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SPORTS SPONSORING – PART OF CORPORATE STRATEGY

Sponsoring is closely connected with sports and is often incorrectly seen as mere paid advertising. In this article we focused on sponsoring and how it is understood and perceived by Slovak marketing managers and the business community. Based on a survey, interviews and literature analysis we highlighted the strategic aspect of sponsoring in relation to the companies and sports clubs. We focused only on the main factors related to sponsoring. This article also represents a basis for further research in order to better define approaches and motivational aspects of sponsoring.

Keywords: *Sponsoring, management, cooperation, strategy, company, sport.*

1. Introduction

The use of sponsoring as a strategic marketing tool has been considered and evaluated by the business community already for some time. However, perhaps due to the unsuitable legislative environment in Slovakia, sponsoring has been generally seen as mere paid advertising. Even the opinions of international experts differ. Authors Speed & Thompson [1] suggested in one of their reviews that the research on sponsoring [2] has not yielded any theoretical framework which could be used to guide the analysis of customers' reactions to sponsoring. They also extensively discuss the methodology of such research. Hastings [3] specified in his work that sponsoring has two primary promotional goals: 1) to build awareness and 2) to strengthen positive communication about the product and the company. It is now year 2015 and the situation has not changed much. Becker-Olson and Hill [4] pointed out the strategic importance of the relationship between the brand of the sponsor and the sponsored organization. They suggested in their research that the more these two are intertwined, the more positive the reaction of the customers is and vice versa. However, their research was limited to studying a relationship between one sponsor and one sponsored subject. For better illustration, we included in Table 1 an overview of various definitions of sponsorship as used by different authors.

When researching the relationship between a sponsor and a sponsored organization, it is necessary to understand the requirements and criteria that led them to engage in this strategic partnership. Mullin et al. [6] defined the needs of a sponsor company and Robinson [11] defined what a sponsored

Definitions of sponsorship Table 1

Author(s)	Definition
Meenaghan [5]	Provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives.
Mullin, Hardy, Sutton [6]	A cash or in-kind fee paid to a property in return for access to the exploitable commercial potential associated with the property.
Simmons, Becker-Olson [7]	The sponsorship involves an exchange between a sponsor and the event property; the property sells the right to associate with the event to the sponsor, thereby providing leverage opportunity to the sponsor to exploit its communications to consumers.
Cornwell et al. [8]	Sponsorship-linked marketing is a subset of event-related marketing and is distinguished by the presence of sponsorship contracts that authorize certain entities to associate with the event in an official way.
Keller [9]	Sponsorship, through an association with an event, builds brand equity more effectively than traditional marketing communications such as advertising.
Chien et al. [10]	The collection of brand and/or company sponsorships comprising sequential and/or simultaneous involvement with events, activities and individuals (usually in sport, art and charity) utilized to communicate with various audiences.

organization such as a sports club could offer to a sponsor. Comparison of these two opinions is in Table 2.

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Comparison of needs and offers Table 2

Partner (company) needs by Mullin et al. [6]	Offers for company by Robinson [11]
<ul style="list-style-type: none"> - Brand awareness - Image enhancement - Product trials or sales - Increases sales - Access to potential customers - Entertainment - Employee morale - Return on investment (ROI) 	<ul style="list-style-type: none"> - Facility - Events - Signage - Publication, Public Relations Materials, and the Web Site - Coupons, Special Benefits, and Affinity Programs - Stands or Tables at Events - Contests and Sweepstakes - Use of the Facility - Community Relations Programs - Synergistic Packages

From this we can conclude that the strategic management in the area of sponsoring may also have a cooperative character. Cooperation management is one of the tools that may help to compete on the sports markets [12]. A prerequisite is the creation of a cooperation relationship. Figure 1 represents the elementary steps that are necessary in order to create a cooperative organization. The organizations that exist on the market separately (in a competitive environment) may deal with the potential challenges by cooperation (cooperative environment). This is however a dynamic process. The cooperation continues as long as it is beneficial for the cooperating subjects and as long as it helps to solve their challenges. In case the environment changes and the

existing benefits are no longer sufficient, the cooperation changes or is brought to an end.

Belzer [14] suggested that the survival of brands that use sponsoring as their primary tool depends on the ability of the companies to create dynamic and capturing campaigns. Such campaigns enable the brands to become literally part of the subject which is being used as the channel. In addition, it is important to say that the alignment of the values and the messages between the brand and the subject has very high importance.

According to De Pelsmacker et al. [15], the purpose of sponsoring is to connect the sponsored brand or company with the sponsored event. For this reason, the research in this area should focus more on the perceived relationship between the brand image and the event, as seen by the target group. Consequently, the efficiency of sponsoring can be expressed using the following equation of the convincing impact, which is based on several important factors through which the sponsorship influences the level of communication.

$$\text{Convincing impact} = \text{strength of the connection} \times \text{duration of the connection} \times (\text{thankfulness as a result of the connection} + \text{felt change as a consequences of the connection})$$

The more members of the target group become aware of the connection between the sponsor and the sponsored organization, the longer the duration of this connection will be and the bigger the impact of the sponsorship will be. Similarly, the bigger the thankfulness which is felt as a result of the sponsorship is and the more pronounced the perceived changes are, the bigger the impact of the sponsorship will be, particularly on the image of the sponsor.

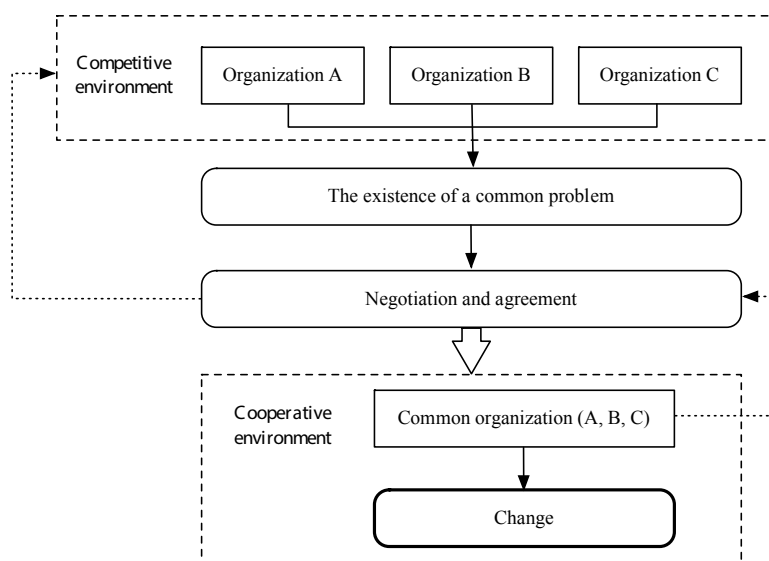


Fig. 1 The process of creating a cooperative organization [13]

2. Research in Slovakia - understanding the role of sponsorship

TNS Slovakia and the magazine Strategy published an exclusive survey of the opinions, attitudes and trends of the marketing managers regarding sponsoring. Results of this survey were published in an article Marketers: top sport for sponsoring is hockey. The survey was conducted among 67 marketing managers and one of the main findings (Fig. 2) was that the managers see sponsoring as something that develops the emotional attachment to a brand or a company.

73% of marketing managers indicated that the role of sponsoring is to build the awareness and brand image.

The most suitable target sectors for sponsorship as indicated by the marketing managers were sport, culture, art and education (Fig. 3). In sport, the two main sports mentioned were football and ice hockey (Fig. 4).

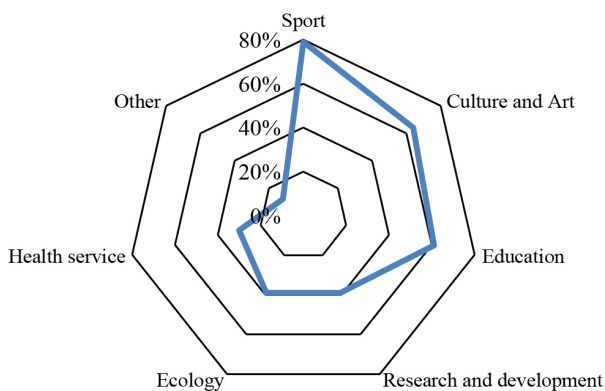


Fig. 3 The best industry for sponsorship [16]

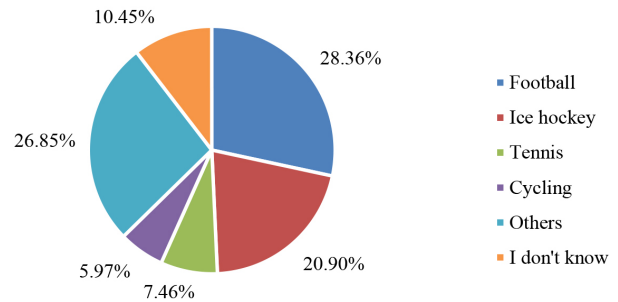


Fig. 4 The best sport for sponsorship [16]

When asked about the position of sponsorship in marketing communication, 40% of marketing managers indicated that sponsorship is a stable part of marketing communication (Fig. 5). 34% confirmed that sponsorship should be regarded as an independent marketing tool. Only 3% of managers indicated that sponsorship is a waste of money.

In Fig. 6 we see that only 26% (7% and 19%) of the surveyed managers indicated that their companies have a department responsible for sponsoring. 45% of marketing managers confirmed that it is the marketing department which is responsible for sponsoring. 22% of marketing managers said that they do not plan to establish a department which would focus on sponsoring.

When asked what should be improved in the area of sponsoring, the marketing managers said that it is necessary that the sports clubs or sponsored individuals work and communicate more actively with their fans (e.g. communication via social networks and internet, special events for fans). Among the other areas mentioned were additional publicity of sports events that could improve broader and more relevant reach of the target group, and more specific instructions from the sponsors as well

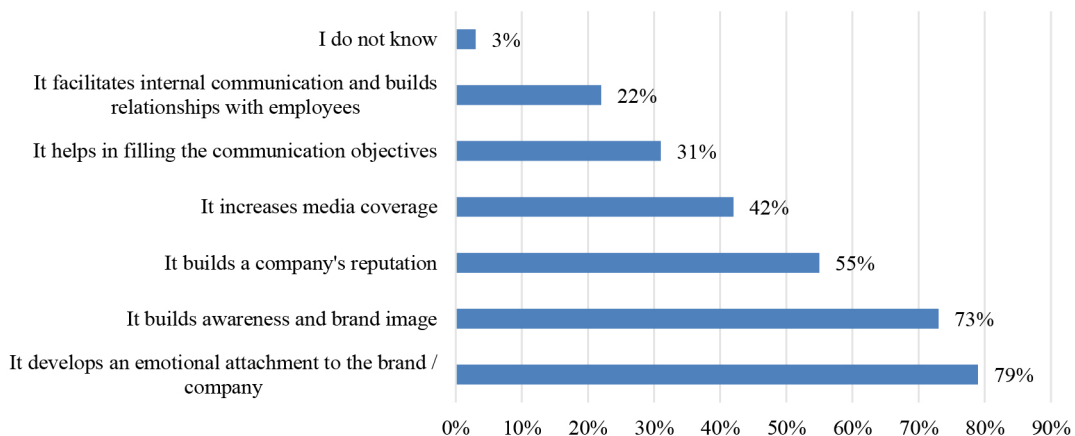


Fig. 2 The role of the sponsorship [16]

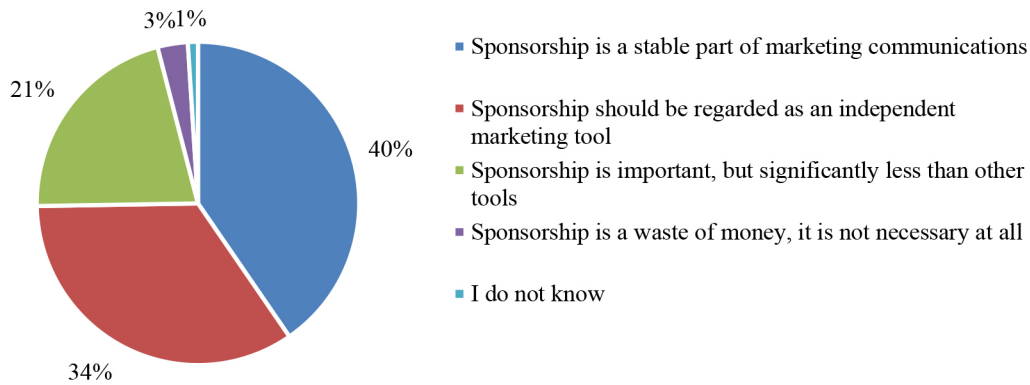


Fig. 5 Position of sponsorship in marketing communication [16]

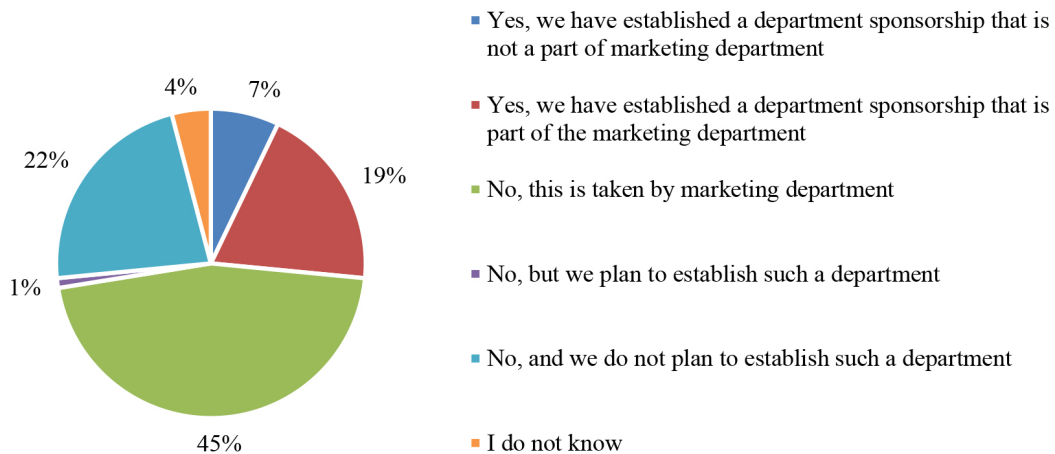


Fig. 6 Management of sponsorship activities [16]

as the sponsored organizations with respect to e.g. their activities, publicity, marketing, budgeting.

3. Discussion

Every potential sponsor faces the following fundamental question: What are the main advantages of sponsoring a certain organization? The answer needs to very clearly specify the main advantages for the sponsor company. As was mentioned in the survey results of TNS, commercial companies expect that sponsoring will help to build an emotional bond to their brand/brands/company, improve brand awareness, brand image, company reputation and publicity. Mullin, Hardy a Sutton [6] see sponsorship as a partnership which is supposed to bring more than just business advantages.

According to the survey as well as other authors [17], [18], [19] and [15], the main goals of sponsorship can be understood as is summarized in Table 3.

Robert Hager [20], senior client partner in TNS, believes that the main reason why the sponsors do not provide money to the clubs could be that the sponsors do not know and understand the detailed concept of the sponsored organization, its added value, publicity coverage and primary audience. In other words, sponsors would like to see real numbers. However, while the numbers are important, not all benefits can be measured in this way. Sponsorship needs to be more than just a support of one event, especially when the company sees sponsorship as part of its marketing strategy.

Thwaites et al. [17] performed a research in Canada where they focused on the question who in the companies is mostly responsible for sponsoring. They found out that the marketing managers play the key role in the sponsorship-related decisions. They also showed that the marketing managers have twice the decision making power in sponsoring compared to the top management. Today and in relation to other research we can say that sponsoring is part of cooperation management. According to Vodak et al. [21] management of cooperation initiatives is closely

Goals of sponsorship Table 3

Communication goals of the company	Public	<ul style="list-style-type: none"> • Improved awareness of the public about the company • Improved image of the company
	Business relationships and their subjects	<ul style="list-style-type: none"> • Good reputation • Support of business relationships
	Employees	<ul style="list-style-type: none"> • Employee motivation • Improved health of the employees
	Key opinion leaders	<ul style="list-style-type: none"> • Increased attention of the media • PR • Individual goals of the top management
Goals of marketing communication	Building awareness	<ul style="list-style-type: none"> • Improved brand awareness
	Brand image	<ul style="list-style-type: none"> • Changed/improved brand image
	Market share	<ul style="list-style-type: none"> • Increased market share

Offers and requirements of participating parties Table 4

	Offers	Requirements
Company	Money Products Partnership Brand	Branding PR Improved reputation
Sports club	Partnership Branding Events Place for employees Services	Money Partnership

related to the management of the company itself. Cooperation management offers valuable information that represent inputs for strategic decision making. Cooperation management is in the first

place a process that includes complete change of the company culture and its values. For this purpose, it is necessary to apply the principles of strategic management.

Based on the research we summarized in Table 4 the main offers and requirements of the companies and sports clubs involved in the sponsoring relationship.

4. Conclusions

Majority of the international authors who study the topic of sponsoring place great emphasis on the cooperation between companies and sports clubs. Based on the research performed in the Slovak business environment we concluded that significant differences exist in the perception of sponsoring. On the other hand, we noticed there is a desire for a change, particularly in the perception of sponsorship, management of the sponsorship-related relationships and in the search for better sponsorship approaches and models. Continuous development of competition and increasing pressure in developing market lead managers to introduce new, progressive forms in management of companies [22]. We concluded that sponsorship as part of company's cooperative strategy may significantly positively contribute to the development of the company and its better image among its employees and the public. According to Blaskova [23], it is necessary for managers, experts and organization employees to continuously reinforce their own motivation levels. This article aims to bring attention to the current situation in Slovakia with respect to sponsoring and the related opinions of the business community. It is clear that the use of sponsoring will be further studied and evaluated as there are many questions that need to be answered.

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