

Business elements in sport: factors affecting sport sponsorship decision-making process

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Introduction

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). Sport possesses attributes that attractive to corporate sponsors and sport sponsorship plays a main role in the revenue of the sport clubs, especially at football clubs.

The primary purpose of this empirical, exploratory, cross-sectional marketing research was to reveal those “macro-level” and certain factors (the range of sponsorship objectives and the range of sponsorship evaluation tools) that sponsors use to measure the effectiveness of their sponsorships and gain a deeper understanding of the Hungarian corporate sport sponsorship decision-making strategy. The secondary object of this study was to develop the theoretical framework of Hungarian sport sponsorship model that can be used as a benchmark for further research.

The importance of sponsoring companies’ objectives and evaluation tools repeatedly brought up by marketing researchers. A comprehensive overview of current literature on sport marketing, in general and sport sponsorship, in particular provided the theoretical base for this study (Irwin & Assimakopoulos 1992; Copeland et. al., 1996; McCook et. al., 1997; Pope, 1998; Lough & Irwin, 2001; Van Heerden, 2001). Van Heerden (2001) identified four broad categories of sponsorship objectives and five categories of measurement tools: corporate objective (e.g., corporate image building), product/brand/service-related objective (e.g., increase target market awareness), sales objective (increase long-run sales), media coverage (e.g., media coverage during the event), hospitality (e.g., entertain current customers). As Cornwell (1995) stated, the two benefits most often cited as coming from sponsorship are: (a) brand, product and company awareness and (b) brand, product and company image building. The measurement tools could be categorised by Van Heerden (2001): general in sales (e.g., cross impact between sponsorship and sale), media audits (e.g., TV exposure value), recognition, recall and awareness (e.g., sponsor’s name recognition and recall), image and attitude (e.g., post-event attitude survey towards the sponsor), behavioural measures. Obviously, a lack of post-event evaluation will make it difficult for managers to determine if an adequate return on investment has been achieved. Pope and Voges (1994) reported a direct link between the setting of objectives and evaluation process and the length of sponsorship agreements.

To understand sponsorship effectiveness better from “macro-level” perspective, there has been designed a research question: 1) Is there a correlation between the importance of different categories of sponsorship objectives and the importance of different categories of sponsorship measurement tools (as indicated by Hungarian professional football sponsors)?

Method

A derivative questionnaire was applied in this study in order to establish the reliability and external validity as quality standards of the survey instrument. For conceptualisation purposes, the sampling frame included the all Hungarian professional football clubs (N=12) sponsors (N=49). The survey was carried out in the period between February 1 and May 31, 2004. The structured questionnaire was tested by sport marketing and sponsorship experts to ensure practical and Hungarian perspective. Thus, revised instruments were developed and a few modifications were made.

The questionnaire was subsequently divided into three sections: (a) Objective category (broad corporate objectives – 10 items; product/brand/service-related objectives – 12 items; sales objectives – 4 items; media coverage – 6 items; guest hospitality – 1 item).

In the second section the sponsorship evaluation practices (27 items) had to be ranked by the sponsors. 5-point Likert-type scale was used to test the relative importance of objectives and evaluation practices from (1) *not important* to (5) *very important*. The overall response rate was 30.6%. Descriptive and correlation statistical analyses of questionnaire responses were executed between existent sport sponsorship objectives and sport sponsorship evaluation methods. Statistica for Windows 4.5 (StatSoft, Inc. 1993) was used for data analysing.

Results

This marketing research identified the following findings in the aspect of “macro-level” issues.

The average mean at each of the categories indicate the sales objective category scored the highest ($x=3.88$), then product/brand/service-related category ($x=3.81$), then broad corporate objective category ($x=3.76$) and media coverage ($x=3.70$) and lastly guest hospitality category ($x=3.36$).

The most important individual objectives were: corporate image building ($x=4.53$), then increase long-run sales ($x=4.33$), then to build “goodwill” amongst opinion formers ($x=4.33$), then strengthen brand loyalty ($x=4.31$), media coverage during the event ($x=4.20$). Corporate image building is considered to be the most important sport sponsorship objective among Hungarian football sponsors and the image attributes have high relevance in sponsorship decisions. As Ferrand and Pages (1996) stated, in image sponsoring the sponsor company transfer its positive image attributes to an event or a group.

The evaluation methods were not categorised on the questionnaire so as to eliminate response bias. Those tools that achieved a mean score of ≥ 4.0 (arbitrarily chosen by the researcher) are demonstrated: measuring the sponsored requirements in the contract ($x=4.79$), spectator figures ($x=4.57$), column centimetres in the press – corporate name, logo, product, service ($x=4.21$), sponsor’s name, brand, product service recognition recall ($x=4.14$), sponsor’s name, brand, product service recognition recognition ($x=4.14$), Return on Investment in Rand value ($x=4.07$), and lastly successful integration between sponsorship and other different communication elements ($x=4.0$).

Surprisingly, the CPT- cost per thousand of audience delivered had relatively low importance ($x=3.14$). Obviously, that the cost of sponsorship programme can be reduced comparing to other promotion cost.

So as to accept or deny the research question Pearson’s r correlation analysis was applied in this marketing research. This analysis aimed to determine particular sponsorship objectives that could be associated with particular evaluation methods used to measure the set objectives and the effectiveness of sponsorship. We focused those associations between objectives and evaluation tools where $r \geq \pm 0.61$ and $p \leq 0.05$. A significant positive relationship was documented in the following aspects.

Table 1. The relationships between the importance of objectives and evaluation methods

CORPORATE OBJECTIVES – EVALUATION METHODS	Mean	Std.Dv.	r(X,Y)	r2	t	p
Sponsorship is considered to be an effect marketing communication tool, because the traditional marketing channels are crowded	3,3636	1,3618				
Sponsorship costs compared to other promotion costs	3,5455	1,4397	0,7048	0,4967	2,9805	0,0154
Creating sport consumers attitude towards corporate sponsor	3,3636	0,6742				
Successfull integration between sponsorship and other communication tools	4,1818	0,7508	0,6466	0,4181	2,5428	0,0316
Corporate image building	4,4545	0,6876				
Measuring the sponsored requirements in the contract	4,9091	0,3015	0,7016	0,4923	2,9542	0,0161
PRODUCT/BRAND/SERVICE OBJECTIVES - EVALUATION METHODS	Mean	Std.Dv.	r(X,Y)	r2	t	p
Launch new product/brand/service	3,8462	1,2142				
Sponsors' name, brand, product, service recognition	4,1538	0,8006	0,6264	0,3924	2,6653	0,0220
MEDIA COVERAGE OBJECTES - EVALUATION METHODS	Mean	Std.Dv.	r(X,Y)	r2	t	p
Media coverage during the event	4,1429	0,5345				
Spectator figures	4,5714	0,6462	0,6363	0,4049	2,8571	0,0144
To get coverage in a diverse range of media	3,7857	0,9750				
CPT - Cost per thousand of audience delivered	3,1429	1,4601	0,6716	0,4510	3,1400	0,0085

Source: Own data

Conclusion

The identified objective and mainly evaluation categories need to be further theoretical and practical developed. The response rate made it difficult to make a generalisation and construct more extensive statistical analysis. The sport bodies and codes should be able to provide a comprehensive list of their sponsors. The measurement tool categories covered in the questionnaire are theoretically sound, but these methods fit to Hungarian sponsors' frame of reference. Based on the research findings, the profile of the Hungarian football sponsors could be outlined.

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