

Making sense of national elite sport sponsorships – risk perceptions and corporate motives

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Abstract keywords

Sponsorship, qualitative research, national elite sport, sense-making, Weick, corporate strategy

Aim of abstract/paper - research question

The purpose of this study is to investigate how Danish private business organizations make sense of sponsoring national elite sports organizations (opposed to club sponsorships) and what makes others firms abstain from this activity.

Theoretical background or literature review

Private business sponsors are involved in national elite sport, but their involvement can be perceived as a risky engagement as the guaranteed outcome of the relation is uncertain and inherently unbalanced: While the elite sport organization receives immediate knowledge about future economic funding, the business organization must wait for a longer period of time before it is able to measure and assess the outcome of the relation. Therefore, risk assessments, combined with a view on corporate strategy, networking facilitation and organizational identity creation, are vital points in this study, as estimated potential risks might be an important factor in deciding against sponsorship engagement or may be closely related to dissolution of a sponsorship relationship (Farrelly, 2010).

Scandinavian studies on sport sponsorships are still rare. Danish national elite sport has until recently primarily been an issue for public state funding, but the need for additional financial support to cope with increased international competition makes private funding crucial. A recent study based on an evaluation of the Danish organization for elite sports [Team Denmark] concluded, that efforts to increase income from private funding still leave room for improvement (Storm & Nielsen, 2010).

Departing from the work of Karl Weick (1995), sport sponsorship relations are perceived as processes of sense-making. According to Weick, sense-making consist of the connection between a frame and a cue. Thus, organizational sense-making works retrospectively, is context-dependent and emerges when phenomena are becoming events through organizing. In this way, via enacting, organizing and corporate action, elite sport sponsorship becomes a sense-making occasion as it is perceived as an incongruous event compared to ordinary business activities.

Methodology, research design and data analysis

Inspired by Alvessons (2003) use of metaphors, semi-structured interviews with marketing directors, CEOs and PR-consultants representing seven companies engaged in national elite sport sponsorships and three companies not

engaged are conducted. This approach enables us to explore elements of organizational strategy, networking facilitation, and corporate identity creation by focusing on 1) social contexts of interviewees' accounts, 2) interviews as an event of intensive interactional sense-making and 3) individual accounts that indicate the strategic orientation of the firm. In order to take aim at those sports that attract significantly little mass media attention, but still manage to win Olympic medals, sponsorships of the two far most popular sports in Danish mass media (handball and soccer) were not included. Prior to the interviews, the corporate representatives as well as the sponsored national sport organization were asked to select and prioritize three possible risks associated with a sponsorship engagement from a schematic list of seven options (including one open category).

Results, discussion and implications/conclusions

Interestingly, no one perceived lack of sporting results as a potential risk linked to a sponsorship. In none of the cases the sponsor and sponsee selected the same three risks associated with the sponsorship. Lack of/bad cooperation between sponsor and sponsee' was a common perceived threat by all involved.

The interviews revealed that corporate sense-making of sport often occurs when the firms are able to integrate sport as a part of business-to-business network creation (small companies) or to integrate a sponsorship as a part of corporate human resource management. Thus, sport sponsorships serve more indirect marketing purposes (Cornwell, 2008) and some of the sponsorships have developed into becoming a specific competence of the single firm, for instance by creating a genuine HRM-setup by borrowing semiotic tokens and logics from one specific elite sport setting. Among companies abstaining from sponsoring national elite sport, the argument was that activating an elite sport sponsorship represented too big a work load. In general, none of the company representatives perceived sponsorships as a philanthropic activity. Institutional frame played a significant conditioning role, e.g. former experiences gained during sponsorship engagement either by the company or by the representative were articulated in the interviewees' accounts.

By outlining risk perceptions with insights from corporate sense-making, this study suggests that perceiving sponsorships as a mutual and symmetric sense-making activity embedded in good relations between sponsor and sponsee is of utmost importance rather than focusing on good sporting results as an indicator of success that automatically attracts a sponsor. This study, given its qualitative approach, is only able to provide limited general recommendations, thus future quantitative inquiry into corporate strategic use would be useful to explore corporate strategic approaches to Danish national elite sports.

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