

Reasons for sport sponsorship breakdowns

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Aim of the study and theoretical background

Existing sport sponsorship research has mainly focused on the selection and development of bigger, better integrated, and more refined sponsorships. Few researchers have investigated sponsorship terminations, although the termination of a large-scale sport sponsorship is a crucial event for both the sponsored property and the sponsor. Existing research to date has addressed four key aspects of sponsorship terminations: the residual memory for the former sponsor; the effects and moderators of sponsorship terminations on consumers' attitudes towards the former sponsor; strategies how to avoid sponsorship terminations; and reasons for sponsorship terminations (e.g., Farrelly 2010, Ruth & Strizhakova 2012).

The current study advances our understanding of the reasons for sport sponsorship terminations. Such reasons are rarely mentioned in the public discourse when sponsors terminate sponsorships, and existing scientific literature also remains surprisingly vague when it comes to pinpointing the causes for sport sponsorship breakdowns. Nevertheless, understanding the various reasons for sport sponsorship terminations is important to strengthen current sponsorship relationships and communicate the right message if sponsorship breakdowns occur.

Methodology and research design

The present study reveals insights into reasons for sport sponsorship terminations from four different perspectives. The first source is all articles that have been published in leading sport management and marketing journals (e.g., *International Journal of Advertising*, *International Journal of Sports Marketing & Sponsorship*, *Journal of Sport Management*, *Psychology & Marketing*) on sport sponsorship terminations. This phase also includes conference proceedings and articles that were found through the reference lists of the other articles. The second source comprises personal experiences of the second author who works with one of the leading full service sports marketing companies that is responsible for the drafting and handling of thousands of sport sponsorship contracts every year. The third source represents seven semi-structured interviews with company representatives (e.g., head of marketing, head of sponsorship, CEO, board members) about ten sport sponsorship terminations. The fourth source reflects the public discourse through a computer-assisted textual analysis of 200 articles about sport sponsorship terminations in online media in the past ten years.

Data analysis and results

Data analysis for the first three sources follows Mayring's (2010) content analysis procedure. The text data from the articles and the transcripts is split into content units, reduced, generalized and assigned to main and sub-categories of reasons for sport sponsorship terminations in a recursive deductive (based on key themes in the scientific articles) and inductive (based on the text data from the transcripts)

procedure. An automated content analysis of the 200 online articles using calibrated dictionaries (Humphreys 2011) corroborates the main and sub-categories of reasons for sport sponsorship terminations in the public discourse.

The findings indicate five main categories of reasons for sport sponsorship terminations: financial reasons, organizational reasons, strategic reasons, legal reasons, and misconduct. Each of these main categories consists of six to ten sub-categories. The reduction of liabilities, a bad economic condition of the sponsor, and the economic and financial crisis, for example, are observed as financial reasons. Problems with the partner in the sponsorship relationship, insufficient communication, and company restructuring are examples for organizational reasons. Reaching the sponsorship goals, sponsorship saturation, and the focus on a different target market relate to strategic reasons. Breaches of exclusivity rights, advertising bans and similar legislation are linked to legal reasons. Doping or racist behavior of the sponsee are examples for misconduct.

Discussion, implications, limitations, and further research

The present study provides a first structured approach to the categorization of reasons for sport sponsorship breakdowns grounded in existing scientific research as well as empirical data from sponsorship managers and public discourse.

Understanding these reasons provides sponsees as well as sponsorship intermediaries (sport marketing agencies, athletes, teams, sport organizations) with possibilities to intervene and strengthen existing sponsorship relationships before terminations occur.

Limitations of the study relate to the used methods. On the one hand, semi-structured interviews cannot guarantee that managers tell the truth. On the other hand, computer-assisted textual analysis depends on the predefined dictionary for every sponsorship termination reason. Nevertheless, the combination of four different approaches should serve as a solid basis for further research. In particular, in future studies sponsors can use the identified reasons to learn which termination reasons they want to integrate in their marketing communication activities (or not), because they attenuate (or aggravate) the negative effects of the termination on consumers' attitudes towards the (former) sponsor.

References

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