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### **Developing sponsorship partnerships: a case study in football**

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#### **Background**

Companies have globally increased their investment in sport sponsorship and corporate spending has reached €72,6 billion and is increasing every year (IEG 2009). Among sports, football is the most heavily sponsored sport (Rosson, 2001; Chadwick & Twaites, 2005; Benekas, 2006). Due to the increasing financial value of sport sponsorship, the selection of a sponsorship partner and the development of the sponsorship deal are crucial for both sponsors and sponsees. Johnston & Paulsen (2007) find that there are 8 factors for evaluating new sponsorship proposals: type of sponsorship; geographic reach; level of involvement; payment type; main exposure method; duration of the agreement; fit with brand objectives, and relationship with sponsorship partner. McCook et al. (1997) suggest the use of 8 criteria for selecting sponsorship partners: revenue opportunities; ability to integrate product in event; cost; exposure to target market; image enhancement; competitive advantage gained; hospitality/entertainment opportunities, and opportunity to show commitment to community. Also, Turgeon & Colbert (1992) classify selection criteria into 5 categories: event-related; sponsored-organization related; market-related; sponsor organization-related, and effect-related.

Furthermore, the sponsorship deal development process has been shown to include 6 stages: objective setting; screening and selection; contract content; deal execution; evaluation & critical success factors (Thwaites, 1995). From the sport property's perspective the process includes 5 steps: knowing the audience; finding sponsors to fit the audience; making contact with sponsors; packaging the proposal, and closing the deal (Sack et.al., 2001).

#### **Objectives**

Despite the importance of sponsorship, previous research on sponsorship decision-making is limited (Johnston & Paulsen, 2007) and researchers do not agree on results.

Consequently, marketing managers show a lack of rigor in selecting and managing their sponsorship investments effectively (Kover, 2002). The purpose of this study is to gain a deeper understanding of the sponsorship partner selection process and the sponsorship deal development process between football teams and their sponsors.

#### **Methods**

A detailed case study was conducted involving one professional, premier league football club in Greece (Panathinaikos) and two of its major sponsors, a telecommunications

corporation and a multinational selling sportswear and sports equipment. The case study method was selected because it can answer who, how and why questions. 3 in depth, personal interviews were conducted with the managers responsible for sponsorships in each organization. The questions used included: 1) which criteria did you use when you selected your sponsorship partner and what is their level of importance? 2) Please describe in detail the process followed from the moment you decided to send/receive the sponsorship proposal to the moment the sponsorship deal was finalized. Interviews were recorded and transcribed and the researcher was given all documents pertaining to the specific sponsorship deal in order to triangulate results. Results were analysed with content analysis.

## **Results**

Findings indicate that the most important selection criteria of sponsorship partners are fit in corporate values; revenue opportunities; possible image enhancement from the deal, and the quality of in-kind offers. Furthermore, results show that both sides use a structured process for developing the sponsorship deal that is similar to the new service development process and the stages followed include three major stages that are made of various substages: Information collection; Preparation and presentation/or receipt of proposal, and negotiations & contract sign. Also, the sport property only sends proposals whereas the sponsor only receives; the actors in each stage vary in each company, and the extent of the process is affected by the duration and quality of the relationship between the two partners.

## **Conclusion / Application to practice**

Results will help sport managers to structure and formalize their sport sponsorship selection and development processes. First, since the importance of selection criteria varies according to sponsor, sponsor's characteristics should be taken into account when the sponsee develops the sponsorship proposal. Also, results indicate that the sponsorship development process has similarities with the new service development process and should be managed in the same way. Finally, the study shows that in sponsorships all parties should systematically collect and analyse customer data in order to know their target market and be able to select the appropriate partner.

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