
THE SPONSORSHIP NETWORK PORTFOLIO OF THE OLYMPIC GAMES: EXAMINING THE STRATEGIC MANAGEMENT OF CORPORATE PARTNERS FROM A NETWORK PERSPECTIVE

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Abstract

Increasingly, the Olympic Games receive significant support from corporate sponsors. Mickle (2013; 2014) noted that the International Olympic Committee (IOC) secured over \$450 million from sponsors of The Olympic Partner (TOP) program in 2012 and in the next decade IOC sponsorship revenues could be \$2 billion. Given such significant investments by corporations it is no surprise that many studies have examined the effectiveness of sponsoring behaviors (e.g., Meng-Lewis, Thwaites, & Pillai, 2014; Yelkur, Tomkovick, & Pennington, 2012). Yet, sponsoring behaviors related to business-to-business promotion from an industrial-oriented aspect have not been explored as vigorously as the commercial objectives from a customer-oriented aspect (e.g., consumer perceptions, brand awareness) and no such study has been found situated in the context of the Olympic Games. The current investigation sought to fill this void.

To explain the dynamics of the industrial-oriented network and relationships among firms, the business network approach has been developed. Such an approach is suitable to examine the sponsorship network of the Olympic Games considering the fact that hundreds of corporate sponsors have contributed to the Olympic Movement. The industrial network perspective and the strategic network perspective have been developed to explain the context of business networks (Partanen & Möller, 2012). The sponsorship network of the Olympic Games needs to be viewed as a strategic network in that sponsoring corporations and Olympic organizations make deliberate sponsoring decisions. Embracing a sponsorship network approach from a strategic network management perspective, the present study proposes the concept of a sponsorship network portfolio as an evaluative tool for exploring the current relational status among sponsoring corporate partners. Thus, the study involved the creation of a co-sponsoring

network of business partners of the Olympic Games between 2008 and 2014 by employing Social Network Analysis (SNA).

As a paradigm and perspective, rather than a theory or method, SNA is a way to conceptualize the structures of relationships among actors from a structuralist perspective (Carrington & Scott, 2011). Freeman (2011) detailed SNA's four fundamental elements by noting that SNA relates to the perception that links among social actors are influential, uses social network data consisting of social relations that link actors, provides graphic diagram to disclose the patterns of those links, and develops mathematical and computational models to elaborate those patterns of links. By embracing these characteristics this study analyzed the sponsorship networks of four installations of the Olympic Games through the visualization of networks and utilization of mathematical social network measurements. Combining the intuitive analysis of the visualized sponsorship network and the quantitative analysis of the mathematical social network measurements, the sponsorship network portfolio of the Olympic Games was proposed for the strategic contributions to both sponsoring corporations and the Olympic organizations.

For the data collection, the list of corporations (N=180) who sponsored the 2008, 2010, 2012, and 2014 Olympic Games was collected. Based on the retrieved data, a two-mode matrix was created through UCINET software and the two-mode data were analyzed with two methods – converting methods and direct methods (Borgatti & Halgin, 2011). The direct method approach provided a holistic picture of the relationships between the four Olympic Games and their sponsoring partners whereas the converting method approach allowed for an analysis of particular relational patterns among sponsoring partners (i.e., co-sponsoring network).

Through the utilization of visualization techniques, multiple layers of sponsorship networks were analyzed longitudinally in order to explore the evolution of sponsorship networks. Additionally, depending on the different levels of sponsorship programs (e.g., TOP stakeholders, domestic sponsors, exclusive suppliers), manifold layers of sponsorship networks were examined. Utilizing social network measurements, the whole network size and density were measured for the description of the fundamental properties of sponsoring networks. To be specific, the embeddedness of each firm was evaluated by examining three different types of centrality (i.e., degree, closeness, and betweenness), structural holes, and brokerage role scores. The results from the sponsorship network portfolio of the Olympic Games will be detailed and attendees will be introduced to the concept of structural equivalence which indicates the significance of congruity between structural positions within sponsorship networks and strategic alliance networks of each firm. In addition to the study findings the presentation will include a discussion of managerial and practical implications related to the decision-making strategies for sponsoring firms and the organizations related to the Olympic Games.

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