

SPORT NEW MEDIA AND GLOBAL SPONSORSHIP

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INTRODUCTION

New media (any digital media production that is both interactive and digitally distributed) includes, but is not limited to broadband, HDTV, streaming audio and video, websites, wireless and mobile technologies, and interactive TV (iTV). New media may be defined in terms of the convergence of telecommunications, computing, and traditional media; a conceptual definition that embraces a set of rapidly changing technologies. Convergence refers to the ability of a single platform to process different sources of electronic information (Rines, 2000). New media has changed the way in which sport can be produced, delivered, and consumed and has created a myriad of new possibilities for sport to convey its message and reach new markets. New media implies more content, more delivery capacity through more systems and devices and more sport organizations delivering content through a variety of platforms. A key factor related to how new media impacts sport consumers is about choice and interaction. “Choices of what to watch, and when to watch, choice of what device to watch on, and the choice of how long to watch for. But it’s also the choice to get involved – through increasingly sophisticated interaction with the media supplier, and with fellow fans and consumers” (Thompson, 2006 p. 30).

Concomitant with the rapid development and adoption of new media by the sport industry is the increased expenditure on global sponsorship. It was estimated to be \$30.5 billion in 2005, with an increase of 25% between 2002 and 2005 (SportsBusiness Journal, 2006). Sport sponsorship, which accounts for approximately 80% of global sponsorship activity on a year over year basis, was estimated to be \$24.4 billion in 2005, up from \$19.5 billion in 2002 - an increase of 25% over the last three years. According to the 2004 World Sponsorship Monitor (Sport Marketing Surveys, 2004), telecommunications companies (telecoms) dominated the sponsorship industry in that year. The global survey, which tracked over 1,400 telecom sponsorships, reported an expenditure of \$800 million in sport, arts and broadcasting sponsorship by this sector in 2004.

Sport sponsorship offers telecommunications companies such as Sprint Nextel, Vodafone, Verizon, T-Mobile, 3 Italia, and Orange an opportunity to increase non-traditional revenue, enhance their brands globally, increase market share, implement new technology, target and communicate with specific consumer segments, and develop and sell new products. New media brands (telecoms, technology companies, ISPs) and other global brands such as Adidas, Gillette, and Nike, are not simply sponsoring sport properties but creating specific strategic sponsorship partnerships through agreements that enhance value creation for sponsors and sponsees. The objectives of this presentation are: 1) to identify and examine a new media paradigm related to sport sponsorship using selected global brands as models; 2) to identify the critical factors in the synergistic relationship between the these brands and sport sponsorship; and 3) to discuss the implications of this new media paradigm for the future of sport sponsorship.

METHODS

A meta-analysis of salient research related to sport new media and global sponsorship was conducted. Recurring themes and concepts were developed and investigated. Data and information also was gathered using secondary sources and technical reports. An emphasis was placed on the new media dynamics of two selected telecoms, Sprint Nextel and Vodafone and two global brands, Adidas and Gillette. Results also were supported by using a case study analysis of some sport events and organizations such as the NASCAR/

Nextel Cup Series, Sprint NFL Sponsorship, the 2006 World Cup, Vodafone Golf Fiji Championship, and Vodafone Ferrari.

RESULTS

Results of the investigation indicated that a new media paradigm is emerging in sport sponsorship that involves a thematically linked, integrated strategic marketing initiative emanating from both sponsor and sponsee that is driven by new media applications. First, the sponsorships reviewed demonstrated that significant revenue generating and branding benefits accrued to both sponsor and sponsee. Second, it was clear that sponsorship of a significant sport property such as NASCAR, the 2006 World Cup, or Ferrari is an investment in creating a dynamic relationship and enhancing brand value, not just impressions in the minds of consumers. Sponsors went far beyond banners, logos and booths to find multiple ways of connecting authentically with their consumers. Third, global sport sponsorships are driven by new media applications. Global brands, such as Avaya and Host Broadcasting Systems are queuing up to provide integrated broadcast services and other technology applications to major global events, and to federations, teams, and other events ranging from motor-racing to cycling. Two key concepts have to be emphasized in the new media paradigm of sport sponsorship: relationship (partnership) and resources exchange. Companies cooperate in sharing their own resources and competences to offer new products and services “able to let fans live new experiences” (Zagnoli & Radicchi, 2005, p. 296)

Through new media driven integrated partnerships, sponsors and sponsees are able to develop products and services specific to their key consumers. For example, the “NASCAR Nextel FanView” is a Nextel/NASCAR branded hand-held scanner that includes video, audio and data capabilities. Consumers are not only able to access the race telecast but also are privy to the live audio feeds of the driver. Therefore, both brands are enhancing the value of consumers’ experience through interactive services. The telecoms, especially wireless companies such as Sprint Nextel and Vodafone, also serve as new channels through which they can provide entertainment and related offerings to fans, enhancing their brand loyalty.

DISCUSSION

Sport organizations use mobile technologies and other new media platforms to broadcast high lights, games, statistics; sell tickets and licensed merchandise, and download brand specific wall paper and ring tones. The telecoms and other global brands benefit from the value added elements represented by the sport content and can implement ad hoc marketing strategies that exploit interactivity. Both of the partners benefit from the sponsorship carrying out a co-marketing activity without bearing huge costs to acquire needed complementary assets (Teece, 1986). In other words, according to David Levy, president of Turner Sports, which televises NASCAR races and operates NASCAR.com through Turner Interactive, “we’re just aggregating consumers. We really don’t care what devices they use. It’s about creating touch points. Ultimately, brands will win across all technologies” (Fisher, 2006). In summary, the new media paradigm in sport sponsorship leverages the brand equity and value of the sport property and fosters the global diffusion of new media technology.

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