

Measuring the Return on Investment when Sponsoring the Spanish Olympic Team

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Abstract

Introduction

Specific training and support programmes for top performance athletes participating in the Olympic Games began 50 years ago in different leading countries, growing exponentially to achieve sporting success and enhance the international prestige of the country (Oakley & Green, 2001).

From the investment point of view, we have identified three models: state, mixed and private. Spain has developed a mixed programme with financing both from the Government through Spanish State Radio and Television (RTVE) and from 14 Spanish companies, the latter contributing about 50% of the total budget. This programme created in 1988 for the organization of the Barcelona Olympics in 1992 is called ADO (Asociación de Deportistas Olímpicos) [Association of Olympic Sportsmen and women] is reviewed every 4 years at the end of each Olympic cycle. It is currently made up of a Consortium formed by RTVE, the High Council for Sport (CSD), the Spanish Olympic Committee (COE) and the Ministry of Economy and Treasury.

The aim of the study is to evaluate the ADO sponsorship programme by focussing on the return on investment (ROI) for national sponsors. To achieve our purpose some issues needed to be addressed: a) Determining company objectives through sport sponsorship, b) Determining the way companies measure ROI, and c) Determining how they evaluate ROI.

Methods

A specific exploratory questionnaire, drawn upon sponsorship with open and closed questions based on general marketing studies and others related to sponsorship (Séguin et al., 2005), and subsequently assessed by a panel of experts in sports marketing, was sent to 14 ADO sponsors and followed up with interviews recorded on the computer to establish categories based on opinions received to permit qualitative analysis. Interviews were carried out with five executives directly responsible for elite sport in Spain from the ADO Program and the COE. The opinion of current and former

Olympic competitors was also surveyed with questions about their relationship with the sponsors of the Spanish Olympic team.

Results

ADO sponsors indicated both positive and negative aspects, stating that they maintained their support even though the latter outweighed the former.

1. Positive aspects included: a) association of their brand with certain values which are promoted by Olympic sports, b) tax benefits, and c) prestige.
2. Negative aspects included: a) lack of visibility, b) meagre come-back on their advertising image, c) limitations on advertising in the Olympic Charter, and d) lack of a strategy in the medium and long term.

In order to evaluate the sponsorship programme most ADO sponsors measure: a) the brand: brand image and brand reputation, b) financial performance: ROI, sponsorship performance and profit value of their marketing strategies.

ROI of most ADO sponsors is measured in two ways: 1. by their own company 2. by an agency.

Discussion

Over the last 10 years, the Olympic Games have grown in importance in number of participating countries, number of world-wide spectators, and budget. Olympic Sponsors have considerably increased their ROI (Payne, 2007).

In contrast, at the national level sponsors' investments have decreased with the Games not being organized in Spain and ROI has dropped. For example initial investment by sponsors of 75 million Euros in Barcelona 1992 dropped to 31 million in Atlanta 1996 and 28 million in 2008. These circumstances indicate the need to review the ADO sponsorship programme so that sponsors assess their investments more positively and ensure a satisfactory ROI. There is a perception among ADO, sponsors and the athletes that the organization of the OG of 2016 in Madrid would greatly increase their ROI.

In other countries the use of advertising and marketing companies is customary to maximise exploitation of the sponsorship and turn the sponsors of their Olympic teams into household names (Ferrand & Torrigiani, 2005). In Spain and in the ADO itself advertising and marketing agencies have recently begun to be employed to maximize media use in general. Compared with similar programmes in other countries Internet is the media which has been less developed by ADO.

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