

# BUSINESS ELEMENTS IN SPORT: QUALITATIVE FACTORS AFFECTING THE SPORT SPONSORSHIP STRATEGIES OF HUNGARIAN SOCCER CLUBS

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## Context

Corporate sponsorship has become an increasingly popular and effective form of marketing communication technique as shown by the global expenditure on corporate sport sponsorship was reported as being \$US 17.2 billion in 2001 (IEG, 2001). Sponsoring is a communication technique that is becoming increasingly integrated into corporate marketing policies (Ferrand & Pages, 1996). Sport sponsorship plays a main role in the revenue of soccer clubs, because soccer clearly possesses those particular attributes that are attractive to corporate sponsors. In Hungary, there is increased pressure to seek out corporate sponsorship support to ensure ongoing organizational viability and survival (Hoffmann, 2000). This research was indicated by an apparent lack of comprehensive investigation of the marketing orientation of sport sponsorship strategy of the Hungarian professional soccer clubs. There are large differences between the East-European sport system (observing the principles of socialism) and Western-style business (focused on profitability) (Douvis & Douvis, 2000). Hungarian sport previously featured public budget orientation (i.e., all elite sport was government-funded), and it will take time to transform the driving force into a more cooperative model integrating sport and marketing.

Sport sponsorships represent value exchange relationship between sport organizers, corporations, and other intermediaries. Such relationships are based on principles of maximizing rewards and minimizing risks for all parties (McCarville & Copeland, 1994). A comprehensive overview of sport marketing and sponsorship literature provided the theoretical base. Similar to Geng et al.'s (2002) findings, we assume Hungarian sport will benefit from a transition to a cooperative public-private marketing model (i.e., one in which the government and the sector collaborate and find mutual benefit). Thus for a workable relationship in Hungary's complex marketing climate, we need to determine the key elements of successful sport sponsorship strategies. When Western-style corporations become involved in sponsoring Hungarian clubs or other sport properties, their capitalistic attitude conflict with Hungarian's distinct social profit motives.

## Method

The research approach was inductive, and data collection was by a customized questionnaire validated by sport marketing and sponsorship theorists and marketing practitioners, distributed to the all professional soccer clubs (N=16 in Group I and N=14 in Group II, with a response of 70%. The self-administered questionnaires had seven sections: SWOT-analysis of marketing competences of soccer organisations, consumer-oriented philosophy, marketing information, strategic orientation, operating efficiency, qualitative factors in the sponsorship strategy. We focus on the last of these. Descriptive (mean, standard deviation) and more sophisticated statistics were executed to evaluate the marketing efficiency; Statistica for Windows (StatSoft, Inc. 6.0) was used for data analysis; T-test for independent samples was executed to reveal differences between groups at  $p \leq .05$  significance.

**Table 1: Sponsorship in Hungarian Professional soccer Groups I & II**

	Mean	Mean				Std.Dev.	Std.Dev.
	Gp1:1	Gp2:2	t-value	df	p	Gp1:1	Gp2:2
Sponsorship categories	0.8889	0.1667	3.7649	16	0.0024	0.3333	0.4082
Sport & media relationship	0.8889	0.3333	2,5495	16	0.0242	0.3333	0.5164

## Results

Several features are indicated in the sponsorship plans of professional soccer organisations, and Table 1 shows the significant differences between groups. In addition, cost-ineffective implementation can ruin the co-operation between sport organizations and commercial entities; cost-effectiveness and cooperation must have equal weight in sport sponsorship applications to reach a win-win situation. If either the club or the commercial corporation concentrates too much on cost-effectiveness and ignores the co-operation factor, the risk of over-commercialization emerges. If the working teams pay too much attention to co-operation and forget about the critical issue of cost-effectiveness, the sponsorship will lead to a social-serving objective rather than a mutually beneficial and appropriately profitable one.

## Discussion

Investigating marketing and sponsorship strategy of professional Hungarian clubs has received little academic scrutiny. According to Stotlar (2004) each sport property has a unique set of exploitable components to offer prospective sponsors. This brings into focus one of the basic theoretical changes in marketing with the last 25 years; the move from product orientation ('sell what you make') to a market orientation ('make what will sell'-Stotlar, 2001). Our results will enhance soccer clubs' ability to negotiate successful relationships with corporations, but obviously, further research is needed to understand better the marketing and sponsorship orientation of professional Hungarian soccer clubs.

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