

# **Importance of Sponsorship Effectiveness within the Lithuanian Basketball League Club Sponsors**

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## **Abstract**

Research question is to evaluate the effectiveness of the sponsorship of Lithuanian Basketball League clubs Zalgiris Kaunas and Lietuvos Rytas Vilnius to its sponsors.

## **Theoretical Background**

Sponsorship as social and business phenomenon developed over relatively short period of time. A worldwide expenditures on sponsorship has risen fourteen times over the past 19 years. Meenaghan (2005), (2004), Harvey (2001) state that such growing expenditures and changing nature of investment orientation have prescribed the need for a thorough evaluation of the benefits that a sponsor receives from such investments. However, despite such expectations majority of sponsors are still reluctant to evaluate their sponsorship investments. This research investigates the effectiveness of sponsorship. Meenaghan (2005), Kotler, Armstrong, Saunders, Wong (2003), Harvey (2001) establish main principles of sponsorship effectiveness evaluation. According to them exact objectives, clearly defined target markets, duration of sponsorship project and market segmentation are the key issues in this process. Based on works by Meenaghan (2001, 2005), Stotlar (2004) and others, we can state that the main criteria of the evaluation of the sponsorship effectiveness are exposure, awareness, image, affinity and sales.

## **Methodology**

A questionnaire has been produced grounding on research done by Meenaghan (2004), Wilson (1999), Stotlar (2004), Grohs (2004). The research was conducted in 2005 in cooperation with Lithuanian Basketball League (LKL) and volunteers. The distribution of questionnaires was done to the 50-55 spectators in arenas of LKL clubs prior and during the games. Due to variation of number of sponsors that each club had, six sponsors for each club were identified by the club general manager. The agreement to evaluate those six sponsors has been received from directors of every LKL club.

## **Results**

From the research we can state that sponsorship had a positive impact on company's awareness for both Zalgiris and Lietuvos Rytas club sponsors. The biggest awareness was indicated among beer and other beverage companies: Zalgiris sponsor Gubernija

(86,50%) and Lietuvos Rytas sponsors Svyturys (92,30%). Sponsorship had a positive impact on company's image. Interesting to note that mobile phone company Omnitel (sponsor of Lietuvos Rytas) received more positive image among those who did not know that the company was associated with the club.

The biggest association between Zalgiris, sport and company received bank Snoras ( $r=0,88$ ,  $p<0,05$ ), while the biggest association between Zalgiris, leadership and company went to Gubernija ( $r=0,93$ ,  $p<0,05$ ).

The biggest association between Lietuvos Rytas, sport and company received mobile phone company Omnitel and bank Hansabankas ( $r=0,86$ ,  $r=0,92$ ,  $p<0,05$ ). Both Zalgiris and Lietuvos Rytas respondents identified themselves as close to the team-sponsoring companies because of their ties to the club. Except for bank Snoras, they were identified as being close because of "I see advertisement often". The respondents were close to bank Hansabankas based on criteria "Service prices meet my expectations". In terms of sales effectiveness, the sponsorship had a positive impact for Lietuvos Rytas sponsors, while among Zalgiris sponsors such effects were felt only in Gubernija and Manija. Based on notion that sponsor is interested in investment return, sport organization should offer its sponsors variety of benefits that could be brought upon sponsorship agreement. An increased company awareness, image and sales should be brought to attention while pursuing sponsorship from business companies.

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