands who share particular brand values may then develop into an even more powerfully associated co-brand (Motion et al., 2003).

## 4.0 RESPECT

Respect is important in all contexts of everyday life (de Cremer & Tyler, 2005) – including marketing (Costley & Friend, 2012; 2007). Appraisal and recognition respect (Costley & Friend, 2012) has played an important role in Adidas's sponsorship of the New Zealand All Blacks over the past 13 years, and has been one of the bases in the development of the relationship between Adidas and the New Zealand public. This section explores the concept of respect. First it examines the relevance of respect in everyday life. Then it examines what respect means by discussing behaviours exhibited via respect. It also distinguishes amongst three different types of respect - appraisal, recognition, and care respect. Thirdly, this section addresses how respect can be applied to relationships with organisations, consumers and marketing. Finally, the section concludes with an explanation on the concept of disrespect and explores the idea of retaliation.

## 4.1 RELEVANCE OF RESPECT IN EVERYDAY LIFE

Respect enables people, groups and institutions to flourish. When people feel respected, they feel happy, positive and satisfied with their lives (Antoniazzi, 2011). Respect enhances an individual's personal well-being (Middleton, 2004 cited in Costley, Friend & Babis, 2005) and positively influences one's self-regard (Millar, 2001). Disrespectful behaviour, however, calls one's self-regard into question (Millar, 2001).

The word respect is used extensively in our everyday lives as if it is widely understood (Ali & Ndubisi, 2010; Costley, et al., 2005). Yet, as both Costley, et al. (2005) and DeLellis (2000) highlight, there is little attempt to qualify or define the concept. Despite its complexity and elusive nature (Costley et al., 2005) respect is not impossible to define (DeLellis, 2000).

## 4.2 WHAT IS RESPECT?

Dillon (2007), a philosopher, conceives respect as an attitude. She argues, like other attitudes, respect has cognitive, affective and motivational responses. "It involves certain beliefs, perceptions and judgements, certain emotions, feelings and ways of experiencing things, certain dispositions to response, and certain modes of valuing" (Dillon, 2007, p. 202). Moreover, Dillon (2007) argues that respect is responsive; we respect things that are worth looking at again, merit our attention and demand to be taken seriously. As such, it is a form of regard, a mode of attention to and perception and acknowledgement of an object as having a certain importance, worth, authority status or power.

Respecting something constrains how you behave towards it (Costley & Friend, 2012). In this context, to respect someone implies that one considers, thinks, feels, and acts in appropriate ways (Costley et al., 2005). To respect something or someone requires that specific attention is paid to it; given careful consideration; and is taken seriously to perceive it in a clear light (Dillon, 2007). This suggests that respect is a moral or ethical stance (Kumar, 2009). Kant (1959) states that respect entails treating persons as ends in themselves and never simply as means (cited in Kumar, 2009). This refers to our obligation to treat others with respect, that we ourselves feel entitled (Kumar, 2009).



### 4.3 RESPECTFUL BEHAVIOURS

The dominant behaviours theorised to connote respect are consistent with the theme of morality. These behaviours include equal treatment, fairness and acceptance (Campbell, 2007; Costley et al., 2004). It is expected that equality, fairness and acceptance of others are behaviours that form the foundations of respectful treatment and an absence of any of these would be common ground for perceptions of disrespect (Kumar, 2009).

According to Darwall (1977) a second group of behaviours that is imperative to respect relates to the concept of regard which entails deliberations about how one should act in relation to a particular object or person. Consideration and empathy are frequently cited as being associated with both regard and thus respect for others as they signify being aware of the needs and concerns of other people (Costley et al., 2004; Frei & Shaver, 2002; Murphy, 1999). As Frei & Shaver (2002), and Miller (2001) notes there is also evidence that listening to the views and opinions of others is considered as an important component of respectful treatment. Similarly, understanding and tolerance are also behaviours that connote respect (Campbell, 2007; Costley et al., 2004; Frei & Shaver, 2002).

### 4.4 RECOGNITION AND APPRAISAL RESPECT

According to Darwall (1977) respect comes in varying forms, namely 'recognition respect' and 'appraisal respect', these two forms of respect are amongst the most frequently cited types in the literature (Kumar, 2009). Appraisal respect is an evaluation in which a person earns respect (Costley & Friend, 2012). It is a positive evaluation of an object's merit (Costley et al., 2005). It requires no other response than an evaluation, which could be felt as admiration or esteem. In this sense it is as if the object earns or deserves respect (Costley & Friend, 2012).

In contrast to appraisal respect, recognition respect is neither earned or an evaluation of a person worth. Rather, recognition is due by virtue of a person or object having moral worth (Costley & Friend, 2012). Recognition respect is a moral obligation (Dillon, 2007) which means one expresses unconditional acceptance and acknowledgment of a person's worth, and therefore influences how one should act (Costley et al., 2005). According to Dillon (2007),

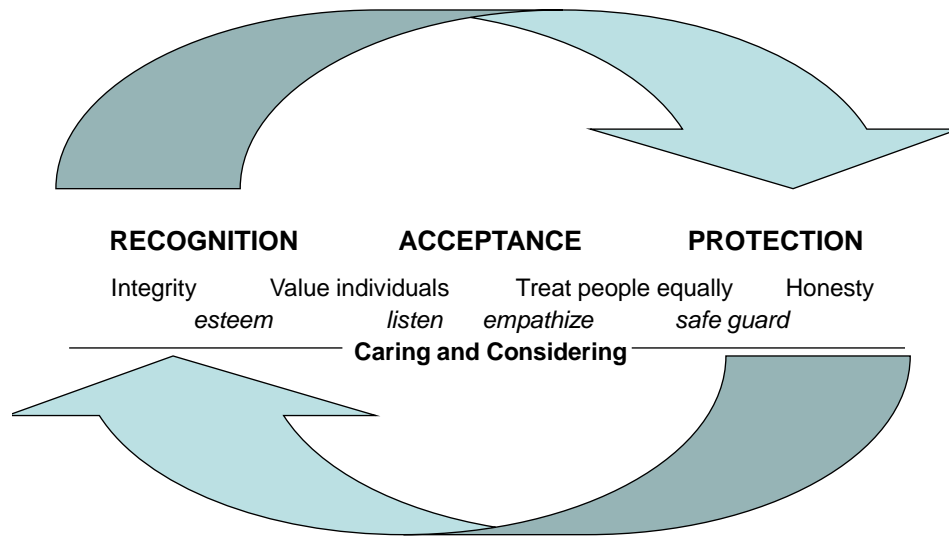
philosophers tend to talk about recognition respect whereas people using the term respect in everyday use it in the appraisal sense.

#### 4.5 CARE RESPECT

Ali and Ndubisi (2010) focus on the concept of ‘care respect’. They believe that care respect is thought to be the best basis for conceptualising respect of customers due to its unique characteristics of morality, compassion, responsiveness and caring for another individual. According to research by Costley and Friend (2012, 2007), care respect provides a foundation for positive marketing theory and practice. The whole idea of care respect is what is known as meeting others morally (Costley et al., 2005). On a basic premise, people have a moral duty to treat others respectfully (de Cremer & Tyler, 2005). According to Hill (2000) cited in de Cremer and Tyler (2005), respect is something to which we should presume every human being has a claim to. With this in mind, “care-respect involves regarding the object as having a profound and unique value...” (Dillon, 2007, p. 204).

Customers and small businesses connote care respect in the market place as actions of consideration, listening, and safe-guarding (Costley & Friend, 2012, 2007). According to Costley and Friend (2012) “to care about people means to recognise them as worthwhile, accept them for who they are, protect their wellbeing and help them achieve their needs in the market place” (p. 3). In order to show this level of care, one needs to show esteem, listen, empathise and safeguard; in conjunction with behaviours of acting with integrity, valuing individuals, treating people equally and being honest (Costley & Friend, 2012, 2007). The relationship of caring and considering is shown in the figure below by Costley & Friend (2012, 2007).

**Figure 1: Respect: caring and considering**



*Note: Costley and Friend (2012; 2007)*

#### 4.5.1 ATTENTION AND VALUING, UNDERSTANDING AND RESPONSIBILITY

Ali and Ndubisi (2010) study of respect aligns with Costley and Friend's (2007) phenomenological study of respect in the marketplace. Ali and Ndubisi (2010) argue care based respect consists of three traits: (1) attention and valuing; (2) understanding; and (3) responsibility of customer's needs. According to Ali and Ndubisi (2010) a combination of all three dimensions produces a kind of respect that individuals owe to all people and not just loved ones. The first dimension, attention and valuing, requires attending to a customer in the mode of appreciating and cherishing each person as an individual. It involves the acceptance of the differences of others that goes beyond toleration. This dimension urges the need to value differences in others rather than viewing differences as a barrier to be overcome. The second dimension, understanding, is about trying to appreciate a person in his or her own terms. This appreciation is an understanding for a person's own consciousness, activities, and purposes. The last dimension, responsibility, highlights an organisation's responsibility to connect people and create community (Ali & Ndubisi, 2010; Costley & Friend, 2012, 2007). This dimension involves caring for people in the sense of helping them satisfy their needs and wants (Ali & Ndubisi, 2010). Ali and Ndubisi (2010) found that the responsibility dimension

is the most important as service providers need to not only recognise but be responsive to customers.

#### 4.6 MUTUAL RESPECT

Kumar (2009) discusses the concept of mutual respect, a frequently mentioned term in the respect literature. Mutual respect is associated with moral principles that govern respect such as equality and value for others (Egge, 1999; Kelsner, 1994). According to Kumar (2009) objects such as a boomerang and a mirror have been metaphorically linked to mutual respect in order to signify that when we treat others with respect we gain respect in return. The presence of mutual respect has positive effects on long lasting relationships as well as society as a whole. According to Frei and Shaver (2002), Murphy, Laczniak and Wood (2007) and Honneth (1992) mutual respect can foster long lasting relationships and increase trust and security. Applying this to the marketplace, Costley and Friend (2007) argue that mutual respect can increase customer satisfaction and loyalty.

#### 4.7 EFFECTS OF RESPECT IN RELATIONSHIPS

As Kumar (2009) notes the construct of respect is highly influential to the nature of relationships as well as the level of trust that exists within relationships. The perception of respect in interaction between two parties encourages and fosters the formation of a relationship, while sustained respect can enhance the quality and longevity of existing relationships (Boeckmann & Tyler, 2002; de Cremer, 2003). As Costley et al. (2005), and Frei and Shaver (2002) indicate, respect is an effective predictor of relationship satisfaction in various contexts. It is also noted that respect in relationships can lead to increased levels of trust, which often begin with feelings of respect (Friend, Costley & Brown, 2010; Kumar, 2009; Costley et al., 2004; Frei & Shaver 2002; Reilly, 2002; Kesler, 1994). Kumar (2009) states that either of these constructs may not exist without the other, respect cannot be present without trust and trust cannot be present without respect.

## 4.8 RESPECT IN MARKETING

Respect in marketing is an important dimension of a successful marketing relationship (Costley & Friend, 2012; Ali & Ndubisi, 2010; Costley et al., 2005). Ali and Ndubisi (2010) suggest that respecting customers is one of the key dimensions required in building good interpersonal relationships. Kumar (2009), Murphy et al. (2007), and Costley et al. (2005) note that respect is one of the most effective tools for building and maintaining relationships with customers. Business practitioners such as Kevin Roberts, Worldwide CEO of Saatchi and Saatchi, note the importance of respect in customer relationships and successful businesses (Roberts, 2004). According to Ali and Ndubisi (2010) the question of how customers are treated plays an important role in building quality relationships and brand loyalty because customers value respect (Costley et al., 2005). As Reilly (2002) noted respect makes customers feel good; disrespect turns them away

According to Friend et al. (2010) trust for organisations begins with respect. Customers who are treated with respect have greater levels of trust with an organisation and disrespectful treatment towards customers may result in a decrease of trust for the organisation (Friend et al., 2010; Reilly, 2002). As Tschannen-Moran and Hoy (2000) note businesses need trust to function in society as it is a complex component of relationships (cited in Friend et al., 2010). Distrust will fracture relationships (Friend et al., 2010). As noted by Kumar (2009) decreased trust affects the organisation because it can often influence patronage since it is one of the cues used by customers to evaluate businesses. Accordingly, trust can be associated with organisational reputation as it enables the judgment of a company (Kumar, 2009).

According to Costley et al. (2005), both consumers and marketers need to understand how respect benefits them, how to show respect, and how to elicit respect from others. Organisations need to show understanding, be responsible, pay attention and value the customer as these are important aspects of respect that customers look for in their interactions with service providers (Ali & Ndubisi, 2010). Brands should strive to be Lovemarks, a theory originally developed by Kevin Roberts (2004). Lovemarks is the concept Roberts developed to describe a brand that combines the love and respect of consumers (Veldre, 2011). Roberts stresses that connecting with customers is about showing empathy and putting in the effort to develop the relationship (Veldre, 2011). Roberts argues that a continuous effort to treat all

customers respectfully can increase customer loyalty and commitment (Costley et al., 2005). Additionally, Kumar (2009) notes the relationship between respect and customer satisfaction. Costley et al. (2005) proposes that respectful treatment will also increase customer satisfaction. This means showing respect by being sensitive to a customer's right of privacy and choice (Murphy, 1999; Myers, 1997).

## 4.9 DISRESPECTFUL BEHAVIOUR

As Kumar (2009) notes, the existing literature lacks a clear and comprehensive definition of disrespect. The psychology literature theorises that feelings of disrespect are experienced when one feels that they are denied something that they are entitled to (Miller, 2001). According to Kumar (2009) disrespect stems from behaviours such as ignorance, arrogance or insensitivity that leads to lack of acceptance, discrimination, and failure to listen to others (Mendleson, 1998). As Myers (1997) and Honneth, (1992) note these behaviours are often regarded as patronising, condescending or degrading all of which signify disrespect. As Kumar (2009) highlights, the literature (Miller, 2001; Kesler, 1994) reports that with such behaviours people may feel betrayed, belittled, or degraded. Feelings of betrayal generally arise when one is disrespected by another party, with whom they have an interpersonal relationship (Miller, 2001; Kesler, 1994). Or vice versa when one is betrayed, they feel disrespected. This relationship may be with a family member or friend or even a service provider (Miller, 2001; Kelser, 1994).

### 4.9.1 DISCRIMINATION AND LISTENING TO OTHERS

According to Kumar (2009) discrimination is the one of the most frequently researched determinants of disrespect. Discrimination can take many forms but is most frequently cited as being biased or unequal treatment (Boeckmann & Tyler, 2002; Keaveney, 1995). Miller (2001) highlights that one of the most commonly cited actions of disrespect is failing to listen to others. According to Keaveney (1995) failure to listen causes people to feel that their beliefs and opinions are not valued or even acknowledged leading to the perception of disrespect. Ignoring others, a prominent cause of disrespect, also has similar effects and is often viewed as insulting, impolite and ultimately disrespectful (Keaveney, 1995). This ignoring behaviour represents a lack of recognition respect. It denies others' entitlement to

voice (Kumar, 2009). Kumar (2009) asserts that both ignoring behaviour and discrimination represent unfair and unequal treatment which is consistent with the perception of disrespect.

#### 4.9.2 DISRESPECT IN THE MARKET PLACE

Despite the lack of literature in the field, a lot can be learned by organisations in the market place around the notion of disrespect. Customers appear to experience disrespect through either lack of care or concern, or a denial of recognition respect. According to Kumar (2009) perceptions of disrespectful behaviour stem from a lack of recognition respect from service providers, who fail to carry out the basic obligations that all individual are entitled to. Unfair and unequal treatment as well as lack of acknowledgement also signifies a lack of recognition respect (Kumar, 2009). Additionally Kumar (2009) adds that a focus on sales and process related problems are interpreted as being indicative of a lack of care and concern, therefore disrespectful. As Honneth (1992) notes feelings of disrespect are likely to cause the customer to feel degraded or belittled.

Kumar's (2009) research examines consumers lived experiences of disrespect. The purpose of Kumar's (2009) study was to understand the causes and effects of disrespect. Kumar uncovered six main themes that explain the causes of disrespect through a thematic analysis. These being: 'rude responses', 'perceptions of discrimination', 'the presence of an audience', 'a sales focused atmosphere', 'personal conversations' and 'process related problems' (Kumar, 2009, p. 44 & 45). These themes developed from grouping words together that represent an overall form of behaviour as seen in table below.

**Table 1: Categorised Words Describing Causes of Disrespect**

<b>Behavioural Category</b>	<b>Key Words</b>
General rudeness	<ul style="list-style-type: none"> <li>• rude</li> <li>• impolite</li> <li>• nasty</li> <li>• unkind</li> </ul>
Negative Expressions	<ul style="list-style-type: none"> <li>• negative tone of voice</li> <li>• negative facial expressions</li> <li>• negative attitude</li> <li>• sarcasm</li> </ul>
Unwillingness to help	<ul style="list-style-type: none"> <li>• ignored</li> <li>• unhelpful</li> <li>• uncooperative</li> <li>• disregarded</li> </ul>
Actions of superiority	<ul style="list-style-type: none"> <li>• degrading</li> <li>• arrogance</li> <li>• condescending</li> <li>• patronising</li> <li>• superior</li> <li>• chauvinistic</li> <li>• snobby</li> </ul>
Perceptions of inequality	<ul style="list-style-type: none"> <li>• unfair treatment</li> <li>• racism</li> <li>• discrimination</li> <li>• judged</li> </ul>
Uncaring behaviour	<ul style="list-style-type: none"> <li>• uncaring</li> <li>• lack of concern</li> <li>• failure to listen</li> </ul>

*Note. Kumar (2009).*

Kumar's (2009) study found that rude responses were one of the most frequently reported determinants of disrespect in the market place. Participants in Kumar's (2009) study indicated that this feeling is based on the act of ignoring, verbal and facial expressions, an unhelpful manner, and expressions of distrust. Kumar (2009) notes that while these feelings are different, they are all linked through the commonality of being rude. Similarly perceptions of discrimination were a common cause of disrespect in the market place. Kumar (2009) found that discriminatory behaviour transpired from two distinct behaviours: a



superior manner over the consumer, and unequal treatment. According to Kumar's (2009) participants, these behaviours resulted from firstly some form of judgement being made about consumers which stems from a lack of professionalism in processing sales, and secondly a sales-focussed atmosphere which is based on a lack of respect for customer privacy (Kumar, 2009). The foundation of these themes is that disrespect is primarily caused by the behaviour of an individual party or parties.

Kumar's (2009) study also identified the consumer's feelings that are associated to disrespectful behaviour. The following table outlines the feelings felt by consumers when they are disrespected.

**Table 2: Categorized Feelings Resulting from Disrespect**

Emotion	Key Words
Anger	<ul style="list-style-type: none"> <li>• angry</li> <li>• pissed off</li> <li>• hostile</li> <li>• infuriated</li> <li>• rage</li> </ul>
Annoyance	<ul style="list-style-type: none"> <li>• annoyed</li> <li>• irritated</li> </ul>
Feelings of inferiority	<ul style="list-style-type: none"> <li>• inferior</li> <li>• degraded</li> <li>• belittled</li> <li>• defeated</li> <li>• diminished self-concept</li> <li>• inadequate</li> <li>• loss of confidence</li> <li>• patronised</li> <li>• put down</li> <li>• small</li> </ul>
Sadness	<ul style="list-style-type: none"> <li>• hurt</li> <li>• upset</li> <li>• sad</li> </ul>
Frustration	<ul style="list-style-type: none"> <li>• frustrated</li> </ul>

*Note. Kumar (2009).*

Kumar (2009) found anger and annoyance were the most common emotional responses to disrespect, supporting assertions by Costley et al., (2004) and Miller (2001). Kumar (2009) stated that anger and annoyance were felt across all six of the themes identified by the research, indicating that they are common responses of disrespect. As Kumar (2009) notes anger can be viewed from different perspectives in regards to disrespect. Disrespect is a common determinant of anger, but those who exhibit high levels of anger may have a low threshold for the perception of disrespect (Miller, 2001). Anger is regarded to be an empowering emotion and increases the motivation for action, which means that the arousal of anger can be a strong predictor of the likelihood of action against the disrespectful party (Honneth, 1992; Miller, 2001). Further emotions that are associated with disrespect include frustration, annoyance and resentment (Costley et al, 2004).

#### 4.9.3 RETALIATION

Disrespect and the emotions it arouses may be a strong determinant for a motivation for action. Millar (2001) proposes that disrespect causes retaliation behaviour from the victim which is stimulated by both emotions and internalised effects. Millar (2001) states that often the intention of retaliation is to educate the offender about the unacceptability of their actions. Avoidance of a particular situation and changes in a person's general disposition result from disrespect (Miller, 2001; Reilly, 2002). Ward and Ostrom (2006) add that customers who experience disrespect in the marketplace may react by constructing complaint or protest websites against the organisation responsible. The motivation for this is thought to be either to advise other customers about the true nature of the organisation, or to get revenge by asserting that their voice can be influential to others and, ultimately, can damage the organisation (Ward & Ostrom, 2006). As Friend et al., (2010) note customers retaliate by confronting, avoiding, bad mouthing and distrusting. This retaliation behaviour returns power to victims (Friend et al., 2010). However, it is important to note that any effort to resolve feelings of disrespect and distrust is made to reaffirm customer's self-identities because consumers will generally attempt to heal their self-identity (Chebaat & Slusarczyk, 2005 cited in Friend et al., 2010). As Friend et al., (2010) states it is difficult for retailers to restore customer's identities once they are affected by distrust or disrespect, thus retailers need to rely on crisis response methods (Benoit, 1997).

Kumar's (2009) study isolated two distinct coping mechanisms of disrespect. The first is that consumers will make a conscious decision to change their future behaviour, to reduce the likelihood of encountering the behaviour that originally caused disrespect again (Kumar, 2009). Kumar (2009) stated that coping mechanisms are associated with the consumers' need to regain control by altering their own behaviour. The second is that consumers affected by disrespect may make discriminatory judgements about the offender as a result of being treated disrespectfully. Kumar's (2009) study was the first to find empirical support for this phenomenon, which researchers refer to as mutual disrespect (Mendleson, 1998; Reilly, 2002). Mutual disrespect may arise from the consumers' desire to regain self-esteem and self-confidence.

## 5.0 CRISIS RESPONSE STRATEGIES

Thus far I have defined the concept of sponsorship and co-branding, followed by the notion of respect and disrespect. This section examines the crisis response strategies which are necessary in maintaining sponsorship/co-branding relationships and demonstrating respect to the public when organisations or sponsors find themselves in the middle of a crisis.

Sponsorships require careful consideration and planning. However, even with careful consideration and planning organisations can occasionally find themselves in the middle of a public relations (PR) crisis. This was the case for Adidas, whose actions resulted in a public outrage over the pricing of the 2011 Rugby World Cup jersey. Crises' can potentially have severe effects on the reputation, popularity and image of sports organisations' brands, (Wilson et al., 2010; Bruce & Tini, 2008) and on the bottom line areas such as attendance to matches, the sale of merchandising, and the efficacy of sponsorship and endorsement deals (Wilson et al., 2010; Bruce & Tini, 2008).

In this section I define a PR crisis and explain the need for organisations to be well prepared in the event of a PR crisis. I then explain the different types of crisis response strategies, (restoration and renewal) and the various methods (denial, evasion of responsibility, reduce the offensiveness, corrective action and mortification) available to organisations. This section

also includes a discussion around the importance of understanding your target audience and concludes with a discussion around the difference between image restoration and renewal crisis response strategies.

### 5.1 WHAT IS A PUBLIC RELATIONS CRISIS?

A crisis has been described in the literature as “a threat or challenge to organisation’s legitimacy”; it is a moment when “stakeholders question if an organisation is meeting normative expectations” (Coombs & Holladay, 1996, p. 281 cited in Wilson et al., 2010). Public relations (PR) has been defined as “the management function that establishes and maintains mutually beneficial relationships between an organisation and the publics on whom its success or failure depends” (Wilson et al., 2008, p. 100). Despite the crucial role that public relations plays in sport and especially in times of crises, little attention has been given to it in the literature (Wilson et al., 2010; Bruce & Tini, 2008; Wilson et al., 2008).

### 5.2 THE NEED FOR CRISIS RESPONSE STRATEGIES

Sweeny (2006) argues that careful management and diligence is required in the event of a crisis in order to maintain brand image and reputation. Sponsoring organisations need to illustrate to the public that they are committed to rebuilding and correcting the problem that created the crisis (Ulmer, Seegar & Sellnow, 2007). In particular, organisations need to act quickly to illustrate in good faith that they are going to follow through on the pledges or promises they communicate (Ulmer et al., 2007) because their reputation and positive brand image can be easily lost which takes a lot effort to restore (Herbig & Milewicz, 1993). Therefore it is important that organisations choose appropriate and effective crisis response strategies (Coombs, 1998). Image restoration and renewal are two broad strategies that organisations can utilise in the event of a PR crisis.

### 5.3 IMAGE RESTORATION

When it comes to crisis response, organisations may take restorative approaches to image problems (Ulmer et al., 2007; Coombs, 1998; Benoit, 1997). Image restoration is a key crisis response strategy which focuses primarily on the immediate aftermath of crisis event (Ulmer

et al., 2007). Benoit (1997) and Ulmer et al., (2007) highlight five message options that fall under the crisis strategy of image restoration. Essentially, these options summarise what an organisation can say or do when faced with a crisis. These options are: denial, evasion of responsibility, reducing the offensiveness of the crisis, corrective action or mortification (Benoit, 1997). Each strategy has a number of variant options. Before choosing a message option, it is important that organisations understand not only the nature of the crisis but also the public's perception of the event, by identifying the main target audience affected (Coombs, 1998; Benoit, 1997). Understanding the audience

### 5.3.1 UNDERSTANDING THE AUDIENCE

Organisations must consider two elements when targeting their image restoration response: who caused the crisis and which audience is most affected. Firstly, organisations need to recognise that the public perception of who caused the crisis is extremely important (Benoit, 1997; Coombs, 1998). According to Benoit (1997) it is irrelevant whether the organisation did or did not cause the crisis, what matters is whether the public felt the organisation was involved (Benoit, 1997). Coombs (1998) describes this as crisis responsibility and highlights that image damage will increase with the perception of the organisation's responsibility and cause of the crisis. The second element organisations need to consider is which audience is most affected. Organisations often have multiple target markets and the crisis response communicator needs to identify the most important audience, tailoring the crisis response to this group. Benoit (1997) suggests that organisations prioritise their audiences, devoting time and effort to the most important, followed by all other possible audiences. The considerations will impact which crisis response method and which variant an organisation chooses to respond to the crisis. The various crisis responses are as outlined below.

### 5.3.2 DENIAL

Denial is a strategy that has two variants. One strategy is that organisations may choose to deny that an event or an act occurred, or that their act was harmful to anyone (Benoit, 1997). Another denial strategy involves shifting the blame, in other words arguing that another organisation was responsible for the event (Benoit, 1997). In both cases, organisations need to consider the level of believability in convincing the public that they did not cause an event. If it is obvious to the public, or there is a significant amount of proof, that the organisation is

responsible, then this response strategy could have serious negative implications on the organisation's integrity (Benoit, 1997).

### 5.3.3 EVASION OF RESPONSIBILITY

Evasion of responsibility has four versions. Organisations can choose to argue that their actions were merely a response to another organisation's offensive act and that their behaviour is simply a reasonable reaction to that provocation (Benoit, 1997). Alternatively organisations can use defeasibility, in which they allege a lack of information about or control over important elements of the information (Benoit, 1997). The organisation could also argue that the event happened by accident or finally, that the act was in fact made with good intentions, with consumers in mind, but simply backfired (Benoit, 1997). Again organisations need to consider the believability of their message, and whether the public are likely to change their opinion on the matter based on the use of these strategies.

### 5.3.4 REDUCE THE OFFENSIVENESS

Organisations can also reduce the perceived offensiveness of their actions in order to restore their image. This strategy has six versions. Firstly an organisation may use bolstering to strengthen the public's positive feelings towards themselves in order to offset the negative feelings connected with the act or event (Benoit, 1997). In this case organisations may describe positive characteristics or positive acts they have done in the past. Alternatively organisations can employ differentiation in which the act is distinguished from other similar but more offensive acts; or thirdly use transcendence which attempts to place the act in a more favourable context (Benoit, 1997). The fourth possibility is to minimise the negative feelings associated with the wrongful act (Benoit, 1997). Here organisations downplay the act or event, or even the extent of the damage. In the fifth version, organisations may also choose to attack their accusers (Benoit, 1997). Finally, financial compensations can also be used to reduce offensiveness if it is appropriate. Again before financial compensation is employed, organisations need to carefully evaluate their audience.

### 5.3.5 CORRECTIVE ACTION

Corrective action is a restoration method where the company promises to correct the problem (Benoit, 1997). Benoit (1997) explains that this involves restoring the organisation's image to the state it was prior to the event (or act) and/or promising to prevent the reoccurrence of the

event (or act). In this case, organisations need to take ownership of their acts and admit that they were in the wrong. Benoit (1997) suggests that people want to know whom to blame and the public find it reassuring to know that an organisation has a commitment to correct the problem, repair the damage and prevent any possible future events (or acts).

#### 5.3.6 MORTIFICATION

The mortification strategy involves confessing and begging for forgiveness (Benoit, 1997). The one drawback with this strategy is that under the right conditions it can possibly invite lawsuits (Benoit, 1997). Organisations need to be prepared to fully accept ownership for their actions and any ramifications if they employ this strategy. Benoit (1997) does suggest that an organisation who is clearly at fault should probably admit this immediately. The organisation then needs to decide whether restoring their image is important enough to their organisational vision and goals (Benoit, 1997).

### 5.4 RENEWAL

Ulmer et al (2007) state that within every crisis there are issues of blame and responsibility, along with opportunities for renewal. Renewal is a way of making sense of a crisis by revealing any crisis induced opportunities for the organisation in crisis (Hurst, 1995; Meyers & Holusha, 1986; Mitroff, 2005; Ulmer et al., 2007; Witt & Morgan, 2002 all cited in Ulmer, et al., 2007). According to Meyers and Holusha (1986) the seven opportunities that present themselves are “heroes are born, change is accelerated, latent problems are faced, people can be changed, new strategies evolve, early warning systems develop and new competitive advantages appear” (cited in Ulmer et al., 2007, p. 132).

An important characteristic of renewal is that it is a leader based communication strategy. The restoration message needs to come from a single spokesperson with a high level of responsibility such as the CEO (Bruce & Tini, 2008; Benoit, 1997). This is because the crisis communications need to “reflect the organisational culture, values, beliefs, norms, assumptions and practices that characterise the organisation” (Kauffman, 2005, p. 274 cited in Bruce & Tini, 2008). In many cases, it is the leaders whom the general public want to listen to and trust following a crisis (Ulmer et al., 2007). Therefore the strength, vision and reputation of a formal leader are necessary conditions for renewal (Ulmer et al., 2007).

Effective leaders should also work to establish strong connections or instrumental communication channels with stakeholders and the public prior to the crisis to generate reservoirs of goodwill from which they can draw upon during the crisis. According to Ulmer et al (2007) leaders who do not have any credibility or connection to stakeholders prior to the crisis are not likely to be trusted, believed or followed.

#### 5.4.1 RENEWAL VS. IMAGE RESTORATION

Ulmer et al (2007) compared image restoration to the process of renewal, identifying that renewal extends beyond the process of restoring an organisation's image and is an innovative process of adaption for the organisation. According to Ulmer et al (2007) there are four characteristics of renewal. Firstly, as a post crisis communication strategy renewal is considered to be provisional as opposed to strategic, wherein responses are developed and designed to achieve some strategic outcome such as protecting the organisation's image or escaping blame (Ulmer et al., 2007). Secondly, as a response it is considered to be more immediate and natural than image restoration tactics, as it focuses on prospective as opposed to retrospective communication (Ulmer et al., 2007). Thirdly, while image restoration focuses on explaining and interpreting what has happened and who is at fault, renewal is concerned with what will happen and how the organisation will move forward (Ulmer et al., 2007). According to Ulmer et al (2007) it is not uncommon for organisations, who immediately respond to a crisis using renewal, will in actual fact have rebuilt and overcome the crisis before there is even a complete resolution to it. Finally renewal is a leader-based communication form. According to Ulmer et al., (2007) the strength, vision, and reputation of a formal leader are necessary conditions for renewal. Leaders play a critical role in renewal because they embody the company and its values.

#### 5.4.2 THE IMPORTANCE OF THE MESSAGE AND THE TIMING

As Bruce and Tini (2008) argue, no matter what crisis response message is chosen, whether it be image restoration or renewal, it should be immediate, clear, consistent, and address all stakeholders. It is important for organisations to carefully plan their response methods in order to reduce response time and any possible miss-steps that may lead to further wrong doing (Bruce & Tini, 2008; Benoit, 1997). As Bruce and Tini (2008) argue "speed is vital to



avoid information vacuums that can be easily filled with misinformation, while a consistent message, whether delivered by one or more spokespeople, supports believability” (p. 110).

## 5.5 BUILDING AND MANAGING POSITIVE ON-GOING RELATIONSHIPS

According to Bruce and Tini (2008) much of the public relations literature focuses on the practical recommendations for predicting and preparing for sports crises, developing crisis management plans to deal with the event of a crisis. However, Bruce and Tini (2008) following Ledingham and Bruning (1998) suggest that this approach is constantly being challenged. Instead, organisations should focus solely on building and managing relationships with key stakeholders (cited in Bruce & Tini, 2008). This is because establishing strong relationships with stakeholders will “build reservoirs of goodwill, alliances, and shared understanding” (Underwood et al., 2001, p. 594 cited in Bruce & Tini, 2008). Therefore such relationships may not only prevent crises in the first place but also lessen the effects or limit the duration of crises when they do occur (Bruce & Tini, 2008). Wilson et al., (2008) also agree, stating that the positive on-going relationship between fans and sports organisations establishes trust and reduces the potential threat or implications of a crisis, even before a crisis has occurred.

## 6.0 SUMMARY OF THE LITERATURE

This chapter reviewed the relevant literature on sponsorship, co-branding, respect, and crisis response strategies. In order to understand the relationship between Adidas, the All Blacks and the New Zealand public it was necessary to understand what sponsorship is, what factors impact its effectiveness with the public and what reasons would have motivated Adidas to sponsor the All Blacks. It was then relevant to understand that sponsorships can develop into co-branded relationships when the core brand values of each brand form together into an easily recognisable identity. This provides a context to the following chapter that will outline the core values of Adidas and the All Blacks, and how this sponsorship has developed into a co-branded identity.

The literature review then defined the concepts of respect and disrespect, and explained their importance in marketing and relationships. This concept was reviewed as it has been fundamental in the relationship between Adidas and the All Blacks and the New Zealand public, and has played an important part in Adidas's successful emergence into New Zealand as the sponsor of the All Blacks.

Finally this review outlined the crisis response strategies that were available to Adidas to handle the 2011 Rugby World Cup jersey Pricing Crisis. In order to provide additional context to this literature review it is essential to understand the relevance of the All Blacks and rugby in New Zealand. This will be discussed in the following chapter.

## 7.0 CHAPTER THREE: THE IMPORTANCE OF RUGBY IN NEW ZEALAND AND THE FORMING OF A CO-BRAND BETWEEN ADIDAS AND THE ALL BLACKS

This chapter outlines the significance of rugby in New Zealand, describing how the All Blacks came to be iconic symbols of New Zealand from traditions set by the 1905 Originals. More specifically it outlines the reasons as to why the All Blacks brand appealed as a sponsorship opportunity for Adidas, and how this relationship developed into a co-brand. This co-branded relationship is based on Adidas' respect for the All Blacks core values and the New Zealand public as the owners of the All Blacks. This chapter highlights the importance of respect in this co-branded relationship and includes a discussion around the compatibility of Adidas and All Blacks' brand values that form the basis of this co-brand. This chapter concludes by outlining the two challenges faced by Adidas with their emergence into New Zealand.

### 7.1 RUGBY IN NEW ZEALAND: THE 1905 ORIGINALS

Several authors have argued that rugby has been synonymous with New Zealand for over a century (Fougere, 1989, cited in Jackson, Grainger & Batty, 2004). As New Zealand progressed from colony to nation, rugby emerged as the national sport (Hope, 2002; Boon, 1992). According to authors such as Jackson, Batty and Scherer (2001), Jackson et al (2004) and Novitz and Willmott (1989), the New Zealand rugby nation (the gathering of the people around the activity of rugby) predated and in part facilitated the emergence of the New Zealand nation. As such, rugby has provided an important basis for the construction of national unity and individual identity (Novitz & Willmott, 1989). This phenomenon started with the 1905 Originals Rugby Team, 'the originators' of the All Blacks tradition (Hope, 2002; Boon, 1992).

In 1905 /1906 the New Zealand Rugby Union team 'The Originals' toured the British Isles and France. This tour is believed to be crucial to establishing characteristics of not only the nation's sporting identity but also highlighting the significance and meaning of the All Blacks (Jackson et al., 2004; Hope, 2002; Ryan, 2005). This tour not only named the All Blacks

team but also cemented in place key parts of the All Black history, including the All Black tradition and culture, including the black jersey, the haka, the expectation of international success, and the endless praise of the All Blacks fitness and tactics (Hope, 2002; Ryan, 2005; Scherer et al., 2008; Jackson et al., 2004; Jackson & Hokowhitu, 2002; Boon, 1992). Hope (2002) reported that the tour also defined the All Black spirit of “hard, uncompromising, self-reliant men who played with pride, ingenuity, and passion for their country” (p. 235). According to Ryan (2005) the All Blacks have since helped to personify New Zealanders as fit, strong and innovative, while also fair, gentlemanly and good sports. Some (Brown, 2003 cited in Sweeny, 2006; Novitz & Willmott, 1989) suggest that the All Blacks can be seen to embody the best of New Zealand values, outlined above, encoding a particular vision of the character of New Zealanders.

## 7.2 THE ALL BLACKS BRAND APPEAL

As a result of the enormous iconic power that the 1905/1906 team generated, the All Blacks have become a very attractive brand, for sponsorship and merchandising (Jackson et al., 2004; Jackson & Hokowhitu, 2002; Jackson et al., 2001). This appeal is evident through their long standing sponsorship deal that they had with Canterbury. According to several authors (Jackson et al., 2004; Jackson & Hokowhitu, 2002; Jackson et al., 2001; Scherer et al., 2008; Jackson et al., 2001) the All Blacks brand deliver something unique to corporate sponsors that no other team in New Zealand can, in terms of affective heritage, past traditions, former players’ cultural significance and New Zealand identity.

### 7.2.1 THE START OF THE ADIDAS/ALL BLACKS CO-BRAND

In 1997 the New Zealand Rugby Union (NZRU) awarded the principal sponsorship of the All Blacks to Adidas, ending a 75 year association with New Zealand sportswear company, Canterbury. The new sponsorship deal commenced early in 1999 (Scherer & Jackson, 2007). As Motion et al (2003) note, the All Blacks had the potential to become a true global sporting icon, but needed the assistance of a strong internationally branded partner, with “established distribution channels and marketing grunt” (p. 1086) to make them a globally recognised brand. This partner was Adidas. Scherer et al., (2008); Scherer & Jackson (2007) and Motion

et al. (2003) argue that this deal was the first significant opportunity for the All Blacks brand to move from a sponsorship relationship into co-branded relationship.

### 7.2.2 THE ALL BLACKS BRAND VALUES

At the time of the new partnership, the NZRU endeavoured to rearticulate the All Blacks brand in relation to a broad range of national values to appeal to traditional fans (Motion et al., 2003; Scherer et al., 2008). These values were heritage, tradition, authenticity, respect, New Zealand, and performance on and off the field (Motion et al., 2003; Scherer et al., 2008). In this context, the core brand value of respect includes respect for the All Blacks jersey, respect for New Zealand and what it stands for, and respect for the people of New Zealand (Motion et al., 2003). As Motion et al (2003) argue the All Blacks earned the right to own the brand value of respect and tradition because of their long history and impressive win rate. This therefore also indicates appraisal respect (Costley & Friend, 2012).

### 7.2.3 ADIDAS

Founded and based in Germany, Adidas is one of the main globally recognised sports brands in the world (Sweeny, 2006). Originally Adidas was a brand that made sports shoes for Olympic athletes, but in an attempt to establish their brand in a global market it expanded into new markets and countries (Sweeny, 2006). Today, Adidas is a “sporting global giant” that provides sports equipment and apparel to a large number of different sports all over the world (Sweeny, 2006, p. 96).

For Adidas, brand image is of high importance and they are constantly looking for ways to further strengthen and develop their brand (Sweeny, 2006). Adidas recognised the affective strength, value and global visibility of the All Blacks, understanding the positive impact the team could have on their own brand image (Scherer & Jackson, 2008; Jackson et al., 2004). Adding the All Blacks to their portfolio was a significant accomplishment for Adidas (Sweeny, 2006). This was not only in the fact that Adidas were privileged to have access to the past, present and future meaning of the team, the game and the New Zealand nation, but also in that Adidas could then align their brand with the All Blacks (Sweeny, 2006). This enabled Adidas to attain an image that was of the same calibre to that of the All Blacks (Sweeny, 2006; Jackson & Hokowhitu, 2002). Adding the All Blacks to their portfolio,

supported Adidas' goal to grow rugby and sell more rugby boots and apparel (Motion et al., 2003).

#### 7.2.4 ADIDAS'S CORE VALUES

For Adidas, their authenticity and history have been the core values that underpin all of their brand decisions. Their history and authenticity is also a major strength and all decisions are based around the 'authenticity in the history' (Adidas Personal Communication, 2006 cited in Sweeny, 2006). They hold the belief that a powerful well established history has the potential to provide vast benefits to a firm, if it is exposed correctly (Adidas Personal Communication, 2006 cited in Sweeny, 2006). Adidas, therefore carefully manage their use of authenticity and history as they believe it is this that provides them with a unique competitive advantage (Sweeny, 2006).

### 7.3 FORMING A CO-BRAND: THE ALIGNING OF VALUES

When securing sponsorship, Adidas looked for two or three matching brand values (Motion et al., 2003). The All Blacks core values of authenticity, tradition, history and heritage were compatible and consistent with those of Adidas, thus allowing both brands to connect at a "fundamental level" (Motion et al., 2003, p. 1090). It is these values that provided the common starting points, as described by Motion et al., (2003) for this co-branded identity.

A sense of history and tradition is an integral aspect of the brand identity of many of the world's most valuable brands (Underwood, Bond & Baer, 2001). According to Underwood et al., (2001) "historical associations serve to heighten our sense of identity and emotional involvement with a team or event, providing a cognitive and effective link to the brand" (p.6). Therefore as demonstrated by Adidas's marketing strategy, a sport brand that incorporates a strong sense of history (e.g. appreciation/recognition of former teams/players, or traditional uniforms) serves not only to differentiate the brand but may also elevate fans' sense of obligation to the team (Underwood et al., 2001). According to Underwood et al., (2001) explicit recognition of historical and traditional assets from sponsoring organisations is expected to strengthen associations with the brand, resulting in enhanced awareness and image.

#### 7.4 ADIDAS'S ENTRY INTO NEW ZEALAND: THE TWO CHALLENGES

Despite the fact that Adidas and the All Blacks' core values aligned, Adidas were confronted with two major challenges (Scherer & Jackson, 2008). Firstly they needed to strategically and sensitively introduce the new cobranded relationship with the All Blacks, to a highly fanatical rugby nation which was used to having their team linked to New Zealand sponsors (Jackson et al., 2004; Scherer & Jackson, 2007; Jackson et al., 2001). Secondly, Adidas needed to establish a strong local identity, respectfully linking their brand with the history and tradition of the legendary All Blacks (Jackson et al., 2004; Scherer & Jackson, 2007; Jackson et al., 2001). According to Jackson and Hokowhitu (2002) there were concerns from the New Zealand public as to "how a foreign company was going to handle the nation's most treasured commodity, the All Blacks" (p. 131). As Sweeny (2006) noted, the multinational commercial enterprise risked a major backlash if it was seen to tamper with the All Blacks tradition. Consequently, Adidas needed to find ways to immerse themselves within New Zealand culture, "navigating their way through the turbulent waters of a nation, whose identity remains passionately if not obsessively anchored to the sport of Rugby and the All Blacks" (Scherer & Jackson, 2007, p. 270). To overcome these challenges Adidas were careful to show recognition and appraisal respect (Costley & Friend, 2012) for the New Zealand public in their dealings of the All Blacks.

## 8.0 CHAPTER FOUR: ADIDAS - DEMONSTRATING RESPECT

As sponsors, Adidas have gone to great lengths to ensure their advertising campaigns represent their understanding and respect for the All Blacks and the New Zealand public. Adidas's campaigns portray their respect of the All Blacks jersey, their respect of the All Blacks story and their respect for the New Zealand public as the 'owners' of the All Blacks (Motion et al., 2003). The first half of this chapter outlines how Adidas demonstrated such respect whilst also overcoming the challenges of introducing themselves into the New Zealand market and establishing a strong local identity. The following section outlines respect for the core values of authenticity, tradition, history and heritage which Adidas have used to shape their marketing and communications campaigns.

### 8.1 THE PARTNERSHIP

Adidas were conscious that they lacked local knowledge of not only the New Zealand market but also a detailed understanding of the New Zealand culture (Scherer & Jackson, 2008; Jackson et al., 2004). To ease insecurities, Adidas set out to build a solid relationship with the New Zealand Rugby Union (NZRU). From the beginning "the symbiotic nature of the NZRU/Adidas relationship was explicitly framed by both parties as a 'partnership', as opposed to a sponsorship or some kind of brand/sporting property ownership" (Scherer et al., 2008, p. 54). The partnership included frequent meetings between Adidas and the NZRU, to share detailed understanding of each organisation's respective brand values and marketing objectives (Scherer & Jackson, 2008; Scherer & Jackson, 2007). The partnership included a cultural component which enabled Adidas to gain invaluable knowledge about rugby 'New Zealand style' from the NZRU (Scherer & Jackson, 2008); to ensure respectful execution of their marketing campaigns. According to Scherer and Jackson (2008, 2007) this partnership was based upon pure respect for each other's goal of adding value to both brand names.

Adidas were aware that their marketing communications needed to reflect their understanding and knowledge of New Zealand rugby, so the Adidas/NZRU partnership was extended to include local advertising agency Saatchi and Saatchi Wellington, to form a three way communication loop. All of Adidas's initial advertising campaigns were developed by the



creative team at Saatchi & Saatchi Wellington who worked hard to cultivate close working relationships between the marketing divisions at Adidas and the NZRU (Scherer & Jackson, 2008). Saatchi and Saatchi Wellington were awarded the contract in 1998 to develop both local and global advertising campaigns, due to their cultural understanding of not only the values and disciplines of the All Blacks brand, but also the cultural significance of rugby in New Zealand (Scherer & Jackson, 2007; Scherer & Jackson, 2008). Having an advertising company who were knowledgeable about the local culture not only ensured continuity, but also ensured that the creative process was facilitated in a local environment who could ensure a true representation of all cultural meanings (Scherer & Jackson, 2007; Scherer & Jackson, 2008). According to Scherer and Jackson (2008) these local collaborators formed marketing teams of “likeminded individuals” who understood the brand values of both Adidas and the All Blacks (p. 511). For the NZRU it was of high importance that these likeminded individuals were male and likely to share dominant understandings of identity and the significance of rugby in New Zealand (Scherer & Jackson, 2007; Scherer & Jackson, 2008).

## 8.2 ADIDAS’S MARKETING CAMPAIGNS

There were two noticeably key themes evident in Adidas’s initial emergence into New Zealand and the development of the co-brand. Firstly their communication put the emphasis on the colour black, with the use of the jersey in advertising and in their other promotional material; secondly there was an emphasis on tradition and history of the All Blacks, in accordance with the core values previously outlined (Jackson et al., 2001). Adidas carefully made use of these themes in their marketing communications from 1999-2001 in order to convey their respect for the All Blacks and the New Zealand nation. Adidas purposely used a strategic approach of ‘nostalgia’ designed to construct the image of a long-standing relationship between the Adidas brand and the All Blacks (Jackson 2003 cited in Sweeny, 2006; Jackson et al., 2004).

### 8.2.1 THE 1999 JERSEY

Motion et al (2003) state that, a successful cobranding strategy must take into account the need to disarticulate any prior connections as well as to create and communicate the new connection. They note that the first goal for Adidas and the NZRU was to ensure that the connection between the All Blacks brand and the previous sponsor Canterbury was

disarticulated, and a new connection was formed with the Adidas brand. On the 1<sup>st</sup> of July 1999 Adidas released a new All Blacks jersey, which was launched to coincide with the commencement of the sponsorship (Jackson et al., 2004). According to Adidas, the new jersey was designed to keep in with the traditions of All Black rugby (Jackson et al., 2004; Jackson et al., 2001). The most significant change for the jersey was to the collar. The traditional white collar that had been seen on the jersey over the past 75 years under the sponsorship of Canterbury was replaced with a black Chinese style collar reminiscent of the jerseys won by the 1905/06 Originals team (Jackson et al., 2004; Jackson et al., 2001). The solid black jersey featured the iconic silver fern on the left breast and the Adidas logo on the right. Adidas stressed that they had heavily researched the history and legacy behind the jersey before making it completely black (Jackson et al., 2004; Jackson et al., 2001). Craig Lawson, Adidas New Zealand's Managing Director, explained that the jersey's resemblance to the 1905 model was purposely designed to retain the All Black heritage arguing that "we respect the sanctity of the All Black Jersey...we have been very respectful of the whole image..." (Jackson et al., 2004, p.214).

#### 8.2.2 TELEVISION COMMERCIAL: CAPTAINS

The release of the new jersey was simultaneously followed by an advertisement entitled 'Captains'. This carefully crafted sombre black and white television commercial was a supporting element to Adidas's initial localising strategy "designed to articulate Adidas' understanding and respect for the historical legacy of the All Blacks" (Scherer & Jackson, 2007, p. 269). In keeping with the themes of history and tradition the commercial was staged in an old locker room and featured six former All Blacks pulling on (chronological versions of) previous All Blacks jerseys. As each captain pulled the jersey over their heads they were 'reincarnated' as the next team captain finishing with the 1999 team captain, Taine Randell, wearing the brand new All Blacks jersey (Jackson et al., 2004). The ad concluded with the tag line "The legacy is more intimidating than any opposition" Adidas's global advertising manager Linda Shatteman stated that "the commercial demonstrated that Adidas respects and understands the traditions of All Black rugby" (Jackson et al., 2004, p. 215). While the primary objective of the advertisement was to gain acceptance for the placement of the Adidas logo on the iconic All Blacks jersey, it was also a strategy designed to show that change had been a constant feature of the All Blacks apparel through the use of a historical narrative (Motion et al., 2003). The ad demonstrated their promise to the New Zealand public

that they were respecting the All Blacks tradition, implying that they would continue to respect it. It is through this advertisement that Adidas was able to reinforce the brand value of respect for the jersey (Motion et al., 2003; Jackson et al., 2001).

### 8.2.3 TELEVISION COMMERCIAL: BLACK

During the 1999 Rugby World Cup Adidas released a black and white commercial entitled 'Black'. The advertisement was designed to further strengthen the associations between the All Blacks and Adidas, articulating the Adidas brand specifically in relation to the primal power of the All Blacks and their performance of the Ka Mate haka (Scherer & Jackson, 2007; Motion et al., 2003). The theme that drove the campaign was meeting the challenge (Scherer & Jackson, 2007).

The advertisement opened with a shot of boiling mud pools in Rotorua and then continued on to show shifts between the current All Blacks, and warriors of the past performing the iconic Ka Mate haka (Motion et al., 2003; Jackson & Hokowhitu, 2002). The performance of the haka was filmed at a live night test match at Eden Park (Scherer & Jackson, 2008). According to Jackson and Hokowhitu (2002) the warriors were portrayed as intense, angry fighters complete with traditional Maori facial tattoos known as moko. The advertisement concluded with shots of All Black Kees Meeuws, staring intensely at opponents after completing the haka (Jackson & Hokowhitu, 2002). The purpose of the commercial was to articulate the Adidas brand with a number of characteristics associated with the All Blacks, including the colour black, the haka, and Maori imagery, all intertwined with raw images from an international rugby match (Scherer & Jackson, 2008). Saatchi and Saatchi wanted to strike a powerful chord with rugby fans and people who had never seen rugby or heard the All Blacks, so that they could identify with core values of courage, commitment, sacrifice and skill that the All Blacks embody (Scherer & Jackson, 2008). Adidas were looking for something unique and believed it could capture this through the haka (Jackson & Hokowhitu, 2002).

Over a year of careful planning went into designing the advertisement. Adidas wanted to demonstrate that they understood and felt what lies at the heart of the All Blacks. According to Scherer and Jackson (2008) Adidas went to great lengths to consult and involve Maori in relation to the commercial's production due to their fears of misinterpreting and

misrepresenting Maori culture and mythology, which may consequently insult the prestige and authority of Maoridom (Scherer & Jackson, 2008). After careful consideration and consultation between the NZRU, Adidas, and Saatchi and Saatchi, Maori experts were flown in from Rotorua and Gisborne to the set of 'Black' to ensure the respectful and accurate representation of Maori culture (Scherer & Jackson, 2008). This again reinforces the effort Adidas went to build respectful relationships with all groups within New Zealand society. The ad contributed to what was described as an "incredibly powerful branding campaign" for the All Blacks creating a powerful image of New Zealand (Harcourt, cited in Jackson & Hokowhitu, 2002, p. 136).

Authenticity was a significant theme in the production of 'Black' (Jackson et al., 2004; Jackson et al., 2001). Adidas wanted to respectfully represent the All Black Haka not only in relation to the Maori culture but also in relation to its true intensity and passion. The advertisement incorporated complex production processes designed to authenticate the representation of the Ka Mate haka, rugby and the physicality of the All Blacks. Saatchi and Saatchi's head of television, Howard Grieve, stated "we knew that if we could just show people what it's like to be confronted by a Haka and to watch the All Blacks play their game then you don't have to manufacture anything because it's all authentic" (cited in Scherer & Jackson, 2008, p. 133). According to Jackson and Hokowhitu (2002) all they had to do is show it.

This chapter has reiterated how much care Adidas have put into demonstrating respect into their marketing campaigns. It is evident that Adidas understood the importance of showing respect for the New Zealand public in relation to the tradition, history and authenticity of the All Blacks. Their carefully crafted advertising campaigns and television commercials clearly reflected this understanding and respect, and provided a base for Adidas to develop a positive reciprocal relationship with the New Zealand public.

## 9.0 CHAPTER FIVE: THE PRICING CRISIS OF THE 2011 RUGBY WORLD CUP JERSEY

The previous chapter has outlined how as principal sponsors of the All Blacks over the past 13 years, Adidas has gone to great lengths to ensure their advertising campaigns reflect respect for the New Zealand public in relation to the tradition, history and authenticity of the All Blacks. Their carefully crafted advertising campaigns and television commercials highlight Adidas's understanding and respect for the historical legacy of the All Blacks. However, in August 2011, Adidas found itself in the middle of a public relations crisis over the pricing of the Rugby World Cup jersey; a situation that one could argue did not demonstrate respect for the New Zealand public.

This chapter explains what happened in 2011 over the price of the Rugby World Cup jersey set by Adidas and the public backlash that occurred. This explanation is necessary to position the research and to lead to the research statement.

### 9.1 WHAT HAPPENED IN AUGUST 2011?

In August 2011, Adidas released the 2011 Rugby World Cup Edition supporter's shirt to the New Zealand public selling for \$220.00 in New Zealand retailers (Davison, 2011). This price was over \$100.00 more (including shipping) than prices set by international websites selling the exact same shirts (Davison, 2011). The media (Donnell, 2011; Harper & Newstalk ZB, 2011; Davison, 2011) reported that the jerseys could be bought for NZ\$104.00 on a US website and NZ\$122.00 on a British website and started relaying the growing New Zealand public's outrage at the price difference. The media reported that many rugby fans would threaten to import the jersey from offshore in order to avoid buying them at 'rip off' prices (Donnell, 2011). According to New Zealand Herald reporters (Donnell, 2011; Harper, 2011), some members of the public were 'appalled' at the price of the jersey and accused Adidas of price gouging and profiteering. Despite the media reports about the public's feelings, Adidas refused to drop the price for New Zealand customers (Donnell & Hannan, 2011).

## 9.2 THE RESEARCH FOCUS

As outlined in chapter three, Adidas have been from the very beginning of their co-branding venture with the All Blacks, careful to respect New Zealand customers as the 'owners' of the All Blacks and did their best to demonstrate their understanding of the importance of rugby in New Zealand (Motion et al., 2003). It can be argued that Adidas's commitment to demonstrate such respect for the All Blacks and New Zealand rugby has been the reason why the New Zealand public have held positive attitudes towards Adidas as a sponsor and why their intentions as a sponsor have been believed to be sincere (Roth, 2009). However, Adidas's pricing of the Rugby World Cup (RWC) jersey and their response to the public's outrage, did not put into practice the respect for the New Zealand public that Adidas have endeavoured to maintain over the previous 13 years.

In this study, I question how consumers felt at the time of the crisis (via analysis of media coverage and readers' comments on that coverage) and a year after the crisis (via an online questionnaire). Thus the main objective of this research is to understand the consumers' response towards Adidas during and after the pricing crisis of the RWC jersey and understand the role that respect has played in the relationship.

## 9.3 THE RESEARCH STATEMENT

To understand the New Zealand public's response towards Adidas as a result of the 2011 Rugby World Cup jersey pricing crisis and the role that (dis)respect plays in the response.

## 9.4 RESEARCH OBJECTIVE

In order to be able to address the research statement I needed to explore and understand the following:

- How the crisis unfolded
- How Adidas's handled the crisis
- How the New Zealand public reacted to and felt about Adidas's crisis response methods

## 10.0 CHAPTER SIX: METHOD

The purpose of this study is to understand the New Zealand public's response towards Adidas as a result of the 2011 Rugby World Cup jersey pricing crisis. More precisely this study aims to understand the role that (dis)respect plays in this response by analysing the feelings, beliefs or attitudes that members of the New Zealand public held towards Adidas at the time of the crisis in August 2011, and one year after the event. The study also explores the crisis response methods Adidas appeared to use during the crisis.

This study used a two phase multi-method qualitative research design. The first phase used a qualitative media analysis (Altheide, 2000) of major news articles and current affair programmes to identify the main stages of the pricing crisis. This was complemented by a netnography (Kozinets, 2002) of bloggers' reactions to these articles in order to understand how they felt at each stage of the crisis. The second phase of the study used an open-ended questionnaire to survey how the public felt about Adidas and Adidas's reactions to the pricing crisis as remembered at the time of the crisis and one year after the event. The role respect and disrespect played in the public's perceptions of the crisis was analysed both at the time of the crisis and one year after the event. This chapter details how each part of the study was conducted and analysed.

### 10.1 PHASE ONE: QUALITATIVE MEDIA ANALYSIS

The qualitative media analysis consisted of two parts:

1. Analysis of media texts and identification of the different stages of crisis.
2. A netnography of New Zealand bloggers' comments in and on new media websites to understand reader's response to the crisis.

#### 10.1.1 PART ONE: IDENTIFYING/ANALYSING MAIN STAGES OF THE CRISIS

The first part of the analysis involved understanding the media's representation of the crisis via a media analysis approach (Altheide, 2000). This analysis involved searching for and gathering media clippings from the time of the crisis between August 3, 2011 and August 10, 2011. These media texts were gathered from the 'Stuff News' website, and the 'New Zealand

Herald' website. My search was limited to Stuff News and New Zealand Herald as these popular news sites are the main media outlets for up to date news in New Zealand. In order to gather a large variety of media across popular national news outlets I also collected video recordings from TV One's Close-Up and TV 3's Campbell Live that aired between August 3, 2011 and August 11, 2011. TV One's Close-Up and TV 3's Campbell Live were popular national in-depth current affairs programs which allowed for viewers and readers to provide their own feedback and opinion throughout the actual show and also through the shows' websites and social media outlets such as Facebook. A total of 19 media clippings from these sites were included in the analysis. At the time of the crisis a Facebook page of protests was created (<https://www.facebook.com/groups/boycott.adidas.nz/>) where bloggers accused Adidas of overpricing the jerseys and threatened to boycott Adidas's products. This page contained a number of responses from New Zealand bloggers. Although relevant to this study, this page was not taken into account in this study as I already had an significant volume of data for my analysis.

Adopting a qualitative media analysis (Altheide, 2000), and using Benoit's (1997) crisis response strategies, I identified the different stages of the crisis as reported by national news stories. By analysing all of the news texts in chronological order (Bruce & Tini, 2008) I was able to recognise various 'frames' in the news articles (Altheide, 2000), these were important in understanding the evolution of the crisis. As Altheide (2000) explains frames identify and define the relevant parts of a story that are important to understanding the bigger picture. A frame is a term used to explain the different acts or stories about an incident reported by the media. In this case the media frames provided a way to examine the whole story and identify the different stages in the evolution of the crisis in order to understand and clarify what happened at each stage (Altheide, 2000). This meant I could query how and why the various events occurred throughout the crisis by the way they were presented to the public in the media (Altheide, 2000). The media frames analysis made it easy to identify the main turning points in the crisis.

In order to understand the frames in more depth, I identified what Altheide (2000) refers to as themes. This involved me tracking the different types of media (Altheide, 2000), identifying recurrent terms, topics, actions and words in the material I collected between August 3, 2011 and August 10, 2011 (Motion et al., 2003; Altheide, 2000). I analysed reoccurring statements



and the actions of Adidas, local retailers, and the New Zealand public that appeared in the media stories. This enabled me to develop a coherent descriptive storyline of the crisis. The most frequently reported terms and actions indicated main points of relevance and importance (Motion et al., 2003) as it was assumed that repeated reporting of actions were significant parts of the crisis development. I then analysed each of the stages in relation to the notion of respect and disrespect (Costley & Friend, 2012; Ali & Ndubisi, 2010; Kumar, 2009; Dillon, 2007; Costley et al., 2005) and in relation to the crisis response strategies outlined by Benoit (1997). This involved me identifying any image restoration or renewal crisis response strategies that Adidas appeared to employ during the crisis. The success of Adidas's response tactic in rectifying the situation was based on the perceived improvement to Adidas's image (Bruce & Tini, 2008). This improvement to Adidas's image was determined by the tone of bloggers' comments. The analysis of bloggers' comments allowed me to gauge the New Zealand public's response at each stage of the crisis and compare it with responses obtained one year later. This meant that I could see if Adidas's reputation had been affected in relation to the notion of (dis) respect.

#### 10.1.2 PART TWO: NETHNOGRAPHY/ANALYSIS PUBLIC'S COMMENTS

The second part of the media analysis used nethnography (Kozinets, 2002) because it enabled me to identify how New Zealand bloggers felt during the different stages of the crisis. Nethnography (Kozinets, 2002) is an analysis of consumer reactions made on publically available forums. It is used to review consumer insights, feelings, impressions, motivations, and feedback (Kozinets, 2002). An analysis was conducted on bloggers' comments on the news articles identified the different stages of the crisis. Using this publically available online information from those who blogged, I was able to identify and understand part of the New Zealand public's insight, feelings, impressions, motivations, and feedback (Kozinets, 2002). This approach was helpful because it enabled me to draw interesting and useful conclusions from a relatively small number of messages (Kozinets, 2002). The feelings, opinions and/or reactions that were displayed in the comments were then analysed in relation to the notion of (dis)respect (Costley & Friend, 2012; Ali & Ndubisi, 2010; Dillon, 2007; Costley et al., 2005).

For this nethnography analysis I firstly identified the news stories that allowed readers to write comments. Three articles and one video news story were identified as having this

capability. Two were Stuff News articles (Cooke, 2011; Westbook, Levy & Cooke, 2011), one was a TVNZ article (One News, 2011), and the other a Campbell Live interview (TV 3, 2011). A limitation of my research is that these were the only online news stories that offered the capability for bloggers to write comments. These stories were written 10 days after the jersey was released for sale. No news stories were found that offered this capability earlier in the crisis.

Written comments for these four news stories were 300 words or less each. In order to write a comment, bloggers had to enter a username and email address and accept the terms and conditions set by the website. Usernames were published at the start of each comment and often did not identify the individual's real name because they were pseudonyms. Each website checked all comments for inappropriate content before they were published.

A total of over 700 comments were analysed from the four news stories (Cooke, 2011; Westbook et al., 2011; One News, 2011; TV 3, 2011). All the comments were read and then analysed using a thematic approach (Owen, 1984 cited in Motion et al., 2003). Frequent and reoccurring terms (Motion et al., 2003) that exemplified or added understanding to the notion of (dis)respect (Costley & Friend, 2012; Ali & Ndubisi, 2010; Kumar, 2009; Dillon, 2007; Costley et al., 2005) or the effectiveness of Adidas's crisis response strategies (Benoit, 1997) were identified in the analysis. These terms were then categorised and named based on similarities and differences (Noble & Phillips, 2004). Bloggers' comments that best exemplified a theme were included with the theme analysis of the four news stories.

## 10.2 PHASE TWO: OPEN-ENDED SURVEY

The second phase of the study was conducted via an anonymous online open ended survey. The survey was designed to capture a snap shot of the New Zealand public's response towards Adidas one year after the pricing crisis. This was designed to assess the New Zealand public's sentiment towards Adidas after the media hype had disappeared.

### 10.2.1 SURVEY DESIGN AND RATIONALE FOR QUESTIONS

The survey was designed with Qualtrics online survey software. It was short and simple consisting of four open ended questions, followed by six demographic questions (see Appendix 1). Participants could not look back on or re-answer questions once they had clicked through to the next question.

The first question displayed a picture of the 2011 Rugby World Cup jersey and asked participants: “How do you feel about the 2011 All Blacks RWC jersey? Explain the reasons for these feelings.” This question was designed to understand the importance of the All Blacks and the jersey in New Zealand, without specifically reminding participants of the crisis.

The second question provided participants with a summary of the pricing crisis (see Appendix 1) and then asked, “How do you feel about this situation? Explain the reasons for these feelings.” This question was designed to identify and understand any feelings, beliefs, or attitudes participants had about the crisis after being reminded of the situation. This was to note if participants still felt the same as they did at the time of the crisis. This question was also designed to note any feelings of (dis)respect (Costley & Friend, 2012; Ali & Ndubisi, 2010; Dillon, 2007; Costley et al., 2005).

The third question asked participants to recall how they felt about the handling of the crisis at the time of the crisis. The fourth question asked participants to re-evaluate their feelings and explain how they felt about the handling of the crisis one year later. This question was designed to understand how consumer’s felt about Adidas’s overall handling of the crisis to see if their feelings had changed and to also analyse their responses in relation to the crisis response literature (Benoit, 1997).

The above four questions were followed by four short demographic questions (See Appendix 1). Question five, asked participants what year they were born. This question was designed to understand if the opinions expressed differed between age groups. It was initially thought that the change of sponsorship from Canterbury to Adidas could impact consumer opinions of the crisis. This is because Canterbury was a sponsor of the All Blacks for 75 years, and older

participants may have been more favourable towards Canterbury (New Zealand company) as a long serving sponsor. This assertion was indicated to the researcher in some informal interviews with members of the public prior to the research statement being set. Questions six, seven and eight asked participants their gender and citizen status, and how long they had lived in New Zealand. Questions nine asked participants to move a slider bar on a 5-point scale where 1 was least applicable and 5 was most applicable to indicate how true the following statements were about them:

- a) I am interested in sport
- b) I am interested in rugby
- c) I am a Fan of the All Blacks
- d) I am proud to be a New Zealander /permanent resident
- e) I am proud when the All Blacks do well
- f) I believe rugby is an important part of New Zealand identity

Questions a, b and c were asked because the sponsorship literature (Meenaghan, 2001; Sutton et al., 1997) indicates that the type of fan (high, moderate, low) impacts the effectiveness of sponsorship. With this in mind, it was believed that the response towards Adidas would differ between the fan types. Questions d, e and f were asked because the literature (Bulmer & Buchanan-Oliver, 2010; Hogg and Abrams, 1988 cited in Madrigal, 2000) highlights that sport binds nations, and influences individual identity. As this crisis was nationwide and linked to New Zealand's sense of identity, participants were asked to identify their level of collective affinity and national pride to understand if the consumer response differed for those who strongly identified with NZ as compared to those who did not. Finally, participants were asked if they purchased a 2011 Rugby World Cup jersey. If yes, they were asked where and when they purchased it. If no, they were asked if they had intended to purchase a jersey, and if so, why they chose not to. This question was designed to understand whether the crisis affected whether a jersey was purchased. Unfortunately a question was never asked in the open ended survey if the crisis had an impact on the public's purchase intentions of Adidas's products. This is because I was more focused on the consumer response in relation to dis(respect) of the 2011 Rugby World Cup Jersey pricing, not on the Adidas brand. In order to determine whether this crisis had long term implications for Adidas's reputation, future research could examine whether the notion of disrespect has impacted upon consumers' likelihood of future purchases of Adidas products. This could be researched through an analysis of Adidas's sale figures.

### 10.2.2 SURVEY DISTRIBUTION

As Adidas's price discrepancy was only applied to the New Zealand market, the survey was designed for New Zealand citizens and permanent residents only. The survey was distributed to potential participants using a snowball sample via email. Potential participants were sent an email via a publically available email address, requesting their participation in the study. The first potential participants were emailed directly by the researcher and included friends, family, colleagues and acquaintances. Anyone who received the email was asked to forward it onto other potential participants, but not limit their selection to only those who had strong opinions on the topic and or interest in rugby.

### 10.2.3 INFORMING PARTICIPANTS

All participants received a short introduction about the research and the link to the survey (See Appendix 2). Whilst this study did not involve deception, it deliberately did not provide the research purpose to participants in the information brief in order not to bias the participants responses. The research aimed to understand feelings and attitudes participants held towards the jersey, without reminding them of the pricing crisis, as it was assumed that this may impact participants' responses negatively. Therefore, participants were only advised that the study was in the field of sport marketing and on the New Zealand All Blacks Rugby jersey.

### 10.2.4 SURVEY ANALYSIS

The open ended survey was analysed question by question through a key word analysis (Kumar, 2009) and a thematic analysis (Kumar, 2009; Owen, 1984 cited in Motion et al., 2003) that developed from identifying the terms frequently used by participants. The responses to each question were then broken down into the fan types outlined by Meenaghan (2001) and Sutton et al. (1997).

Participant responses to questions one, two, three and four were analysed based on their level of fanship (Meenaghan, 2001; Sutton et al., 1997). Those who answered either 4 or 5 for the questions 'I am interested in sport', 'I am interested in rugby' or 'I am a Fan of the All Blacks' were classified as highly involved fans. Those who answered 3 on slider bar for 'I am interested in sport', 'I am interested in rugby' or 'I am a Fan of the All Blacks' were

considered to be moderately involved fans. Finally, those who answered either 1 or 2 for 'I am interested in sport', 'I am interested in rugby' or 'I am a Fan of the All Blacks' were considered to be low involved fans. The rationale for this method of analysis is based on Woisetschlager and Michaelis (2012), Sweeny (2006) and Grohs and Reisinger's (2005) assertions that the level of a fan involvement and the perceived fit between the sponsor and the sport or team influences people's perceptions of a brand.

Based on the work by Kumar (2009) and Motion et al., (2003) the responses for each fan type for each question were analysed using two complementary qualitative processes. Part one was a key word analysis and part two a thematic analysis. This allowed for a thorough understanding of the nature of disrespect (Kumar, 2009). The first part, the key word analysis involved identifying and counting the different terms that participants used to describe both their feelings towards Adidas and the reasons for these feelings. This provided an idea of the most common perceptions and responses (Kumar, 2009).

The second part involved using the key words to identify themes for both the participants' feelings and the reasons behind their feelings. Key words were then grouped into themes according to the criteria of "frequency, intensity and salience" (Motion et al., 2003, p. 1085). I then analysed the themes according to their similarities and differences across the different fan types (Owen, 1984 cited in Motion et al., 2003).

Participant responses for question ten on who purchased the jersey were also analysed, as outlined above, by fan type. Percentages of who did or did not buy the jersey were noted for highly, moderately, and low involved fans. I then conducted a thematic analysis (Motion et al., 2003) on the reasons as to why participants did not purchase the 2011 Rugby World Cup Jersey, and identified recurrent terms.

Participant responses were then grouped together and analysed based on the year participants indicated they were born. Responses were analysed using thematic analysis as outlined above for questions one to four, to see if any noticeably distinct inferences could be made about the public response in relation to a participant's age.

### 10.2.5 PARTICIPANTS

A total of 203 participants completed the online survey. Of these 203 participants, 187 were New Zealand Citizens and 16 were permanent residents; 105 were female and 96 were male. The participants ranged from age 18 to 78. Participant responses were broken into fan types. The following table illustrates the number of participants per fan type – high, moderate and low.

**Table 3: Fan types purchase decisions**

<b>Fan type</b>	<b>Number of fans per fan type</b>	<b>How many purchased jersey</b>
<b>High</b>	168	27
<b>Moderate</b>	23	1
<b>Low</b>	23	0
<b>Total</b>	203	28

As identified by this table the majority of participants that answered this survey were highly involved fans. This response was expected as in a general sense people who do not care about the situation would not have been inclined to answer the survey.

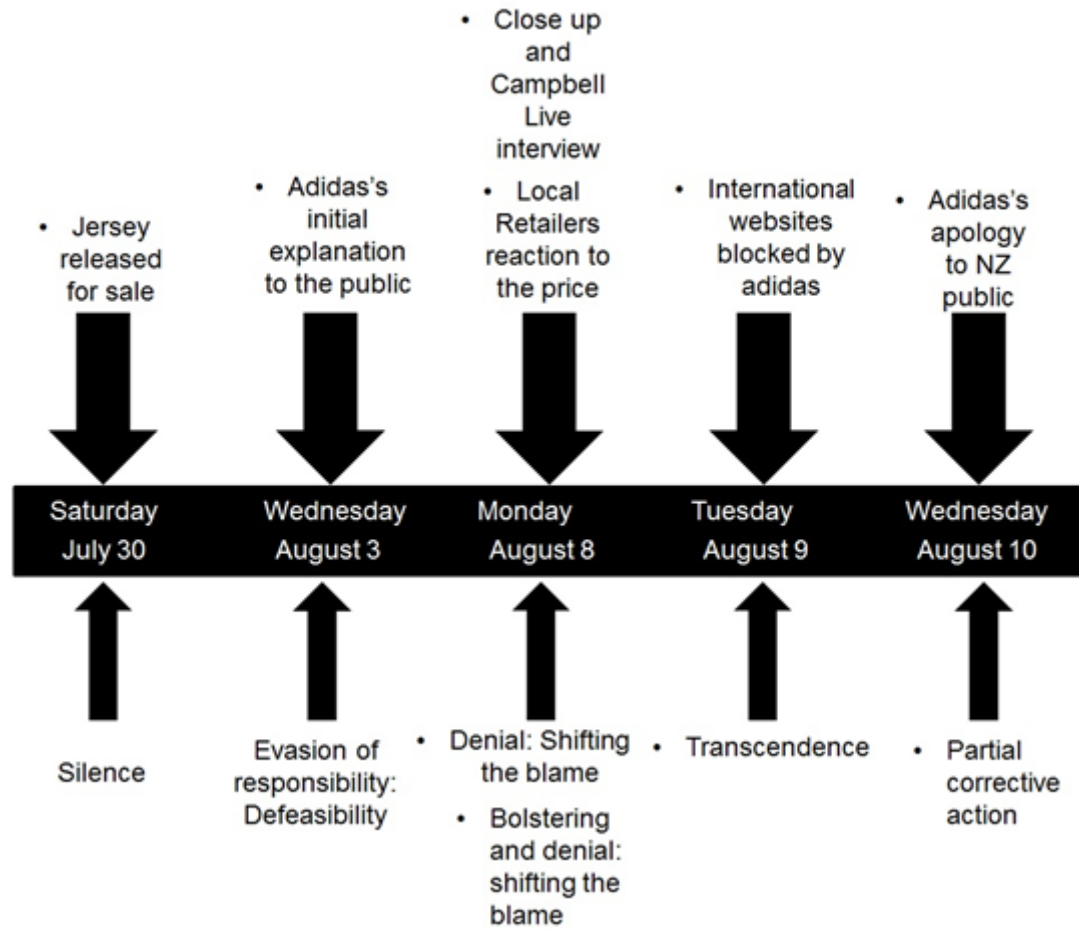
## 11.0 CHAPTER SEVEN: MEDIA ANALYSIS FINDINGS

This chapter identifies and discusses the key stages of the 2011 Rugby World Cup jersey pricing crisis from a Qualitative Media Analysis (Altheide, 2000) perspective of news articles written at the time of the crisis. This discussion includes an analysis of Adidas's statements and actions, and the response from New Zealand bloggers, local retailers, and the New Zealand Rugby Union. Each of the stages are analysed in relation to the crisis response strategies outlined by Benoit (1997) that were available to Adidas. During these findings I identified any image restoration crisis response strategies that Adidas appeared to employ throughout the evolution of the crisis. Additionally, this chapter includes a netnography (Kozinets, 2002) of blogger's comments on news articles. These comments reflect part of New Zealanders' initial response and feelings towards Adidas at the time of the crisis. The comments are analysed using a thematic approach based on frequency of the terms used (Motion et al., 2003). Bloggers' responses and Adidas's actions are then discussed in relation to the notion of respect and disrespect as outlined earlier in the literature review (Costley & Friend, 2012; Ali & Ndubisi, 2010; Kumar, 2009; Dillon, 2007; Costley et al., 2005, Millar, 2001).

The following figure identifies the stages of the crisis and the crisis response strategies Adidas appeared to use at each stage. This figure outlines the order of discussion for this chapter.



Figure 2: The stages of the 2011 Rugby World Cup crisis with the crisis response strategies Adidas appeared to use



## 11.1 STAGE ONE: START OF THE CRISIS, JERSEY RELEASED FOR SALE: JULY 30 – AUGUST 3 2011

The 2011 All Blacks Rugby World Cup jersey was released for sale in New Zealand on Saturday 30<sup>th</sup> July 2011, retailing for \$220.00. On Wednesday the 3<sup>rd</sup> of August Stuff News reported that the jersey was selling for half the price on overseas websites (Newstalk ZB and NZ Herald Staff, 2011). This revelation resulted in questions being asked by the New Zealand media about the price discrepancy. At this stage of the crisis Adidas did not respond to the allegations. It took them four days to react. This suggests that Adidas may have thought that the problem would go away and they would not have to respond.

## 11.2 STAGE TWO: ADIDAS' EXPLANATION TO THE PUBLIC - AUGUST 3, 2011

On August 3<sup>rd</sup>, 2011, in an interview aired on Radio Sports, Adidas first defended and then justified its pricing of the World Cup jersey to New Zealanders by blaming the price of the jersey on local market “currency fluctuations” and referring to their significant increase over the past two years (Harper & Newstalk ZB, 2011; Davison, 2011). David Huggett, Adidas' Chief Executive explained that the “price of the jersey is aligned to the market place along with a lot of other replica sporting goods... We believe our product is premium therefore the price is competitive...” (Harper & Newstalk ZB, 2011; Davison, 2011). Stuff News reporters Westbrook, Levy and Cooke (2011) also reported that Adidas said they would not be lowering the price as the “jerseys were selling well” and the company had received “significant re-orders” from retailers.

At this stage of the crisis Adidas repeatedly claimed that setting the price of the All Blacks jersey was out of their control. This attempt to evade responsibility is consistent with the characteristics of ‘defeasibility’ (Benoit, 1997). Benoit (1997) states that when engaging with this strategy the believability of the message must be considered by the organisation including whether the use of this strategy will cause the public to change their opinion in such

a way that benefits the organisation. Unfortunately for Adidas the use of this strategy appears to have resulted in the bloggers not believing that the jersey price was affected by currency fluctuations thus rendering Adidas unable to alter the public's opinion and perception of themselves.

According to reports from the New Zealand Herald and Stuff News, which were mostly negative against Adidas, the majority of bloggers had strong negative opinions about Adidas's pricing of the jersey. The New Zealand Herald reported that Adidas's position immediately came under fire (Hannan, 2011), with many readers responding to the [nzherald.co.nz](http://nzherald.co.nz), Facebook and Twitter pages accusing Adidas of overpricing the jerseys (Donnell, 2011). At that stage the New Zealand Herald reported that many New Zealanders were boycotting Adidas products and that some were also returning their Adidas gear (Donnell, 2011; Harper & Newstalk ZB, 2011; New Zealand Press Association, 2011). A prominent story by Wade and Hannan (2011) from the New Zealand Herald reported that Dean Griffin, a New Zealand customer was so furious that he would never buy another Adidas product again, even if the company apologised and dropped its prices. Griffin had covered the Adidas logo on his existing jerseys with a large white taped cross (Wade & Hannan, 2011). The backlash also resulted in the publishing of a public Facebook protest page organised by Carolyn Farrell (<https://www.facebook.com/groups/boycott.adidas.nz/>) who also felt "extremely angry" and believed Adidas's actions to be "cheeky" (Wade & Hannan, 2011). Reported actions such as these relayed clearly to the public how Adidas's unwillingness to respond to the pleas from New Zealanders further mounted frustrations. It could be surmised that at this point because Adidas are doing nothing. This suggests that Adidas were 'ignoring' New Zealanders, which based on Keaveney's (1995) assertion (see Kumar, 2009) that if customers feel that their beliefs and opinions are not valued or even acknowledged it can lead to perceptions of disrespect. As Keaveney (1995) notes ignoring customers is viewed as insulting, impolite and thus ultimately disrespectful (cited in Kumar, 2009).

The analysis of bloggers' comments on Stuff News articles identified the theme of 'corporate commercialisation'. This theme is supported by recurrent accusations by bloggers of Adidas being motivated by 'greed' and feelings of being 'ripped off'. The analysis suggests that bloggers felt that Adidas had no interest in taking care of the New Zealand public, but that

their interests lay in making the most financial gain from their investment. As Ali and Ndubisi (2010) and Kumar (2009) state a focus on sales is interpreted by customers as being indicative of a lack of care and concern and is thus considered disrespectful. Therefore it is not surprising that most bloggers felt that Adidas's actions were disrespectful. This feeling is demonstrated by a comment from a reader called Phil: "This is bad, Adidas should be ashamed... Perfect example of corporate greed, justify it all you want Adidas, but greed it is" (Westbrook et al., 2011).

This feeling of greed prompted many readers to say that they would boycott or promote a boycott of Adidas's products. The analysis revealed that many bloggers were so upset with Adidas' perceived act of greed that they were prepared to take action by boycotting their products, in an attempt to 'hurt' Adidas. Initiating a boycott can be seen as the consumers' way to respond to Adidas's actions, taking revenge upon them and consequently impacting their sales. It could be suggested that readers wanted to intentionally disrespect Adidas, just as they had been disrespected. This finding is consistent with Millar (2001) who proposes that disrespect causes retaliation behaviour from the victim which is stimulated/motivated/roused by both emotions. In this case, the intention of retaliation is to either educate the offender about the unacceptability of their actions or get back at the offender for their behaviour by taking assertive action against the offending party (Friend et al., 2010; Millar, 2001). This is best shown by a comment left by a reader called Rob:

*Boycott Adidas now for their greed. Adidas should hang their heads in shame. They are an example of the greed slowly destroying our society....Adidas are simply another bully international corporate...We should all boycott their product, something that I personally intend to do..." (Westbrook et al., 2011).*

The theme of corporate commercialisation was also supported by recurrent expressions in New Zealanders' comments indicating that they felt 'ripped off' (Donnell, 2011). For example a New Zealand Herald article (Donnell, 2011) reported that a member of the public Beth Wrigley had said: "You're ripping off the New Zealand public and that's incredibly wrong. Very disappointed". This feeling of being 'ripped off' was also expressed through

bloggers' comments written online. Referring to Adidas's unwillingness to budge on the price of the jerseys and the argument that the price of the jersey was comparable to other replica jerseys being sold in the country, Chelsey wrote: "... I am outraged by this attitude that Adidas has. They think that ripping every fan of rugby off in NZ would have no consequences? ...Adidas has done some serious damage and left only a bitter taste in people's mouths" (Westbrook et al., 2011). Chelsey did not indicate what 'damage' specifically was caused although it is assumed that she is referring to brand damage and the consequences of Adidas's actions being that many New Zealanders would boycott Adidas products. At this stage of the crisis Adidas's attitude clearly put them in an awkward position with New Zealand bloggers.

Although the majority of readers were upset about the price of the jersey, the analysis revealed that a minority of voices supported Adidas's position. These readers provided a rational, economical explanation for the price of the jersey. A comment left by Ez on the Stuff article by Westbrook et al (2011) argues:

*It makes sense that it's cheaper overseas...because people overseas aren't necessarily interested in buying another countries jersey, therefore cheaper price to have more chance to sell them. I'm sure other countries jerseys and merchandise is cheaper here also high demand here, so Adidas exploit that.*

Tony A, also agreed commenting:

*Umm of course the All Blacks top is cheaper in Ireland. There aren't that many Kiwis in Ireland who want one and the Irish will buy Ireland's top.....not rocket science people! I have seen the Aussies top in store at a fraction of the cost of ours...again it's not rocket science!  
...Less demand equals lower prices*

These comments suggest that some New Zealanders – albeit a minority - were able to overcome their nationalistic emotions and provide a rational explanation for the price. However the bloggers' justification for the price of the jersey is not the same as Adidas's

argument, which is that the price is due to currency fluctuations. This indicates an ineffectiveness of defeasibility as a crisis response strategy and a weakness in Adidas's crisis response methods because of the lack of believability of their explanations (Benoit, 1997). For the next week of the crisis, the public upset continued, and some local retailers started to express their own frustrations and anger with Adidas.

### 11.3 STAGE THREE: LOCAL RETAILERS REACTIONS: AUGUST 4 -9, 2011

On the 8<sup>th</sup> of August, owner of Whakatane Sportsworld Tony Bonne, dropped the price of the jerseys to match the online price (Wade and NZ Herald Staff, 2011). Bonne noted that his store would lose money by doing so, but noted:

*It is really important that wholesalers and manufacturers throughout New Zealand take note that as retailers we've got to sell products that are competitive within the world because we're a global market now" (Bonne as reported by Wade in the NZ Herald, 2011).*

Also on August 8, Rebel Sport Managing Director Rod Duke announced he was speaking to Adidas about his concerns over the price difference and was having conversations with them on the price of the jersey daily (Harper & Newstalk ZB, 2011; Wade & NZ Herald staff, 2011). From August 4, Duke had been expressing his frustrations around the price of the jersey, telling Radio Sport that he had a "...great deal of sympathy with fans" (Harper & Newstalk ZB, 2011). Duke felt the high prices were "unsatisfactory" and he was very "unhappy" with his talks with Adidas (Hannan, 2011).

On the 9<sup>th</sup> of August, following Whakatane Sports World, Duke from Rebel Sport announced that he would also be dropping the price of the jerseys from \$220 to \$170 (Donnell & Hannan, 2011). Duke stated that the decision to reduce the price was forced by the company's 'dismay' (Donnell & Hannan, 2011) at the jerseys being available for less online than in New Zealand retailers. In a press release to New Zealand media Duke stated "we happen to believe that the jersey belongs to the New Zealand rugby public. The NZRU are custodians on behalf of all of us and Adidas for the time being are sponsors of this jersey.

They don't own it we all do" (Donnell & Hannan, 2011; Duke, 2011 cited in New Zealand Press Association, 2011). Duke argued that New Zealanders should not have to pay more for an All Blacks jersey than every other country in the world, "it is an intolerable circumstance and we will not accept it" (Donnell & Hannan, 2011). Additionally Duke stated that he did not want to be seen defending Adidas's position because he himself also did not like it (Harper & Newstalk ZB, 2011). New Zealand Herald Reporters Donnell & Hannan (2011) reported that the price reduction was being funded purely by each store.

Analysis of the media content indicates that the retailers (Rebel Sport and Whakatane Sportsworld) wanted to be seen as defending the New Zealand public's interest, and not taking Adidas' side. Duke specifically positioned himself as an intermediary between Adidas and the New Zealand public. This enabled Duke to clearly position his argument in favour of the New Zealand public. Lowering the price of the jersey allowed retailers to heavily self-promote their store whilst also ensuring that they did not lose the trust (Friend et al., 2010) of New Zealand consumers because of the crisis with Adidas. Moreover, Adidas is only one of many brands they sell, therefore rather than irritate customers by supporting Adidas's position, retailers preferred to make a gesture to maintain their large customer base, but not necessarily in the interest of Adidas's products.

By listening, considering, and caring for their customers (Costley & Friend, 2012), Rebel Sports and Whakatane Sportsworld's respect enabled them to retain their customers loyalty. In this case, Rebel Sports and Whakatane Sportsworld used a strategy that showed respect to the New Zealand public by paying attention to its outcry and listening to its concerns, and that also benefited their businesses in the long run.

While one could argue that Duke's intentions were admirable, positioning himself as a defender of the New Zealand public, it is important to note that Rebel Sport was originally happy to sell the jerseys at the price of \$220. Additionally, Duke would also not reveal the cost price of the jersey. This sparked further speculation from bloggers about the profit margins being made on the jersey. This will be discussed in more detail in another section.

Early on in the crisis, Adidas had the support from one official seller of the jersey. Champions of the World Director, Gary Marshall, had no complaint over the pricing strategy and had a different account of the public's initial reaction to the price. On the 4<sup>th</sup> of August, Marshall told Davison from the New Zealand Herald "we're just applying our standard margins to [Adidas'] products and recommended retail... I was in our Wellington store on [Saturday] night and we traded until 10.30am-11pm... and I haven't had one person complain about the price" (Davison, 2011). Marshall continued on to defend the price difference stating that New Zealand retailers would not sell the same volumes as overseas chains and therefore paid more for the shirts (Harper & Newstalk ZB, 2011). However, on the 9<sup>th</sup> of August, following Rebel Sport's price reduction, Marshall announced that he and his management team had also decided to reduce the price of the jerseys to \$170 throughout their stores (Herald Online, 2011). Marshall argued that the price reduction would cost the chain an estimated loss of profit of \$200,000 (Herald Online, 2011). Therefore Champions of the World originally positioned themselves in support of Adidas. Marshall's arguments contradicted the majority of the reported public outcry, showing support for Adidas' pricing strategy by suggesting that it was no different for any of their other products. However, the support shown for the public from large retailers like Rebel Sport, coupled with a price reduction, meant that Marshall's arguments went unheard, forcing his hand to conform and make the same move. The decision by Champions of the World to lower the price and match other local retailers was probably motivated by the need to stay part of the competitive local market. Either way the retailer's price move put Adidas in a difficult position as they did not have the support from their local distributors.

SportsWorld, Rebel Sport and Champions of the World were the only retailers to reduce the price of the jersey. One possibility for this could be because these are the only retailers who had over inflated their margins. It appears that Adidas' set wholesale price never changed, so it is necessary to question how the retail price could change so rapidly. Did the retailers price the jersey too high and were now benefiting from Adidas' crisis to position themselves as the 'good guys'? Neither Adidas nor any of the retailers would discuss or fully reveal the cost price of the jersey or the margins, stating only that they were slim and about 7 per cent, the same as they are for a \$20 t-shirt (Wade & NZ Herald Staff, 2011).



The pricing legitimacy of retailers sparked further debate around Adidas's price margins and how much of a mark-up retailers were making on the jerseys. Bloggers' questioned whether some retailers were also guilty of price gouging. One blogger, Rit, commented on a media article by Cooke (2011):

*Of course Rebel Sports aren't exactly a cheap sporting goods place (pricewise anyway), they are hella dear to buy most things from, so I imagine that much of this issue lies with their margin. Wait till after the RWC, these jerseys will magically drop to about \$80.*

Many bloggers commenting on Cooke's (2011) article also doubted the honesty of retailers. Matt wrote:

*...one of these retailers [list retailers] need to come out and tell us what they're getting them [jersey] for, which they all seem reluctant to do, maybe their mark-ups were too much to start with....*

Much of this discussion however quickly dissipated when the retailers lowered the price of the jersey. The majority of bloggers applauded the reduced price, appreciating and supporting the retailers' act of goodwill. This suggests that overall the price reduction created goodwill towards these retailers. Bloggers' comments showed that consumers were glad and thankful when retailers took a stand on their behalf. Andy wrote:

*...Good on Rebel Sports for taking this up...now it's becoming a battle of the wills. Adidas haven't left themselves much room to back out of this corner... (Westbrook et al., 2011).*

Similarly, another blogger, Chris, noted similar support for the retailers' actions saying "Good on Rebel Sports and Sportsworld for standing up to them [Adidas]..." (Westbrook et al., 2011).

The positive goodwill (Meenaghan, 2001) towards the retailer in lowering the jersey price for the New Zealand consumer appears to be reciprocated in a mutual respect (Kumar, 2009; Murphy et al., 2007; Honneth, 1992). That is, consumers held these retailers in high regard

for valuing and protecting them from Adidas's perceived greed and unfair prices. It is likely that consumers will be loyal to these retailers for standing up to Adidas and lowering their prices (Kumar, 2009; Murphy et al., 2007; Honneth, 1992).

On August 9th, Adidas executive, David Huggett, responded to the media, "that it was ultimately up to retailers to set market prices" (Westbrook et al., 2011) indicating that they would not reduce their wholesale price to retailers. While they accepted that "some retailers were upset Adidas had chosen not to discount its wholesale price to retailers" (Westbrook et al., 2011), Adidas felt comfortable with their price to the New Zealand retail trade (Wade & Hannan, 2011). Huggett, however, acknowledged that "the move by retailers to reduce their price was good for consumers" (Westbrook et al., 2011), and provided a "healthy competition in the market" (Wade & Hannan, 2011). Therefore Adidas positioned themselves as the wholesaler and shifted the blame to the retailer. This is the crisis response strategy of 'denial' as outlined by Benoit (1997). However, for this strategy to be successful, Benoit (1997) notes that the public must believe that the organisation is not responsible. Moreover, if it is not obvious to the public which organisation is responsible, then shifting the blame can have serious negative implications on the organisation's integrity, in terms of the level of trust the public have with that organisation.

Rebel Sport, Whakatane Sports World, and Champions of the World were very public in clarifying their position in this crisis. They each emphasised that Adidas had a central role in determining the price of the jersey. This made it difficult for Adidas to argue that retailers were responsible for the pricing crisis. The readers' response outlined above indicates that Adidas's attempt to shift the blame onto retailers was ineffective. As the majority of the bloggers were heavily supportive to the retailers for their action, the retailers consequently receiving positive attention from the public. This meant that Adidas struggled in being seen as the 'good guys', as Rebel Sports, SportsWorld and Champions of the World were publically generating and taking all the recognition.

#### 11.4 STAGE FOUR: INTERNATIONAL WEBSITES BLOCKED BY ADIDAS: AUGUST 9, 2011

The next stage of the crisis started on Monday the 9<sup>th</sup> of August, when US website WorldRugbyShop.com removed New Zealand from its list of shipping destinations (Wade & NZ Herald Staff, 2011). This was after Adidas had confirmed on the 3rd of August that they were investigating some overseas websites to see if they were breaking cross border agreements which stop them from selling to New Zealand residents (Wade & NZ Herald staff, 2011; Newstalk ZB and NZ Herald Staff, 2011). According to Huggett under the cross-border agreement, overseas retailers in the US and UK had the right to ship products within their own border but not to New Zealand. Huggett argued that Adidas was taking this very seriously because they wanted to support New Zealand retailing (Newstalk ZB and New Zealand Herald Staff, 2011).

*We [Adidas] believe that New Zealand retailing is fantastic for the New Zealand consumer. If we continue to encourage people to purchase products off shore all that's going to happen is New Zealand retailing will fall apart” (Newstalk ZB and New Zealand Herald Staff, 2011).*

At this stage, Adidas employed the crisis response ‘transcendence’ (Benoit, 1997) designed to reduce the offensiveness of their actions, and restore their image. As Benoit (1997) outlines, this strategy attempts to place the act in a more favourable context. In this case, Adidas argued that blocking the sites was for the good of the New Zealand retailers and economy by encouraging sales within New Zealand. However as with the other crisis response strategies they used, Adidas should have clearly outlined their argument and carefully evaluated the believability of their message with their audience (Benoit, 1997). Adidas’s justification for blocking the sites appeared to have little effect on reducing the disappointment of the public.

The blocking of the websites also brought new bloggers into the debate. For these bloggers, Adidas’s move to block overseas websites sale of the jersey confirmed their beliefs that Adidas disadvantaged the New Zealand consumer through their greed. In this act of disrespect (Murphy, 1999; Myers, 1997) towards NZ consumers, bloggers pledged their revenge towards Adidas. Kiwisoccer and Jimbo wrote, respectively:

*Thanks Adidas for showing me your true colours now I know to avoid your stuff since you have no problem in fighting dirty by telling overseas clothing shops to take NZ off the shipping option. All the best” (Westbrook et al., 2011)*

*“I will NOT buy a new jersey purely because of the extortion like approach that Adidas are using... getting an international vendor to shut down 'New Zealand' as a delivery option, no doubt with a heavy hand as they would of loved the number of potential sales, shows how much they want to make sure Kiwis spend more money for the same product...” (Westbrook et al., 2011).*

These comments are reflective of the overall mood of the bloggers about Adidas’s decision to take away the consumer choice to purchase from overseas, indicating it was deemed disrespectful by New Zealanders (Costley et al., 2005; Murphy, 1999; Myers, 1997). As Murphy (1999) and Myers (1997) argue, showing respect means being sensitive to a customer’s right of choice. Had Adidas acknowledged the consumers’ right of choice, then this could have been seen as considering how the public think and feel, thus demonstrating respect as Kumar (2009) and Costley et al., (2005) outline. Taking away this right of choice suggests Adidas did not appreciate the feelings of their New Zealand consumers.

## 11.5 STAGE FIVE: CLOSE UP AND CAMPBELL LIVE INTERVIEW: AUGUST 8, 2011

An important milestone in the crisis was the invitation for Adidas to speak on two national current affairs programmes. In an interview with TV One’s Close Up and TV 3’s Campbell

Live on August 8, Dave Huggett appeared to use a new crisis response strategy. In order to reduce the offensiveness of the crisis, Adidas employed bolstering (Benoit, 1997). Consistent with the characteristics of bolstering outlined by Benoit (1997), Huggett argued that the price of the jersey reflected their investment in the game, and that New Zealanders understood that when they purchased a jersey they were supporting local rugby (Donnell & Hannan, 2011). Huggett argued that Adidas wanted to continue supporting grassroots rugby and New Zealand retailers, which ultimately helps support the New Zealand economy (Close Up, 2011). He thus justified the price of the jersey in New Zealand in other interviews:

*[Adidas] ... invest millions of dollars into Kiwi rugby from grassroots through to the All Blacks, including a major investment into the state-of-the-art All Black jersey (Close Up, 2011).*

*New Zealand retailing is fantastic for the New Zealand consumer. If we continue to encourage people to purchase products offshore, all that's going to happen is New Zealand retailing will fall apart" (Newstalk ZB and New Zealand Herald staff, 2011).*

Benoit (1997) argues that organisations that use bolstering need to carefully evaluate their audience and consider the believability of their message as to whether the public is likely to change their opinion. In this case, Adidas appears to have misjudged the reaction of the public to this strategy, and the full impact of a backlash.

In the Close Up interview, Greg Kerr, Adidas Pacific Managing Director said he believed there had been some damage to the Adidas brand. Kerr explained that Huggett and he had agreed to be interviewed to make people understand that the pricing situation is a bigger issue than just the price of the jersey. Rather, the price comes back to Adidas's investment and commitment into New Zealand rugby and the New Zealand economy (Close Up, 2011). This reinforced the bolstering argument. Kerr acknowledged that it was a "sensitive, emotional issue" as the "jersey is part of the DNA in this country" (Close Up, 2011). However, both Huggett and Kerr argued the high price was a retailing issue, and that they had no control over the price the retailer set. Sticking to their original position, Adidas told Close Up that they still believed the pricing was fair and reasonable and they would not be lowering the

price (Close Up, 2011). These arguments did not appease the New Zealand public. The majority of bloggers felt Adidas's arguments, as presented on TV3 Campbell Live, were condescending and thus disrespectful; mounting their frustrations, displeasure and calls for retaliation. For example, Tracey wrote on the Campbell Live website: 'Calls to boycott Adidas All Blacks jersey'

*...I am boycotting Adidas and will not be purchasing anymore 'Adidas' apparel ... I am but one, but am making my stand. The interview showed both heads of NZ and Australia [Adidas] have a lack of understanding, how dare they assume that there consumers wouldn't understand the economics of it... I am even more appalled after seeing the interview.*

Viewer comments on the Close Up site reveal the ineffectiveness of Adidas's response, resulting in further public criticisms against Adidas. For example, Jason wrote:

*Adidas...by their behaviour last night obviously have a very low opinion of how intelligent NZ consumers are....it's become personal for a lot of New Zealanders because the brand is the All blacks not Adidas. No one buys that jersey because it's Adidas it's purchased because it's an All Black jersey. A sort after commodity created by having a strong brand can drive a premium price; however Adidas through their ignorance destroyed the value of the brand by offering the same product into another market place at almost half the cost. ..Now they are arrogant enough to try and deceive us by claiming it's the retailers, it's our location, it's the service, it's the market size, and it's our taxes, what it actually is crap... (Close Up, 2011).*

Adidas's response in the Close Up interview was a reinforcement of the previous argument that the price of the jersey was due to the retail price set by local retailers. Adidas appeared to continue to try and shift the blame (Benoit, 1997) back to retailers, emphasising that it was ultimately their call to set the retail price. As previously outlined, this response was ineffective due to the lack of believability in the message because local retailers had received positive attention from the public with their positioning. Again the retailer's actions made it difficult for Adidas to argue that the pricing was not their fault, and out of their control. This put pressure on Adidas to employ a different, more effective restoration strategy that would reduce the effects of the crisis.

The continued public outcry about Adidas's positioning brought the New Zealand Rugby Union into the debate. Steve Tew, the New Zealand Rugby Union's Chief Executive, supported Adidas's position not to drop the price noting it was not their concern;

*...they've got a pricing strategy, it's very comprehensive...anything they decide in New Zealand has to stick with their strategy in other markets and it's not as simple as looking at one pocket problem and dealing with it in isolation.... [T]hey've got to consider a wider range of issues and in the end we've said to them 'we don't expect you to tell us how to play test matches...ultimately the distribution and sale of the product in new Zealand is your expertise and we'll let you do it'' (New Zealand Press Association, 2011) (One News, 2011).*

It is not surprising that the NZ Rugby Union supported Adidas's position as Adidas is the All Blacks' biggest sponsor and invests millions of dollars into the team, including the development of the jersey. It was therefore in the NZRU's best interests to show support for Adidas as they would not want to jeopardise their sponsorship relationship with Adidas. This suggests that the NZRU were protecting their vision of the All Blacks, and their co-branding relationship with Adidas, by demonstrating mutual respect (Frei & Shaver, 2002; Murphy et al., 1997; Honneth, 1992).

Adidas's position also came under fire by various marketing and consumer experts, who indicated that Adidas needed to listen to the customer complaints. Talking about the pricing

of the jersey, and evidently taking sides with the New Zealand public, *Consumer* magazine and website Chief Executive, Sue Chetwin, stated

*I think that's a bit rich. Adidas aren't doing it for the goodwill; they're doing it because it's fantastic for their brand. Adidas is a commercial organisation and it's likely they are doing it because it's a winning formula .... I think Adidas should read the writing on the wall...Adidas should take notice and drop the price (Chetwin, 2011 cited in Hannan, 2011).*

In agreement with Chetwin's position, the head of public relations from Pead PR, Deborah Pead, indicated that Adidas took the New Zealand consumer for granted:

*[Adidas] has misjudged the New Zealand audience and, notwithstanding its investment in the rugby industry in this instance as it has let loyal fans down and its fans are now angry (Pead, 2011 cited in Hannan, 2011).*

According to Pead, as reported on One News August 11, 2011, Adidas showed an "enormous amount of naivety" in this situation. Pead argued that Adidas had a week to explain their position but were not able or willing to do so. This meant that the fans became angry about this issue. Pead thus recommended that "from a reputation perspective [Adidas] needs to rethink its pricing structure on this matter and show greater support to New Zealand retailers and New Zealand fans." On the same article, marketing expert, Malcolm Wright, from Massey University supported Pead's views noting Adidas had "lost touch with New Zealand public" (One News, 2011).

All the public relations and marketing experts argued that Adidas were making a mistake with their handling of the crisis and they were on the side of the public. Through their comments Chetwin and Pead suggested Adidas should show more respect for the New Zealand public by listening to public complaints. As Costley et al. (2005) state, an important part of demonstrating respect for someone constrains how you behave. This behaviour is based on consideration for how one thinks and feels (Costley et al., 2005). From this perspective the experts seem to disagree with Adidas's position, asking them to consider and



rethink their stance. This put even more pressure on Adidas to handle the situation differently.

#### 11.6 STAGE SIX: ADIDAS'S APOLOGY TO THE NEW ZEALAND PUBLIC: AUGUST 10, 2011

As a result of the continued pressure from the various stakeholders identified in this analysis, on August 10th, Adidas issued an apology to the New Zealand public “for the distraction this topic has created for what should be perfect build up leading into the RWC” (New Zealand Press Association, 2011). Chief Executive David Huggett stated that “on reflection [we] would have handled the whole issue differently...I recognise that’s something in hindsight and we would reconsider our strategy” (New Zealand Press Association, 2011). Following this realisation, Adidas then reinstated the blocked overseas websites to sell the jersey to New Zealand customers. In an interview with Mike Hosking from Newstalk ZB on August 11, Huggett stated, “Adidas has had discussions with its off shore colleagues and the two sites that were shut down for shipping back here will be opened again” (New Zealand Herald, 2011). Huggett added that “we understand that our people [the New Zealand public] are annoyed about the two sites and we understand that there are dozens of other sites people can buy from” (New Zealand Herald, 2011). However, despite this apology, Adidas still refused to lower its prices to NZ retailers (New Zealand Press Association, 2011).

The analysis of Adidas response tactics in this latest stage suggests that they made partial use of the image restoration response strategy ‘corrective action’ (Benoit, 1997). As outlined by Benoit (1997) corrective action is where an organisation promises to correct the problem and restore the organisation’s image to the state it was prior to the event. A key characteristic of this strategy is that organisations need to take ownership and admit that they were in the wrong (Benoit, 1997). Even though Adidas did make a move to correct one of the problems, that of the blocked websites, they did not admit that they were wrong and were still not prepared to lower the price of the jersey. Such partial corrective action still did not satisfy the unhappy public and the criticisms continued.

Analysis of fans' comments after the Adidas apology shows how Adidas' unwillingness to respond to the pleas from the New Zealand public on the price of the jersey continued to mount the reader's frustrations who still intended to boycott Adidas's products. This action was identified by the recurrent use of the term 'boycott' in bloggers' comments. The majority of comments reveal that readers were not prepared to buy Adidas's products anymore. For example, a blogger whose pseudonym is 'HATE ADIDAS' wrote in reaction to the clip of Campbell Live entitled 'Calls to boycott Adidas All Blacks jersey' by TV 3: "The Adidas apology is NOT accepted. Saying sorry and leaving the price sky high doesn't cut the mustard. Let's all proceed with a worldwide boycott." Similarly James wrote on the same clip

*Apparently it isn't enough that the All Blacks are the most successful professional team in any sport and is awesome advertising for Adidas around the world, but they have to try to get into the pockets of fans as well. This isn't what New Zealand and the All Blacks are about. Not buying Adidas anymore.*

It is evident from the media analysis that Adidas did not handle the pricing crisis very well at all and this resulted in public discontent. Also, as illustrated in the analysis of bloggers' comments, the New Zealand consumer felt disrespected and felt a need to retaliate. Such continued displeasure with Adidas during the whole crisis and resultant disrespect for the consumer sparked my interest to conduct further research to understand if these negative public feelings persisted towards Adidas 12 months after the end of the Rugby World Cup. The next chapter provides an analysis of a survey conducted one year after the crisis.

## 12.0 CHAPTER EIGHT: OPEN-ENDED SURVEY FINDINGS

This chapter focuses on the results from the open ended survey conducted with the New Zealand public to gauge how they felt towards Adidas one year after the pricing crisis and the Rugby World Cup. The findings from the open ended survey, combined with findings from the media analysis will be discussed in more depth in the following discussion chapter.

The structure of this chapter follows the order of the questions posed in the online survey. I analysed each question for the different fan types - highly, moderately and low involved fans (Meenaghan, 2001; Sutton et al., 1997) – to make sense of the findings. I then conducted a term analysis (Kumar, 2009) which is presented in a table format below. These tables present the terms that participants used to answer each question, including their frequency of use. The tables then present the overall themes that were developed from grouping the terms together and also include a key quote from the findings. The main themes are then discussed in relation to the literature, specifically the notion of respect, using additional quotes from the survey responses as supporting evidence. In this chapter I also discuss the findings that are the same for each fan group. This involves an explanation of the same terms and themes that are identified from each of the fan types responses. It is also important to note that while the terms used by participants help support the theme identified in the table, many of the terms are not mutually exclusive of a theme, as some of the terms provide support to other themes also.

### 12.1 QUESTION ONE: HOW PARTICIPANTS FEEL ABOUT THE ALL BLACKS JERSEY

The first question in the survey displayed a picture of the 2011 Rugby World Cup jersey (see Appendix 1) and asked participants: “How do you feel about the 2011 All Blacks RWC jersey? Explain the reasons for these feelings.” The purpose of this question was to understand the importance of the All Blacks and the jersey to New Zealanders, solidifying previous assertions made by Sweeny (2006), Scherer and Jackson (2007), and Jackson and

Hokowhitu (2002), who indicate the precious nature of the All Blacks to the New Zealand public.

12.1.1 PART ONE OF QUESTION ONE: HOW EACH OF THE FAN GROUPS FEEL ABOUT THE JERSEY

Findings from the key term analysis revealed that highly involved fans have positive feelings about the All Blacks rugby jersey. Recurrent expressions such as “like” “proud” and “love” in the participant survey indicate these fans’ emotional connection to the jersey. Similarly moderately involved fans also have positive feelings about the All Blacks rugby jersey, but appear to be not as emotionally connected as highly involved fans. Responses from moderately involved fans indicate that they “like” or feel “proud” of the All Blacks jersey. However, most moderately involved fans indicated that they have ‘no feeling about the jersey’. This finding indicates that moderately involved fans are not as emotionally attached to the jersey as highly involved fans. As with moderately involved fans, the majority of low involved fans having no feelings about the jersey. However, those fans who did feel an emotional connection with the jersey similarly indicated that they also ‘like’ the All Blacks jersey. The table below outline each fan group’s feelings, the frequency of those feelings and then provides a supporting quote.

**Table 4: How highly involved fans feel about the All Blacks jersey**

Theme	Key Term	Frequency	Quote
<b>Emotional connection</b>	Like	74 (44%)	“I like that we went back to our roots with the jersey...”
	Proud	27 (16%)	“Makes me feel proud to be a kiwi. National icon.”
	Love	5 (3%)	“Love the jersey, it is elegant, and a recognised jersey all over the world. It’s humble.”

n=168

**Table 5: How moderately involved fans feel about the jersey**

Theme	Key Term	Frequency	Quote
<b>Emotional connection</b>	Like	7 (30%)	“I like it as it looks smart...”
	Proud	2 (8.7%)	“Proud, makes me remember the world cup and how awesome the feeling was when we won.”
<b>No feeling about the jersey</b>	Don’t care/ambivalent	8 (34%)	“To be honest with you I couldn’t care less...”

n=23

**Table 6: How low involved fans feel about the jersey**

Theme:	Key Term	Frequency	Quote
<b>Emotional connection</b>	Like	3 (25%)	“...I like that it has been kept plain...”
<b>No feeling about the jersey</b>	Don’t care/ambivalent	4 (33%)	“I have no feeling about it.”

n=12

12.1.2 PART TWO OF QUESTION ONE: WHY EACH OF THE FAN GROUPS LIKE/LOVE OR FEEL PROUD OF THE JERSEY

The second part of the question asked participants to justify their feelings. Similar terms were grouped together to form themes. The themes are: “continuity of heritage”; “reflects humility”; and “national identification”. These themes presented for all of the fan groups, however the responses were not as strong for low involved fans in comparison to the highly and moderately involved fan groups. Each theme is outlined in the tables below. The tables identify the terms and frequency of the terms that develop each theme, for each fan group. A

supporting quote which best describes the theme is also included. To conclude this section, the tables are followed by an explanation of each theme in more depth.

**Table 7: Why highly involved like/love feel proud of the jersey**

<b>Themes</b>	<b>Key Words</b>	<b>Frequency</b>	<b>Quote</b>
<b>Why the public hold positive feelings</b>	<b>Why the public like/love jersey</b>	<b>of the terms in the response</b>	<b>best illustrates the theme</b>
<b>Continuity of heritage</b>	Historic White Collar	28 (16%)	“...The "retro" white collar invokes feelings of the tradition of the jersey that harks back to the original 1905 team...”
	Tradition	9 (5%)	
	History	7 (4%)	
	Past	3 (1.7%)	
<b>National identification</b>	Silver fern	9 (5%)	“It's black, it's got the silver fern and is an iconic NZ symbol”
	Patriotic	3 (1.7%)	
	Passion	3 (1.7%)	
	Nostalgic	2 (1.2%)	
<b>Reflects Humility</b>	Nice	17 (10%)	“Nice and simple but clearly shows who they [All Blacks] are.”
	Smart	12 (7%)	
	Simple	11 (6.5%)	
	Clean	5 (2.9%)	
	Plain	4 (2.3%)	

n=168

**Table 8: Why moderately involved fans feel that way about the jersey**

<b>Theme to identify why the public hold positive feelings</b>	<b>Key Words to identify why the public like/love jersey</b>	<b>Frequency of the terms in the response</b>	<b>Quote that best illustrates the theme</b>
<b>Continuity of heritage</b>	History	2 (8.7%)	“I like the tradition & history of the Jersey remaining a solid Black colour”
	Tradition	1	
<b>National identification</b>	Silver Fern	2 (8.7%)	“...Silver Fern This also has history and is a world recognised emblem specific to New Zealand...”
	National team jersey	1 (4.3%)	
	Patriotism	1 (4.3%)	
<b>Reflects humility</b>	Smart	2 (8.7%)	“I like it as it looks smart”
	Simple	1 (4.3%)	

n=23

**Table 9: Why low involved fans feel that way about the jersey**

<b>Theme to identify why the public hold positive feelings</b>	<b>Key Words to identify why the public like/love jersey</b>	<b>Frequency of the terms in the response</b>	<b>Quote that best illustrates the theme</b>
<b>National identification</b>	National icon	1 (8.3%)	“The All Blacks jersey is a national icon”
<b>Reflects humility</b>	Smart	2 (16.6%)	“I like the simplicity of the jersey and appreciate that the Adidas logo does not overshadow the All Blacks logo”
	Simple	1 (8.3%)	
<b>Continuity of heritage</b>	Classic	1 (8.3%)	“I like it. It is a modern interruption of the classic rugby jersey”

n=12

### 12.1.3 THEME ONE: CONTINUITY OF HERITAGE

The main theme that emerges from the thematic analysis is “continuity of heritage”. This theme developed from the frequent use of the term “white collar” referring to the collar’s history and resemblance to the 1905 Originals team and the frequent use of the words ‘tradition’ and ‘history’ by highly and moderately involved fans. Additionally, highly involved fans use the term ‘past’ and even one low involved fan described the jersey as being ‘classic’.



Highly involved fans specifically referred to the white collar of the jersey being historically true to the 1905 Originals Jersey. Of the 168 highly involved fans, 28 fans positively commented on how the jersey changed over the years, but recognised that the white collar on the modern 2011 jersey was designed to remain true and respect the jersey's heritage.

*I like the white collar as respect of the old jersey.*

*I love it; the jersey went back to the roots of the All Blacks jersey. It was used in 1987 but also back in the early 1900's which is how the jersey should be worn. Know the history behind it all.... I personally am a huge fan of the white collar for this reason.*

*I like the design. The "retro" white collar invokes feelings of the tradition of the jersey that harks back to the original 1905 team*

*It also incorporates the old and new elements of All Blacks jerseys.*

The recurring use of the terms 'tradition' and 'history' by highly and moderately involved fans suggest that for these participants the All Blacks jersey is a symbol that represents the history of the All Blacks story. A number of researchers (Hope, 2002; Ryan, 2005; Scherer et al., 2008; Jackson et al., 2004; Jackson & Hokowhitu, 2002; Boon, 1992) illustrate how the jersey's history is an important part of the All Blacks identity. The history of the All Black story has aided the development of the traditions associated with the jersey. These traditions, developed by the 1905 Originals team, include the jersey's colour, design, and collar, the silver fern, and the All Blacks prestigious reputation (Hope, 2002; Ryan, 2005; Scherer et al., 2008; Jackson et al., 2004; Jackson & Hokowhitu, 2002; Boon, 1992). It was apparent that highly and moderately involved fans clearly identify with and esteem the jersey's history and traditions.

*Love the black jersey and the history it represents...represents a traditional symbol of New Zealand Rugby...*

*[The jersey is] ...smart, keeps in line with past jersey and the way the All Blacks team have always been represented...*

These comments illustrate how participants appreciate the modern jersey's respect to the traditions of the All Blacks history. It could be suggested that these comments indirectly show appreciation to Adidas that the jersey has been maintained true to its history and traditions. As outlined by Jackson et al., (2004), Motion et al., (2003) and Jackson et al., (2001) Adidas was careful to ensure that the new jersey kept in with the All Blacks story and the traditions of All Black rugby, thus demonstrating recognition respect (Costley & Friend, 2012) by esteeming the All Blacks, the jersey, and the New Zealand public. Consequently in return Adidas has received mutual respect (Egge, 1999; Kelser, 1994) from the New Zealand public. By esteeming the jersey it shows that Adidas have considered how the New Zealand public feels about the All Blacks and have acted and responded in an appropriate way in their design of the All Blacks jersey, consistent with Dillon (2007) and Costley et al's., (2005) description of demonstrating respect.

The term silver fern can also be used to support this theme, as it is a historical element of the jersey. The silver fern has become a tradition of the jersey which supports the theme that the jersey maintains continuity of its heritage.

*The added collar to the jersey is a symbol of historical prowess as it was worn by past greats. The logo and silver fern continuing the previous traditions...*

#### 12.1.4 THEME TWO: THE JERSEY AS A NATIONAL ICON

Highly and moderately involved fans also noted that they have an emotional connection with the jersey because it is a national icon which they are "proud" of. Recurrent use of the terms "patriotic", "passion", "nostalgic" and "silver fern" by highly and moderately involved fans contribute to developing this theme. In addition one moderately involved fan used the terms "national team jersey" and one low involved fan explained his liking of the jersey because it

is a “national icon”. All these terms indicate that fans believe the jersey is reflective of the nation’s identity.

Highly involved and moderately involved fans felt that the jersey made them feel proud of not only the All Blacks but also of New Zealand.

*When I see this jersey I feel proud that I'm a New Zealander.... Proud, symbolises the All Blacks and the tradition of the game in New Zealand.*

*Pride - a kiwi myself and the All Blacks are an icon of NZ culture...*

*I feel proud of the New Zealand Rugby World Cup jersey because it identifies us as a nation. I recognise the colour black and the silver fern as NZ icons/emoles and so when the All Blacks wear this shirt they feel they are wearing it for the nation not just themselves.*

These responses from the highly and moderately involved fans indicate a strong feeling of patriotism and worship for the All Blacks confirming what some researchers (Brown, 2003 cited in Sweeny, 2006; Novitz & Willmott, 1989) claim that the All Blacks extend beyond merely a rugby team and are a signifier of New Zealand’s identity. As such, the All Blacks team provides the commonality that unite members of a nation (Bulmer and Buchanan-Oliver, 2010) and that binds people together in the community. The link to national identity backs Hogg and Abrams’ (1988) claim that supporting the national home team is part of identifying with that team (cited in Madrigal, 2000) and what they represent. This suggests that the All Blacks are reflective of who we are as New Zealanders, as noted by some participants.

*I feel it [the jersey] strongly represents the New Zealand team and who we are....*

*I feel proud to be from New Zealand and proud to wear this shirt as it represents who we are.*

These comments highlight how participants feel that the All Blacks jersey represents who we are as a nation, and is thus reflective of the nation's identity. This supports Brown (2003, cited in Sweeny, 2006) and Novitz and Willmott's (1989) claims that the All Blacks embody the best of New Zealand values encoding a particular vision of the character of New Zealanders.

#### 12.1.5 THEME THREE: THE JERSEY REFLECTING HUMILITY

Each of the fan types indicate that they like the jersey because it is "simple" and "smart". Highly involved fans also used the terms "nice", "clean" and "plain" to describe their feelings towards the jersey. Highly involved fans acknowledged that they felt the jersey and these characteristics represent who the All Blacks are.

*[The jersey is]...nice and simple but clearly shows who they [All Blacks] are...*

*I like it [the jersey]. It is simple and not too pretentious. I think that this simplicity represents how the All Blacks should portray themselves...*

As with the theme above – national icon - I argue that the reason participants identify the jersey as being reflective of humility, is because they are identifying with their own humbleness. As outlined above, the All Blacks and the jersey is reflective of the nation's identity. As New Zealanders are generally perceived to be not flashy, I argue that it is the character of the All Blacks that reflects the character of New Zealanders (Brown 2003, cited in Sweeny, 2006; Novitz and Willmott's, 1989), thus making the jersey appealing to the national audience.

#### 12.1.6 OVERALL SUMMARY OF QUESTION ONE

The purpose of this question was to assess if the findings would provide support to Sweeny (2006), Scherer and Jackson (2007), and Jackson and Hokowhitu's (2002) claims that the All Blacks and the jersey are important to New Zealanders. As evidenced by the participant's responses, most have an emotional connection with the All Blacks and the jersey. Participants identify with the jersey because of the tradition and history that has been maintained in its styling, because of its symbolism as a national icon, and because it is reflective of not only the All Blacks character but the character of New Zealanders. These findings provide a context as to why the jersey pricing crisis is of such significance to the New Zealand public.

### 12.2 QUESTION TWO: HOW THE PARTICIPANTS FEEL ABOUT THE PRICING CRISIS

Prior to the second question, the details of what happened during the 2011 All Blacks jersey pricing crisis was outlined to participants. Following this description participants were asked "How do you feel about this situation? Explain the reasons for these feelings." This question was designed to gauge any feelings, beliefs, or attitudes participants have about the crisis to compare to the findings in the media analysis.

#### 12.2.1 PART ONE OF QUESTION TWO: HOW EACH FAN GROUP FEEL ABOUT THE PRICING CRISIS

An analysis of the responses from highly involved fans indicates a negative feeling about the pricing crisis. However, some highly involved fans indicated that they could understand why Adidas priced the jersey that way. As with highly involved fans, moderately involved fans also expressed negative feelings about the pricing situation, however one fan indicated that they understood Adidas's motivation for pricing the jersey the way they did. The emotional reaction from low involved fans was overall not as strong as highly and moderately involved fans. Low involved fans stated that they felt the pricing crisis situation was 'appalling' however it was indicated by two fans (50%) that they did not have any feeling about the crisis. The following tables identify how each fan type felt about the pricing crisis, the

frequency of these feelings and then groups the feelings into themes. A quote to support each theme is also provided. The end of this section concludes with a discussion explaining the fans feelings in more depth.

**Table 10: How highly involved fans feel about the pricing crisis**

<b>Theme</b>	<b>Feeling</b>	<b>Frequency</b>	<b>Quote</b>
<b>Emotional Reaction</b>	Angry	6 (3.6%)	“Angry at Adidas, they have taken a market monopoly and exploited their customers.”
	Disappointed	6 (3.6%)	
	Annoyed	6 (3.6%)	
	Sad	5 (2.9%)	
	Appalled	3 (1.8%)	
	Let down	3 (1.8%)	
	Outraged	2 (1.2%)	
	Disgusted	2 (1.2%)	
	Pissed off	2 (1.2%)	
<b>Abused by Adidas</b>	Taken advantage of	6 (3.6%)	“Adidas were trying to exploit NZers sense of loyalty”
	Exploited	4 (2.3%)	
	Discriminated	4 (2.3%)	
	Cheated	3 (1.8%)	
	Disrespected	2 (1.2%)	
<b>Understanding of Adidas’s motivations</b>	Understand	17 (10.1%)	“...I can understand why they did it, they would make more money”

n=168

**Table 11: How moderately involved fans feel about the pricing crisis**

<b>Theme</b>	<b>Key Words</b>	<b>Frequency of the term</b>	<b>Quote to describe these feelings</b>
<b>Emotional reaction</b>	Disappointed	2 (8.7%)	“I feel discriminated against and angry...”
	Angry	1 (4.3%)	
	Appalled	1 (4.3%)	
<b>Abused by Adidas</b>	Discriminated	2 (8.7%)	
	Take advantage	1 (4.3%)	
<b>Understanding of Adidas’s motivations</b>	Understand	1 (4.3%)	“I can understand why Adidas did it”

n=23

**Table 12: How low involved fans feel about the crisis**

<b>Theme</b>	<b>Key Words</b>	<b>Frequency</b>	<b>Quote to describe these feelings</b>
<b>Emotional reaction</b>	Appalling	2 (16%)	“I think it was absolutely appalling!...”
<b>No feeling</b>	Don’t care	2 (16%)	“I really didn’t care. I think anyone who was prepared to pay \$220 for a replica shirt - was mad”

n=12

12.2.2 PART TWO QUESTION TWO: WHY EACH FAN GROUP FEEL THAT WAY ABOUT THE PRICING CRISIS

It was evident from the responses that overall there was a negative emotional response towards Adidas. The term analysis on each of the responses indicated a number of reasons as to why this is the case. The following table identifies these reasons for each of the fan types, and groups them into themes for further explanation. Two themes, ‘Adidas is motivated by commercialisation’ and ‘unaccepting of Adidas’ actions’, are presented for both highly and moderately involved fans. Only one of the themes emerged from the responses of low involved fans, this being that Adidas appear to be motivated by commercialisation. Following the tables, each of the themes is discussed on more depth.

**Table 13: Why highly involved fans feel that way about the pricing crisis**

<b>Theme</b>	<b>Key Words</b>	<b>Frequency</b>	<b>Quote</b>
<b>Commercial motivations</b>	Ripped off	20 (11.9%)	“THE ORIGINAL PRICE WAS A RIP-OFF SO I NEVER BOUGHT AN OFFICIAL JERSEY”
	Unfair	19 (11.3%)	
	Greed	14 (8.3%)	
	Expensive	14 (8.3%)	
	Profit	5 (2.97%)	
<b>Unaccepting of Adidas’s actions</b>	Ridiculous	11 (6.5%)	“Ridiculous lack of understanding by Adidas of the 'mythology' around the All Black shirt for NZers”
	Disgrace	3 (1.7%)	

n=168



**Table 14: Why moderately involved fans feel that way about the crisis**

<b>Theme</b>	<b>Key Words</b>	<b>Frequency of the term</b>	<b>Quote to describe these feelings</b>
<b>Commercial motivations</b>	Greed	4 (17.4%)	“...I think Adidas' pricing decision was particularly unfair given that it was merchandise for our national team”
	Unfair	4 (17.4%)	
	Rip off	4 (17.4%)	
	Profit	3 (13%)	
	Expensive	1 (4.3%)	
<b>Unaccepting by Adidas’s actions</b>	Poor	3 (3%)	“This is ridiculous and is just a matter of profiteering, it is a disgrace”
	Ridiculous	1 (4.3%)	
	Disgrace	1 (4.3%)	

n=23

**Table 15: Why low involved fans feel that way about the crisis**

<b>Theme</b>	<b>Key Words</b>	<b>Frequency</b>	<b>Quote to describe these feelings</b>
<b>Commercial motivations</b>	Greed	2 (16%)	“I think this is corporate greed and Adidas made a huge mistake trying to take advantage of the local market”
	Business	2 (16%)	
	Profiteering	1 (8.3%)	

n=12

### 12.2.3 A NEGATIVE EMOTIONAL REACTION FROM FANS

The term analysis revealed that each of the fan types had a mostly negative emotional reaction to Adidas's pricing of the jersey. Although two low involved fans did not have any feeling about the pricing crisis and the level of emotional reaction differed across the fan types, the findings overall suggest that the majority of participants appear to be emotionally affected by the pricing crisis. Emotional terms such as "angry", "disappointed", "annoyed" and "appalled" were the most frequently used by participants across all fan groups, with highly involved fans appearing to be the most emotionally effected.

*[I'm] outraged. It is diabolical that anything is cheaper outside of the country of its origin/representation*

*I felt very angry and boycotted Adidas' products for a period of time. In my opinion it was extortion to sell the jersey for that much...*

*Disappointed in the sponsor's actions is how I feel...*

*Pretty unhappy and definitely annoyed that Adidas would try to rip off the very people who so passionately support the All Blacks.*

*...appalled by the whole issue and felt that, if anything, New Zealanders should have got the jerseys cheaper than other countries.*

Each of the terms and the comments outlined above suggest that participants felt disrespected by Adidas's actions. Consistent with Kumar (2009) findings (refer Table 2), the negative feelings presented by participants are indicative of disrespectful behaviour. Kumar (2009) identified that the most frequent feelings, as a result of disrespectful behaviour, were anger, annoyance, hurt and frustration, which also supports assertions by Costley et al., (2004) and Millar (2001). Additionally as Costley et al., (2004) notes annoyance is another emotion associated with feelings of disrespect.

#### 12.2.4 FANS FEELING ABUSED BY ADIDAS'S ACTIONS

The responses also revealed that highly and moderately involved fans felt 'abused' by Adidas. 'Discrimination', 'exploitation' and being 'taken advantage of' were the most frequently used terms by participants across the two fan groups. Fans' comments indicated that they felt Adidas's actions were an attempt to 'take advantage' of the New Zealand public. Therefore not surprisingly, one year after the crisis, analysis of respondents' comments shows that the level of frustration was still high. Comments suggest that participants felt Adidas were exploiting New Zealanders' love and sense of loyalty to the All Blacks, which left participants feeling discriminated against.

*I felt pissed off and felt we were being taken advantage of*

*... Adidas made a huge mistake trying to take advantage of the local market. It damaged its reputation not just locally but also internationally...*

*Adidas were trying to exploit NZers sense of loyalty*

*I feel discriminated against and angry that Adidas believed NZ'ers should be held to ransom just because the World Cup was being held here*

The above comments suggest that fans believe Adidas has abused its position as a sponsor. The analysis revealed that highly and moderately involved fans did not appreciate being exploited or discriminated against and therefore hold a negative attitude towards Adidas. These feelings are as a result of disrespectful behaviour, consistent with Kumar's (2009) findings. Kumar (2009) asserts that discrimination represent unfair and unequal treatment which is consistent with disrespect.

#### 12.2.5 SOME FANS ARE UNDERSTANDING OF ADIDAS'S MOTIVATIONS

Both highly and moderately involved fans indicate that they understand Adidas's motivations for setting the price the way they did. However, it was evident from the responses that while these participants understand Adidas's position, not all of them agreed with their actions. Thus thematic analysis uncovered two subthemes. These subthemes are 'understanding of Adidas's position and agree with their actions' and 'understanding of Adidas's position but disagree with Adidas's actions'.

An analysis of participant comments revealed that the majority of fans that understood Adidas's position did not agree with their actions. The comments suggested that while they could understand Adidas's motivations and reasons for pricing the jersey this way, participants still felt Adidas's actions were unfair and morally wrong as it ripped off the New Zealand public.

*Don't think it is right (unfair) that the rugby jersey was more expensive in New Zealand given it was for the New Zealand rugby if anything it should be cheaper it.... But I can understand why they did it, they would make more money.*

*I think morally it was wrong and ripped alot of nz off but can also understand the concept of supply and demand*

The response from one highly involved fan revealed that he understood Adidas's position and agreed with their actions.

*I agree completely with the pricing (this is how global markets work) and somewhat agree with Adidas preventing websites from selling in NZ... Someone who looked at the matter unemotionally would say that the pricing was perfectly reasonable...*

While there was one fan who completely agreed with Adidas's actions and a minority of fans who understood Adidas's position, most participants were still unhappy about Adidas's

actions in the pricing crisis. These participant comments suggest that Adidas have disrespected New Zealanders through their unfairness, unequal treatment and lack of care and concern for how the New Zealand public may feel (Kumar, 2009; Costley et al., 2005). However the finding that some fans can understand Adidas's position is similar to Kumar's (2009) finding that empathy can be expressed for the disrespectful party in the form of understanding. As with Kumar's (2009) study this is an important finding because it is unexpected that consumers could interpret disrespectful behaviour from the perspective of the offending party. As Kumar (2009) notes this finding is particularly surprising and unexpected because there is nothing in the literature to suggest that victims of disrespect may consider the perspective of the offender in their interpretation of a disrespectful encounter.

The term analysis then revealed a number of reasons why participants felt angry, disappointed, appalled and abused by Adidas. The high frequency of these negative terms identified in the term analysis, together with the words with the sentences in which they appeared, allowed me to identify that participants felt Adidas was 'motivated by commercialisation' and that fans were therefore 'unaccepting of Adidas's actions'. The remainder of this section will discuss these themes in more detail.

#### 12.2.6 THEME ONE: ADIDAS MOTIVATED BY COMMERCIALISATION

An analysis of participant comments indicates that each of the fan groups felt Adidas's actions in the pricing crisis were 'motivated by commercialisation'. The most commonly cited term from each of the fan types is 'greed'. Highly and moderately involved fans also used the terms 'unfair', 'rip off', 'profit' and 'expensive' to explain their feelings; and along with the term 'greed'; low involved fans used the terms 'profiteering' and 'business'. A combination of these terms indicates that participants' feel that Adidas's actions were motivated by financial gain and commercial incentives instead of maintaining and generating positive goodwill with the New Zealand public.

*I think Adidas NZ were trying to cash in on the Rugby World Cup being in New Zealand – corporate greed...*

*Adidas really messed up with this move. There was no reason for it except greed.*

*Felt that it was corporate greed... Adidas was really messed up with this move. There was no reason for it except greed...I can't really understand the thought process that lead Adidas to charge Kiwis so much for our national team's jerseys... They have definitely shown that profit is their only consideration*

*Very unfair to the grassroots supporters...*

*It was shocking and a blatant attempt to rip off NZ fans...*

Through an analysis of these responses it is evident that each of the fan types were upset that Adidas had chosen not to care about and show support for the local community, preferring instead to focus on financial gain. All fan types indicated that Adidas's perceived motivation for pricing the jersey was money and profit. Fans' comments suggest that the jersey should not have a higher price for New Zealanders just because they value and respect it (Costley & Friend, 2012). One could argue that when something is purposely priced higher just because it is valued or respected, that this is greedy behaviour. In this case, as a result of Adidas's greed, participants feel that they have been treated unfairly and ripped off by Adidas. Participant comments suggest that they felt Adidas had not taken the New Zealand public's needs into consideration in their pricing decisions. This in turn indicates uncaring behaviour and a lack of concern which is consistent with the notion of disrespect outlined by Ali & Ndubisi (2010), Kumar (2009) and Costley et al., (2005).

#### 12.2.7 THEME TWO: FANS ARE UNACCEPTING OF ADIDAS'S ACTIONS

The other theme that emerged from the analysis is that highly and moderately involved fans appeared to be unaccepting of Adidas's actions. This was seen through recurrent expressions

of “ridiculous”, the most commonly cited term, followed by “disgrace” and “poor”. The comments suggest that highly and moderately involved fans did not agree with Adidas’s position and actions.

*This is ridiculous and is just a matter of profiteering, it is a disgrace*

*...I feel the whole issue was a disgrace for the company to tarnish the supporters who it could be argued has a stronger affiliation to the team than the sponsors do.*

*It's ridiculous and unfair of Adidas to penalize New Zealanders in this way...*

#### 12.2.8 SUMMARY OF QUESTION TWO

The purpose of this question was to understand any feelings beliefs or attitudes participants had about the 2011 jersey pricing crisis. The analysis revealed that each the fan groups responded emotionally by expressing anger, disappointment and annoyance. The term analysis revealed that the strength of emotions differed across each of the fan groups with highly involved fans appearing the most emotionally affected by the crisis. The analysis also revealed that highly and moderately involved fans felt abused by Adidas through feelings of “discrimination”, “exploitation” and being “taken advantage” of. However, while there were a minority of fans who understood Adidas’s position, the analysis revealed that the majority fans were still angry by Adidas’s actions. The thematic analysis identified the reasons why fans felt emotionally affected and abused by Adidas. These reasons were that participants felt Adidas is motivated by commercialisation, so consequently fans are unaccepting of Adidas’s actions. These themes developed from reoccurring use of the terms “greed”, “unfairness”, “rip off”, “ridiculous”, “disgrace”.

### 12.3 QUESTION THREE AND FOUR: HOW PARTICIPANTS FEEL ABOUT THE HANDLING OF THE CRISIS AT THE TIME AND NOW

The third question asked participants to recall how they felt at the time of the crisis in relation to Adidas's handling of the situation. On the same screen participants were also asked the fourth question which was to re-evaluate their feelings and explain how they felt about the handling of the crisis one year later. This was to see if their feelings had changed about Adidas's handling of the crisis, and to analyse their responses in relation to the crisis response literature (Benoit, 1997).

The tables in this section illustrate the responses to question three and four together to show a comparison between participant responses. Each table shows the terms and themes obtained from the participant responses to question three and four. To conclude this section, the themes are then discussed in depth.



### 12.3.1 HIGHLY INVOLVED FANS' ASSESSMENT OF THE HANDLING OF THE CRISIS

The key term analysis revealed that at the time of the crisis, highly involved fans were unsatisfied with the way in which Adidas handled the pricing crisis. This was evidenced by the recurrent terms “badly”, “poorly” and “not well” handled. One year after the crisis the majority (24.4%) of highly involved fans still felt the same about the handling of the crisis, with a minority voice (2.9%) of respondents who “did not care” anymore.

**Table 16: How highly involved fans feel about the handling of the crisis**

At the time of the Crisis				One year after the Crisis			
Theme	Key Words	Frequency	Quote	Theme	Key Words	Frequency	Quote
<b>Unsatisfactory handling/ response on Adidas's part</b>	Poor/poorly	32 (19.0%)	“Adidas handled the situation quite poorly”.	<b>Still unsatisfactory handling on Adidas's part</b>	Still the same	41 (24.4%)	“I still feel the same as I did at the time. They should have fronted up to it earlier and done something about it...”
	Badly	15 (8.9%)		<b>No interest in the situation</b>	Don't care	5 (2.9%)	“Not too worried anymore”

				<b>anymore</b>			
	Not well	8 (4.7%)					
<b>The need for prompt communication messages</b>	Too Late	2 (1.1%)	“Was very slow, and quite embarrassing”				
	Slow	2 (1.1%)					
<b>Emotional Response to Adidas’s unsatisfactory handling of the crisis</b>	Annoyed	5 (2.9%)	“At the time I was outraged and appalled at Adidas and how they could be so greedy...”				
	Angry/Outraged	5 (2.9%)					
	Appalled	4 (2.3%)					
	Disappointed	3 (1.7%)					
<b>Adidas motivated by commercialisation</b>	Unfair	7 (4.1%)	“I felt that it was unfair that they were charging so much and that they tried to cover it up”				
	Greed	7 (4.1%)					
<b>No interest in the situation</b>	Didn’t care	5 (2.9%)	“I didn't really care all that much...”				

n=168

12.3.2 MODERATELY INVOLVED FANS' ASSESSMENT OF THE HANDLING OF THE CRISIS:

Findings from the key term analysis reveal that overall, at the time of the crisis, moderately involved fans were unsatisfied with the way that Adidas handled the pricing crisis. This was evidenced by the terms “badly” and “poorly” handled. One year after the crisis the majority (21.7%) of moderately involved fans appear to not care about the situation anymore. However, some moderately involved fans (17.3%) still felt Adidas handled the crisis unsatisfactorily.

**Table 17: How moderately involved fans feel about the handling of the crisis**

At the time of the Crisis				One year after the Crisis			
Theme	Key Words	Frequency	Quote	Theme	Key Words	Frequency	Quote
<b>Unsatisfactory handling on Adidas's part</b>	Poor	3 (13.0%)	“Handled poorly by Adidas”	<b>Still unsatisfactory handling on Adidas's part</b>	Same	4 (17.3%)	“I still think it was handled badly”
	Badly	3 (13.0%)		<b>No interest in the situation anymore</b>	Don't care	5 (21.7%)	Don't really care, now.
<b>Emotional Response to adidas's handling</b>	Angry	3 (13.0%)	“Angry and disgusted with the greed of Adidas”				
	Unfair	3 (13.0%)					
	Mad	1 (4.3%)					

<b>of the crisis</b>	Disappointed	1 (4.3%)		
	Disgusted	1 (4.3%)		
	Embarrassed	1 (4.3%)		
<b>The need for prompt communication messages</b>	Too late	1 (4.3%)	“I don't think Adidas was fair...they reacted to the situation quite late”	
<b>No interest in the situation</b>	Didn't care	2 (8.6%)	“I did not have a strong feeling about this”	

n=23

### 12.3.3 LOW INVOLVED FANS' ASSESSMENT OF THE HANDLING OF THE CRISIS:

Findings from the key term analysis revealed that the majority (33.3%) of low involved fans did not care about the way in which Adidas handled the pricing crisis. However, some low involved fans (24.9%) responded emotionally to the handling of the crisis, describing their feelings as “angry”. They acknowledged that Adidas’s handling of the crisis was unsatisfactory. This feeling remained the same one year after the crisis with the majority of fans indicating that they still felt the same.

**Table 18: How low involved fans feel about the handling of the crisis**

At the time of the Crisis				One year after the Crisis			
Theme	Key Words	Frequency	Quote	Theme	Key Words	Frequency	Quote
<b>Unsatisfactory handling on Adidas’s part</b>	Poorly	1 (8.3%)	“Was handled poorly by Adidas. They should have never created the situation in the first place”	<b>Still unsatisfactory handling on Adidas’s part</b>	Still the same	6 (50%)	“Still makes me angry to this day. Adidas didn't really ever seem to accept that they were totally in the wrong in this situation”
		Unprofessional		1 (8.3%)	<b>No interest in the situation anymore</b>	Don’t care	4 (33.3%)

<b>Emotional Response to Adidas's unsatisfactory handling of the crisis</b>	Angry	2 (16.6%)	“Very unprofessional and an embarrassment to the country”
	Embarrassed	1 (8.3%)	
<b>No interest in the situation</b>	Don't care	4 (33.3%)	“...personally I would never have purchased a jersey, and think people got a little worked up about a relatively small issue in life”

n=12

#### 12.3.4 UNSATISFACTORY HANDLING OF THE CRISIS

The analysis revealed that each of the fan groups felt that Adidas's handling of the pricing crisis was unsatisfactory. This theme emerged from use of the term 'poor' from all three fan groups; 'badly' from highly and moderately involved fans; and 'not well' handled from highly involved fans. It was evident that highly and moderately involved fans expressed this feeling most strongly; with only one low involved fan identifying that they felt the situation was "badly" handled. These responses suggest that Adidas's choice of crisis response methods was ineffective and had little influence on rectifying the situation with the New Zealand public.

*Adidas looked like idiots for not pre-empting the situation, [and] then they handled the situation poorly when it came to a head*

*They handled the whole situation terribly and made the public angry...*

*I think the initial handling was very unfair to both retailers and the New Zealand public*

*It was just damage control, no apologies.*

The public felt that Adidas had no motivation in restoring their image or fixing the situation for the public. As outlined in the media analysis, Adidas failed to right the wrong by only implementing partial corrective action. From a crisis response strategy viewpoint this suggests that Adidas failed to take the public's needs into consideration (Costley et al., 2005). Consequently participants believe that Adidas did not handle the situation well, and had been disrespectful. This is based on Costley et al., (2004), Frei & Shaver (2002) and Murphy's (1999) assertion that to demonstrate respect means to show regard for others by being aware of the needs and concerns of other people.

When participants were asked how they felt about the handling of the situation one year after the crisis, the majority of people from all fan groups revealed that they still felt the same. Most fans still remembered the way Adidas handled the crisis and still found their crisis response unacceptable.

*Still makes me angry to this day. Adidas didn't really ever seem to accept that they were totally in the wrong in this situation*

*Still not happy, have not bought the new jersey even now, still pissed off with Adidas*

*I still feel it was handled badly*

Adidas's crisis response strategies were unsuccessful in changing the opinion of the participants. The comments also show that most fans still felt disrespected one year later referring to the unfair treatment they have received. This suggests that behaviours of disrespect are not easily forgiven. As outlined by Benoit (1997) the public find it reassuring to know that an organisation has a commitment to correct the problem, repair the damage and prevent any possible future acts or events so they feel closure after a crisis. When fans are disrespected, the disrespectful organisations must right the wrong or create change as it can have an impact on their image and reputation. The above comments illustrate the feelings of disrespect that have remained towards Adidas.

#### 12.3.5 EMOTIONAL RESPONSE TO ADIDAS'S UNSATISFACTORY HANDLING OF THE CRISIS

As previously outlined in question two, fans had an emotional reaction about the pricing crisis and also had an emotional reaction to Adidas's handling of the crisis. This is best seen by recurrent use of the emotional terms such as "angry", "mad", "outraged", "embarrassed", "appalled", "disappointed", "disgusted" and "annoyed". This finding is also not surprising as the findings from question one supported claims that the New Zealand public have an emotional connection to the All Blacks.



*Pretty outraged at the gall of it and that hasn't changed*

*More anger towards Adidas*

*I think it is disgusting that they were trying to rip off their main target customer*

It is evident from these comments that the participants felt that Adidas disrespected the New Zealand public. As Egge (1999) and Kesler (1994) note part of respecting is to value something, via esteem respect. It appears that each of the fan types did not feel that Adidas's handling of the situation showed that they valued their New Zealand customers. Kumar (2009) also notes that failing to listen to customers is also a determinant of disrespectful behaviour. In this case, Adidas's perceived failure to listen to the public's feelings has meant participants have noted feelings of disrespect (Kumar, 2009)

#### 12.3.6 THE NEED FOR PROMPT COMMUNICATION MESSAGES

The analysis also revealed that a minority of highly and moderately involved fans felt Adidas's speed of response to the situation was unsatisfactory. This theme developed from use of terms such as "too late" and "slow" in respondents' comments. In particular highly and moderately involved fans suggested that Adidas took too long to respond to the crisis in a way that the public deemed appropriate.

*Don't feel Adidas's PR stepped in fast enough and dealt with the situation*

*... [Adidas] ended up with a backlash against them as they reacted to the situation quite late*

*Adidas should have responded straight away and reduce the local retail price accordingly...*

In these fans' view Adidas did not respond quickly enough and did not use the correct strategy for the situation. This highlights the importance of organisations immediately responding to crises as suggested by Bruce and Tini (2008). Bruce and Tini state that a delayed response may lead to an organisation being seen as doing further damage to their reputation or brand image, which is exactly what happened in the Adidas jersey pricing crisis. The findings from this study therefore further stress the point that immediate response from an organisation is a crucial part in the effective handling of a crisis (Bruce & Tini, 2008).

#### 12.3.7 ADIDAS MOTIVATED BY CORPORATE GREED

The term analysis also identified the theme of corporate greed. Highly involved fans revealed that they felt Adidas's handling of the crisis was greedy and still not acting for the good of the New Zealand public. This is consistent with the findings in question two, that Adidas are greedy because they are motivated by commercialisation.

*I felt that Adidas were being greedy and unfair*

*Adidas was greedy and should have known better*

*My first thought was typical corporate greed*

*I thought Adidas showed corporate greed for the humble NZer.*

These comments indicate that highly involved fans felt disrespected by Adidas's handling of the crisis. This finding is based on Kumar's (2009) research of disrespectful behaviour which stems from a denial of recognition respect. Adidas failed to carry out the basic obligations (which we are entitled to and owe to others) by unfairly treating the New Zealand public, and by putting profit before the well-being of their customers. This suggests

that Adidas did not value all customers equally which Costley & Friend (2012) and Costley et al., (2005) would suggest is indicative of a lack of care respect. As a result of Adidas's greed the comments from highly involved fans show a loss of respect towards Adidas.

#### 12.3.8 SUMMARY OF QUESTION THREE

The theme analysis revealed that each fan type had an emotional reaction to Adidas's handling of the crisis. This is best seen by recurrent use of emotional terms such as "angry", "mad", "outraged", "embarrassed", "appalled", "disappointed", "disgusted" and "annoyed" expressed by participants. These emotions in conjunction with the words 'poor' and 'badly' handled indicate that fans felt the pricing crisis was unsatisfactorily handled by Adidas. Highly and moderately involved fans suggested that they felt this was the case because of Adidas's lack of speed of response to the situation. A minority of fans indicated that Adidas was "too late" and too "slow". The analysis also identified the theme of corporate greed. Highly involved fans described Adidas's handling of the crisis as "unfair" and "greedy". While some fans stated that they 'didn't care' it was evident from the responses that overall the majority of fans still felt the same about Adidas's handling of the crisis. This finding suggests Adidas have been unsuccessful with their crisis response strategies in rectifying the situation with the New Zealand public (Benoit, 1997).

## 12.4 QUESTION TEN: PURCHASING OF THE JERSEY

In the last question participants were asked if they had purchased a 2011 Rugby World Cup Jersey. If participants selected yes, they were asked where they purchased it from and when. If they indicated ‘no’, participants were asked if they had intended to purchase a jersey, and if yes, why they chose not to. This was to understand whether the crisis impacted purchase intention.

The results showed that 13% of all participants purchased the All Blacks jersey. A total of 27 highly involved fans and one moderately involved fan purchased the 2011 Rugby World cup jersey; and none of the low involved fans purchased the jersey.

**Table 19: Each fan types purchase of the jersey**

<b>Fan type</b>	<b>Number of fans per fan type</b>	<b>How many purchased jersey</b>	<b>How many purchased before the crisis?</b>	<b>How many purchased after the crisis?</b>	<b>Jersey not purchased as too expensive</b>
<b>High</b>	168	27 (16%)	12	9	22
<b>Moderate</b>	23	1 (4.3%)	0	1	5
<b>Low</b>	23	0	N/A	N/A	N/A
<b>Total</b>	203	28 (13%)	12	10	27

### 12.4.1 HIGHLY AND MODERATELY INVOLVED FANS PURCHASE OF THE JERSEY

Based on an analysis of participant responses, the most common reason for high and moderately involved fans not purchasing the jersey was due to the jersey being “too expensive”. This suggests that despite their desire to support their team, fans could not justify spending that amount of money on the jersey, which indicates that Adidas may have got their pricing strategy wrong.

Other comments indicate that highly and moderately involved fans did not want to support Adidas's actions by purchasing the jersey. Comments indicated that majority of these fans were not willing to purchase the jersey because it was not only too expensive, but also out of their own moral principle. They did not want to show Adidas that they condone their behaviour.

*Did not want to support Adidas at the time*

*Not keen to line the pockets of Adidas*

*Too expensive, would have bought one if they were more reasonable price and if it was promoted as a way to support the team.*

#### 12.4.2 LOW INVOLVED FANS PURCHASE OF THE JERSEY

None of the low involved fans purchased a 2011 Rugby World Cup jersey. These fans indicated that they were simply not big enough fans to justify its purchase. Of the 12 low involved fans, 10 described their reasoning for not purchasing as “no interest” which was the most commonly cited reason. This is in line with Meenaghan's (2001) description of low involved fans lacking an emotional connection with the team, which results in a minimal likelihood to purchase merchandise. One low involved fan stated that he did not purchase the jersey because: “*The cost was totally prohibitive*” and the other low involved fan stated that they did not purchase the jersey because they “*don't wear rugby jerseys*”. Comments made by those low involved fans that had “no interest” in purchasing the jersey still indicated that despite their lack of interest the price was still too high.

*I am not a big rugby fan but I think even if I was I still would not purchase a shirt... \$100 is steep for a shirt.*

#### 12.4.3 CONSEQUENCE OF DISRESPECT: BOYCOTT

During the analysis, it became apparent that Adidas suffered damage to their reputation. Recurrent use of the term “boycott” and comments indicating that participants would no longer purchase Adidas products showed that Adidas's brand image has been affected.

Highly and moderately involved fans indicated that they would be boycotting Adidas products, or would think twice before they purchased Adidas products.

*It would make me think twice about buying Adidas products in the future as I am now aware how overpriced they can be*

*I definitely have not purchased any Adidas products since that time and have no intention to do so in the future...*

*I think that Adidas were being greedy and out of principal I haven't purchased any of their products since.*

*Angry... I personally will not buy Adidas products from now on*

Fans' boycott of Adidas's products was due to their feeling disrespected by Adidas. Kumar (2009) notes that one of the coping mechanisms which customers use to deal with perceived disrespectful behaviour is to retaliate against the organisation (Millar, 2001). This retaliation can take the form of a boycott.

## 12.5 QUESTION FIVE, SIX, SEVEN AND EIGHT: DEMOGRAPHIC INFORMATION

At the beginning of the study I thought that the age of the participants could possibly impact or change their responses to the survey questions. This was speculated based on results from informal interviews completed prior to conducting this research which suggested that older participants may feel more strongly about the price difference of the jersey between New Zealand and overseas countries due to their affiliation with the New Zealand based ex-sponsor Canterbury. My analysis however revealed that the age of the participants did not appear to have an impact on the participants' feelings about the crisis and their response towards Adidas.

## 13.0 CHAPTER NINE: DISCUSSION

The purpose of this study was to understand the New Zealand public's response towards Adidas during and after the 2011 Rugby World Cup Jersey pricing crisis. The responses from bloggers in the media analysis and the participants in the open ended survey conducted a year later identified a number of key findings specific to understanding this response. This chapter discusses in more depth these findings in relation to the notion of (dis)respect. The chapter begins by firstly discussing the importance of developing respect in sponsorship relationships, followed by the importance of (dis)respect in this crisis. The chapter concludes with a discussion on the importance of implementing fast and effective crisis response strategies in order to restore a brand's image to avoid reputation damage.

### 13.1 THE IMPORTANCE OF RESPECT IN DEVELOPING SPONSORSHIP RELATIONSHIPS

This study highlights the role and importance of respect in developing and maintaining relationships between a sponsoring brand and a national sports team. As explained in chapter three respect played an important part from the beginning in the relationship between Adidas, the All Blacks, and the New Zealand public (Motion et al., 2003). At the time of the formation of the co-brand between the All Blacks and Adidas, the NZRU and Adidas rearticulated the All Blacks brand in relation to a broad range of national values that would appeal to traditional fans (Motion et al., 2003; Scherer et al., 2008). These values were about heritage, tradition, authenticity, respect, and New Zealand, as well as performance on and off the field (Motion et al., 2008; Scherer et al., 2008). Adidas went to great lengths to show their respect for the All Blacks, for the All Blacks jersey and what it stands for, and for the people of New Zealand as the 'owners of the All Blacks' (Motion et al., 2003). All of Adidas's marketing campaigns utilised these core brand values, ensuring that each value was respectfully represented. This demonstrated to the New Zealand public that Adidas considered not only the value of the All Blacks, but also understood the importance of the All Blacks team and specifically the All Blacks jersey to New Zealanders. As a result of showing respect through protecting and safeguarding the All Blacks' history and reputation as a top rugby team, Adidas earned appraisal respect from the New Zealand public. Moreover, this earned respect, allowed Adidas to align and position themselves in

New Zealand as an authentic, traditional, well-respected, moral and high performing global brand; a brand to be cherished and respected for who they are and what they represent, as much as the All Blacks. By Adidas respecting the All Blacks, the New Zealand public returned respect to Adidas; referred to in the literature as mutual respect (Kumar, 2009; Egge, 1999; Kelser, 1994). This shows that if sponsors show respect for the public in the communities which they operate in then mutual respect should be returned to the sponsor from the public. The New Zealand public then built an expectation that Adidas would continue to respect these values in all dealings related to the All Blacks, which enabled them to develop a strong brand reputation with the New Zealand public. As Costley et al. (2005) and Frei and Shaver (2002) indicate, respect is an effective predictor of relationship satisfaction in various contexts. The development of the relationship between Adidas, the All Blacks and the New Zealand public at the start of the sponsorship, supports Boeckmann & Tyler (2002) and de Cremer's (2003) claims that respect in the interaction between two parties will encourage and foster the formation of a long lasting relationship.

Respectful sponsorship relationships have a greater potential to earn goodwill from the public. Meenaghan (2001) states sponsorship is more likely to generate goodwill when they are seen to go beyond mere commercial concerns and demonstrate a level of care for the public. Demonstrating a level of care means to esteem, listen, emphasise and safeguard a brand; in conjunction with behaviours of acting with integrity, valuing individuals, treating people equally and being honest (Costley & Friend, 2012, 2007). In the sponsorship of the All Blacks Adidas were careful to esteem and safeguard the All Blacks brand. In their initial marketing campaigns Adidas acted with integrity, by ensuring a true representation about the history and tradition of the All Blacks. As a result of demonstrating such care, Adidas enhanced the quality and longevity of the sponsorship relationship between themselves, the All Blacks and the New Zealand public.

This study does not simply highlight the importance of respect in developing successful sponsorship relationships; it also demonstrates how disrespectful behaviour in sponsorships can negatively impact relationships with the public. The goodwill a sponsorship generates is determined by the public's perception of a sponsor's overall behaviour (Meenaghan, 2001). This perception can affect consumer favourability and preference toward a sponsoring brand and in some instances their purchase intentions. The responses obtained from



bloggers in the media analysis and participants in the open ended survey highlight how disrespectful behaviour from a sponsor can result in feelings of “anger”, “disappointment”, and “annoyance” towards a sponsoring brand. Some New Zealand fans also indicated that due to their feelings of being disrespected, they wanted to retaliate against Adidas’s actions and boycott their products. The desire to retaliate suggests that these fans lacked trust in Adidas. This finding supports Reilly’s (2002) assertion that disrespectful treatment towards customers may result in a decrease of trust for the organisation. Kumar (2009) states that disrespect not only affects the nature of relationships, but also the level of trust that exists within relationships. As various authors (Friend et al., 2010; Kumar, 2009; Costley et al., 2004; Frei & Shaver 2002; Reilly, 2002; Kesler, 1994) note, respect in relationships can lead to increased levels of trust. However disrespect can have the opposite effect. The pricing crisis shows how disrespect can impact on previously strong, sponsorship relationships and decrease trust and security in the sponsor from the public.

The responses of bloggers and participants in this study show that a fan’s reaction to sponsorship is conditional upon the sponsor’s respect for the sanctity and integrity of the sport and its fans. This is particularly relevant for sponsors of national sports teams. As the All Blacks team is a signifier of national identity, fans have a strong emotional attachment to the team. Therefore any acts of disrespect are felt very strongly. The responses from bloggers and participants regarding Adidas’s actions support Meenaghan (2001) assertions about the delicacy and sensitivity of fans. Thus, as Meenaghan (2001) notes, when a sponsor strives to be “a good sponsor” they are rewarded with strong feelings of respect and affinity. However, when sponsors abuse the sponsorship relationship through excessive commercial exploitation, they are “punished” with negative attitudes (Meenaghan, 2001, p. 109). This case supports Meenaghan’s (2001) by showing how the respect Adidas earned at the start of the sponsorship, was lost after Adidas’s perceived actions of disrespect.

### 13.2 THE SIGNIFICANCE OF RESPECT IN THIS CRISIS: RESPECTING LOCAL COMMUNITIES

This study identified the major role that disrespect played on shaping blogger and participant’s response towards Adidas. From the responses in the media analysis and the open ended survey, it is evident that the public felt disrespected by Adidas’s pricing of the

Rugby World Cup jersey. Specifically that the jersey was priced significantly higher than overseas countries. As a result of this disrespectful behaviour from Adidas, bloggers and participants reacted emotionally towards Adidas. Consistent with findings from Kumar (2009) New Zealanders felt 'angry', 'disappointed', and 'annoyed'. These feelings were as a result of Adidas 'discriminating', 'exploiting' and 'taking advantage' of New Zealanders' 'love', 'like' or 'pride' for the All Blacks and the jersey.

This study found the All Blacks and the jersey are signifiers of national identity that New Zealanders are extremely attached to. Despite the differing level of connection to the All Blacks from each fan group, the All Blacks appear to provide a form of collective identification that binds the New Zealand community together. This supports Hogg and Abrams's (1988) claim (cited in Madrigal, 2000) that a fan's support for the national home team is more than an act of support; it is part of identifying with that team and what they represent. As a result of this attachment to the jersey, the bloggers and participants reaction to Adidas's disrespectful behaviour is even stronger. Also consistent with the findings of Meenaghan (2001) and Sutton et al. (1997), highly involved fans had the strongest reactions to Adidas's pricing of the jersey. These fans are the most attached to the All Blacks, over moderately and low involved fans, and thus were the most affected fan group by Adidas's actions. This finding highlights how ones connection to their nation can intensify feelings of disrespect.

This study shows that organisations need to respect the local communities in which they operate. Both the blogger and participant responses suggest that Adidas's price difference did not support or show regard for the local New Zealand community. The participants' responses indicate that Adidas did not understand the importance of New Zealand fans in the sponsorship relationship, appearing to favour overseas fans. It is evident from the responses that bloggers and participants felt the pricing of the jersey should have shown greater support and care for the New Zealand public. Bloggers and participants commented that Adidas's pricing decision showed lack of care respect for the local market. This finding is based on Costley and Friend (2012), Ali and Ndubisi (2010), and Costley and Friend's (2007) framework for care respect which is based on three dimensions: 1) paying attention and valuing consumers; 2) understanding the needs of consumers; and 3) taking responsibility to safeguard these needs. It appears that Adidas did not take any of these

dimensions into consideration in their pricing of the jersey or handling of the crisis. This study shows that Adidas's perceived disrespectful behaviour left individuals feeling betrayed, belittled and degraded (Kumar, 2009; Kesler, 1994). This finding contributes to the sponsorship literature by emphasising the importance of sponsors supporting and building respect in communities. The study also indicates that a lack of support or disrespect can dissolve a sponsor's relationship within their communities. As Smith et al., (2008) suggest sponsors should focus on strategies to strengthen their perceived integrity by continuing to support local communities who support them as a sponsor. This finding shows support for Costley & Friend's (2012; 2007) assertion that care-respect provides a foundation for positive marketing theory and practice in the market place, particularly stressing the importance for sponsors to show respect to their customers.

It was identified from both the media analysis and the open ended survey analysis that bloggers and participants considered Adidas's actions to be motivated by 'greed'. Bloggers and participants felt Adidas were trying to make the most of their financial investment instead of generating positive goodwill with the New Zealand public, and took the New Zealand fans for granted. Adidas thought New Zealanders would pay the high price as they assumed New Zealanders were committed All Black supporters. Thus, by focusing on sales, Adidas as a sponsor did not take responsibility for their fans. As Kumar (2009) notes a focus on sales is interpreted by consumers as not being concerned or cared for by the business, and thus, as being disrespectful. As Ali and Ndubisi (2010) note, acting responsibly is a key dimension of care respect.

It is evident from the bloggers' positive response towards the retailers that they do appreciate being considered and cared for. The retailers' move to reduce the price of the jerseys showed consideration and empathy for the New Zealand public's needs. This emphasised that retailers are aware of the needs and concerns of the public and by responding quickly consequently demonstrated a form of regard and respect for New Zealand consumers. As Ali and Ndubisi (2010) note, being responsive demonstrates respect. The bloggers' response indicates that goodwill can be generated from showing respect towards customers, and reinforces the importance for organisations to care for their local communities. This also supports the claim that continuous effort to treat all customers

respectfully can increase customer commitment to an organisation (Costley et al., 2005; de Cremer & Tyler, 2005).

One possible reason for Adidas's pricing of the jersey and handling of the crisis could be that their actions are in accordance with the values of the co-brand and of the All Blacks. This is based on the conclusion that respect (appraisal and recognition) plays an important role in the relationship between Adidas, the All Blacks and the New Zealand public. When Adidas and the All Blacks initially formed a co-branded relationship their key values needed to align (Motion et al., 2003). As previously outlined in chapter three, the success and quality of the All Blacks as the top international Rugby team made them an attractive brand for sponsorship. Similarly, Adidas too pride themselves on being a quality globally recognised sports brand (Sweeny, 2006). The value of quality is an important characteristic which enabled the two brands to successfully marry into a co-branded relationship (Motion et al., 2003). Consequently, pre-crisis, it was apparent that Adidas ensured that their marketing and communications of the All Blacks reflected their global recognition as a quality brand. In an attempt to maintain this quality I speculate that Adidas matched the quality of the jersey to the quality of the All Blacks in their pricing as they did not want to devalue their own brand or that of the All Blacks. High pricing usually signifies high quality therefore one could understand that Adidas's pricing strategy represented the All Blacks' high quality image. Adidas therefore might not have wanted to compromise on their own values as a quality brand or on their responsibility to market the All Blacks as a quality team. This point is supported by a comment from Adidas's CEO David Huggett who said "We believe our product is premium therefore the price is competitive..." (Newstalk ZB & NZ Herald Staff, 2011). This comment implies that the price of the jersey is reflective of the intrinsic worth of the jersey, as a high price is indicative of good quality, premium product. This would then suggest that in putting the price so high Adidas were acting out of respect for the All Blacks brand and thus Adidas's decisions would have been based on appraisal and recognition respect for the All Blacks jersey. This emphasises the importance of the values in the relationship between the All Blacks and Adidas brands. If Adidas's decision to handle the crisis was based out of respect for the quality of the jersey, this was not clear in their crisis response strategies, thus Adidas are at fault for not clearly presenting this position. By using bolstering (Benoit, 1997), Adidas could have stressed that their justification for the price shows consideration for the overall vision for New Zealand rugby.

### 13.3 THE IMPORTANCE OF CRISIS RESPONSE STRATEGIES TO REDUCE DAMAGE TO A BRAND'S REPUTATION

This study highlights how crises, if not handled correctly, can affect a brand's reputation. The media analysis and responses from the open ended survey indicated that both bloggers and participants wanted an apology and complete corrective action from Adidas. However, Adidas did not hear or appear to listen to the public's pleas. Instead they employed a partial corrective action by only apologising for the crisis without reducing the price. This partial corrective action indicates disrespect for the public's desire to be treated fairly and equally, as Adidas have shown no consideration to how the public feel and no effort to correct the injustice. This discrimination against New Zealanders indicates disrespectful behaviour from Adidas. As various authors (Campbell, 2007; Costley et al., 2004) note, respectful behaviour connotes equal treatment, fairness and acceptance. Additionally, as Kumar (2009), Frei & Shaver (2002), and Miller (2001) note, failure to listen to the views and opinions of others causes people to feel that their beliefs and opinions are not valued or even acknowledged leading to their perception of being disrespected. Similarly, according to Keaveney (1995), ignoring others is often viewed as insulting, impolite and ultimately disrespectful. Ignoring others is seen as a prominent cause of disrespect because it entails denying people's entitlement to a voice (Kumar, 2009; Dillon, 2007).

The findings from the open ended survey, in conjunction with those from the media analysis, indicate that consumers not only have a strong negative emotional reaction to disrespectful behaviour, but that these emotions can linger when the crisis is not dealt with satisfactorily. As a result of the unsatisfactory crisis response, frustrations continued to mount towards Adidas a year on from the crisis. Participants in the survey identified that they still felt 'angry', 'annoyed' and 'disappointed' by Adidas's handling of the crisis. These feelings impacted Adidas's reputation as both bloggers and participants in the survey threatened to boycott Adidas's products. As Milewicz and Herbig (1994) note, brand reputation is fragile and can be easily lost. If lost, it takes seven to ten times the effort to restore the reputation (Herbig & Milewicz, 1997; Herbig & Milewicz, 1993). Reputation does require careful management and diligence (Sweeny, 2006) and it is imperative that organisations consider the long term consequences of their decisions and actions on their future reputation (Herbig & Milewicz, 1997). Organisations employing crisis response

strategies need to demonstrate respect through a fast response that shows consideration for how the public think and feel (Ali & Ndubisi, 2010; Costley et al., 2005).

The media and open ended survey analyses emphasised how Adidas needed to employ image restoration methods to positively redevelop their brand reputation and avoid retaliation behaviour from consumers. As a result of Adidas' response to the crisis bloggers and participants desired to change their behaviour and avoid Adidas products. As suggested by Kumar (2009), after consumers encounter disrespectful treatment, they are motivated to change their behaviours to avoid the same treatment or behaviour again. This appears to be associated with the consumers need to regain control by altering their own behaviour (Kumar, 2009) or to reaffirm their own self-identities (Chebaat & Slusarczyk, 2005 cited in Friend et al., 2010).

The open ended survey found that participants were angry about Adidas's action. As Honneth, (1992) and Miller (2001) note anger can be a strong predictor in the likelihood of action against the disrespectful party. The findings in the open ended survey add to the literature by identifying that disrespectful behaviour can affect consumer purchase intention. As Ngan et al. (2011), Smith et al. (2008) and Pope and Voges (2000) note, the relationship between sponsorship and consumer purchase intentions remains unclear. Thus this study contributes to the literature by showing that when sponsorships are not handled correctly and there are perceptions of disrespect, it is likely that people will not purchase the sponsors products.

The threat of damage to a brand's reputation stresses the importance of organisations employing quick crisis response tactics, specifically in order to reduce the impact of the crisis on the brand's reputation. Adidas were criticised by bloggers and participants for their timing in responding to the crisis, which appeared to be a contributing reason to the negativity towards Adidas. These findings supports Bruce and Tini's (2008) assertion that no matter what crisis response message is chosen it should be immediate, clear, consistent, and address all necessary stakeholders. As Bruce and Tini (2008) argue "speed is vital to avoid information vacuums that can be easily filled with misinformation" (p. 110). The media analysis showed that while Adidas initially responded to the crisis quite quickly

within a few days they had changed their argument several times. This indicates that Adidas did not have a clear crisis response strategy. Adidas's disjointed response made it seem that they were desperate for excuses.

The bloggers' responses in the media analysis and open ended survey reveal the importance of respect in sponsorship. This is specifically important for organisations that sponsor national teams, as it is clear from this study that national teams, like the All Blacks, are a key signifier of national identity. This study emphasises how the fans response towards Adidas's, as a result of their disrespectful behaviour, is intensified due to the attachment New Zealanders have towards the All Blacks.

## 14.0 CHAPTER TEN: CONCLUSION

The purpose of this research was to understand the New Zealand public's response towards Adidas as a result of the 2011 Rugby World Cup jersey pricing crisis and the role that (dis)respect plays in the response. Through a media analysis and an open ended survey this study contributes to the sponsorship literature by 1) emphasising the importance of respect in developing and maintaining sponsorship relationships; 2) outlining the impact disrespect can have on sponsorships, specifically sponsorships of national sports teams, and 3) emphasising the importance of crisis response strategies in repairing brand reputation.

### 14.1 THE IMPORTANCE OF RESPECT IN DEVELOPING AND MAINTAINING SPONSORSHIP RELATIONSHIPS

This study outlines to sponsoring organisations why respect is important. Respect helps develop and maintain relationships for sponsors. Little is currently known about the effects of sponsorship in terms of its impact on relationships amongst the sponsor, brand, and the consumer. This research adds to the sponsorship literature by demonstrating how sponsoring organisations treatment of the public plays an important role in building and maintaining quality relationships. This study also shows that sponsoring organisations can earn respect and develop a strong brand reputation when they continuously aim to and deliver respectful actions.

It is evident from the analysis that respect should be mutual and if demonstrated by sponsors, it should be returned by the public. In this case care respect played an important part in enhancing the quality and longevity of the sponsorship relationship between Adidas, the All Blacks and the New Zealand public. Adidas were careful to esteem and safeguard the All Blacks brand, particularly in their initial marketing campaigns which carefully reflected the history and tradition of the All Blacks brand. Adidas's were also careful to ensure they took responsibility for the New Zealand public in their marketing campaigns by acknowledging them as the owners of the All Blacks.



## 14.2 IMPACT DISRESPECT CAN HAVE ON SPONSORSHIPS OF NATIONAL SPORTS TEAMS

The main findings from this study demonstrate the effects of disrespectful behaviour on a sponsor's relationship, image and reputation with national fans. As the All Blacks are the national team, the findings show that the impact of Adidas's perceived disrespectful behaviour is intensified because of fan's national identity and attachment to the team. This study reinforces Meenaghan (2001) work, that a fan's reaction to sponsorship is conditional upon the sponsor's respect for the sanctity and integrity of the sport and its fans. The findings of this study show how disrespectful behaviour can impact on previously strong, sponsorship relationships by decreasing the public's trust and security in the sponsor.

This study also contributes to the sponsorship literature by emphasising the importance of sponsors showing support and building respect in the local communities that they operate in. Findings show that disrespectful behaviours and a lack of support for fans can dissolve a sponsor's relationship within their local communities. Thus sponsors need to demonstrate care respect by paying attention and valuing fans, understanding the needs of fans, and taking responsibility to safeguard their needs. Through the responses from bloggers in relation to the retailer's actions to reduce the price, this study shows how positive goodwill can be generated from demonstrating care respect for members of local communities.

## 14.3 THE IMPORTANCE OF CRISIS RESPONSE STRATEGIES IN REPAIRING BRAND REPUTATION

This study shows that by putting effort into building mutual respect between a sponsor and its fans is pointless if the sponsor does not put in place crisis strategies that align with that notion of respect. This study highlights the impact a crisis can have on a sponsor's reputation if a crisis is not handled correctly. Findings from this study show the damage on a sponsor's reputation when fans are treated with disrespect, and the sponsor fails to rectify the situation. The threat of damage to a brand's reputation stresses the importance of organisations employing quick crisis response tactics, specifically in order to reduce the impact of the crisis and avoid retaliation behaviour.

#### 14.4 SUMMARY

This research adds to the sponsorship literature by demonstrating how sponsoring organisations treatment of the public plays an important role in building and maintaining quality relationships. Specifically care respect in sponsorships provides a foundation for positive marketing theory and practice in the market place. This study stresses the importance for sponsors to show respect and support to local to the communities that they operate in. Thus it is concluded from this study that fans value respect and that respect is a mainstay in sponsorship.

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## 16.0 APPENDIX ONE: OPEN ENDED SURVEY QUESTIONS

### Open ended survey: New Zealand All Blacks 2011 Rugby World Cup Jersey

1. How do you feel about the 2011 All Blacks RWC jersey? Explain the reasons for these feelings.



In August of 2011, selected retailers released for sale the All Blacks Rugby World Cup supporter's jersey for \$220.00NZD. This price was \$100.00NZD more than the same jersey on international websites.

Adidas temporarily prevented these websites from selling the new All Blacks jerseys to customers in New Zealand. It was only after public outcry that Adidas lifted this restriction. Some local retailers then also reduced the price.

2. How do you feel about this situation? Explain the reasons for these feelings.
3. Discuss how you felt about the handling of this situation **at the time**.
4. Discuss how you feel about the handling of this situation **now**.
  
5. What year were you born in? (open ended)
6. Male/Female? (multi choice)
7. Are you a New Zealand Citizen or permanent resident? (multi choice)
8. How long have you lived in New Zealand? (open ended question)
9. Please indicate how true the following statements are about you. (slider scale)
  - a. I am interested in sport
  - b. I am interested in rugby

- c. I am a Fan of the All Blacks
- d. I am proud to be a New Zealander /permanent resident
- e. I am proud when the All Blacks do well
- f. I believe rugby is an important part of New Zealand identity

10. Did you purchase a 2011 RWC jersey? Y/N

11. If respondents select yes then they get the following question:

Please indicate which statement best identifies your purchase situation.

- i. In store BEFORE the price was discounted
- ii. In store AFTER the price was discounted
- iii. In store after the All Blacks won the World Cup
- iv. Online after the sites were blocked
- v. Online after the sites were re-opened
- vi. Online after the All Blacks won the World Cup
- vii. Other (please specify)

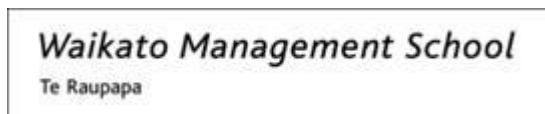
12. Please explain any reasons for this purchase . (open ended)

13. If respondents state no for question 9 then they will get the following questions

- a. Did you have the intention to purchase a 2011 RWC jersey? Y/N
- b. Please explain any reasons and feelings as to why you did not purchase the 2011 Rugby World Cup jersey? (Open ended)

Qualtrics links to look at survey [http://waikatomngt.qualtrics.com/SE/?SID=SV\\_4I61vkHBkUOw4du](http://waikatomngt.qualtrics.com/SE/?SID=SV_4I61vkHBkUOw4du)

## 17.0 APPENDIX TWO: PARTICIPANT EMAIL



Hi

I am a Masters student at the University of Waikato conducting sports marketing research. My research is on the New Zealand public's attitudes and feelings about the New Zealand All Blacks Rugby Jersey. Please note this survey is designed for New Zealand citizens or permanent residents only.

The success of this research depends upon a variety of people taking this survey. **Please forward this email to other people who might be willing to participate whether they are interested in rugby or not.**

This survey is very short, taking approximately 10-15 minutes to complete. Participation is voluntary. You can choose not to participate or answer any particular question. By submitting the survey you consent for the information you supply to be used in this study. The survey is also anonymous. Results may be published, but participants will not be identified in any way. At the completion of the study in early 2013 a summary of the results will be available upon request to me at [kayleigh@waikato.ac.nz](mailto:kayleigh@waikato.ac.nz).

If you are a New Zealand citizen or permanent resident who is willing to take part in the survey please follow the link below. The questionnaire will open in your preferred web browser.

[http://waikatomngt.qualtrics.com/SE/?SID=SV\\_4I6IvkHBkUOw4du](http://waikatomngt.qualtrics.com/SE/?SID=SV_4I6IvkHBkUOw4du)

Please note that the questionnaire will close on the **1<sup>st</sup> of August, 2012 at 5pm.**

If you have any questions about the survey or the purpose of this research please e-mail me at [kayleigh@waikato.ac.nz](mailto:kayleigh@waikato.ac.nz). You can also contact my supervisors, Associate Professor Lorraine Friend and Dr Fabrice Desmarais, at [lfriend@waikato.ac.nz](mailto:lfriend@waikato.ac.nz) or [fabrice@waikato.ac.nz](mailto:fabrice@waikato.ac.nz).



Thank you for your participation.

Kayleigh Farquhar