

Athletes As Entrepreneurs — How Can Individual Athletes Initiate Sponsorship Contracts?

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Aim of paper/research question

The Olympic Games are spectacular sporting events with more than 10,000 athletes performing. At each and every Olympic Games, news about financial inequalities among athletes from different sports in the Olympic village make the round. At the last Olympic Games in Rio, the NBA top athletes from the US basketball team rented their private boat to prepare for the games and recover between the matches. At the same time, other athletes from the same USA Olympic team face serious financial troubles. For example, US Rower Megan Kalmoe who won a bronze medal at the 2012 London Olympics lives “just above the poverty line”. This phenomenon is not limited to the Team USA, but also prevails in other nations such as Great Britain or Germany (e.g. Breuer, Hallmann & Ilgner, 2017). Thus, a big share of the top athletes of Olympic squads actually belong to the non-profit sector and are dependent on public funding through the national sports institutions. In contrast, the public mistakenly assumes that athletes’ financial welfare for the future is safe (Breuer, Hallmann & Ilgner, 2017).

In this paper, we develop a process model how athletes from individual and niche sports can make value out of their rights and initiate sponsorship deals on their own. We build on the work by Dumont (2016) who proposed guidelines for niche athletes to become more attractive for sponsors. We claim that the individual athlete has to adapt a more active role in promoting herself as a platform for potential sponsors and be a professional entrepreneur. In the digital world, social media activities help athletes to initiate a brand building process on their own. We intentionally chose a diametrical view on the phenomenon of sport sponsorship and do not adapt a firm’s perspective.

Theoretical background

Companies view sport sponsorship as an efficient marketing communication tool to reach consumers and emotionally charge their brands (Cornwell, 2008). From year to year, more money is spent so that companies can associate their brand with federations, clubs, athletes or events. Individual level sponsorship or celebrity endorsement is intended to profit from strong human brand (e.g. Nike and Michael Jordan; Cornwell, 2016). However, many top athletes struggle to get sponsors that finance them not matter whether they are in the European or in the North American sports system. A study from the German Olympic Sports Federation revealed that financial difficulties are the second most reason for an early end of the career of professional athletes (Breuer, Hallmann & Ilgner, 2017). Oftentimes individual athletes do not profit from the millions of dollars spent in sports sponsorship. In this paper, we look at sport sponsorship through the lens of individual athletes and ask how athletes can initiate sponsorship deals on their own. Here, our research is in line with other research that focuses on the sport sponsorship process in the non-profit sector (Daellenbach, 2012).

Methodology, research design and data analysis

In the first study, we conducted semi-structured interviews with professionals from the sport sponsorship sector in Germany (N = 28). Our sample included professionals from right-holders, sponsors and sponsorship agencies to increase heterogeneity of sample. The average duration of the interviews was 42 mins and the data was analyzed with MAXQDA 12. We used a Thematic Analysis to analyze the data. This study revealed three major steps (analyzing — approaching — negotiating) that are crucial in the initiation of sport sponsorships from the individual right-holder perspective in general. Moreover, we identified specific sport-related facilitators (e.g. sporting success) and barriers (e.g. position of power of the sponsors) of this process. In Study 2, we aim to discuss this model with professional athletes to refine the process. This sample mainly involves those elite athletes who haven’t made sponsorship agreements yet, but also athletes who were successful in completing a personal sponsorship agreement. Study 2 will be conducted during the summer and the results of the entire project will be presented at the 2017 EASM conference.

Results, discussion and implications

To our knowledge, this is the first study that explicitly focuses on the question of how individual athletes can initiate sport sponsorship contracts and act more proactively in this domain. We identified critical points that athletes have to take into account when they build their own human brand. Oftentimes, the lack of money and knowledge impeded this process. We do explicitly not contest the work of professional agencies or athlete managers, but we try to sensitize athletes that they have to adapt a role as an entrepreneur.

References

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