

What Do Sponsors Gain? – Sport Sponsorship Objectives

Jan Schönberner & Herbert Woratschek¹⁾

Sponsors **invest billions of dollars** annually in sponsorships, with the majority allocated to sports (Statista, 2017). But why do sponsors spend so much money on this? What specific objectives do they pursue?

Sport Sponsorship Objectives

In general, sponsors target **different stakeholders** such as customers, internal employees, or suppliers and pursue **multiple objectives** with sponsorships (Meenaghan, McLoughlin, & McCormack, 2013, p. 447). The objectives vary depending on the sponsors' expectations and the resources available (Amis, Pant, & Slack 1997, p. 83). The size of the sponsoring company and the disposable budget also play a significant role.



Figure 1: Literature overview of the categorised sport sponsorship objectives.

¹ Please cite (style APA 6th or American Economic Review):
 Schönberner, J., & Woratschek, H. (2020). What Do Sponsors Gain? – Sport Sponsorship Objectives
 SMAB Relevant Management Insights, 7, 1-4. Retrieved from <https://www.sma-bayreuth.de/publishing/relevant-management-insights/> or
 Schönberner, Jan and Herbert Woratschek. 2020. "What Do Sponsors Gain? – Sport Sponsorship Objectives" H. Woratschek and G. Schafmeister, SMAB Relevant Management Insights. Bayreuth: SMAB 1-4.

Hartland, Skinner, and Griffiths (2005, p. 23-25) developed an approach for **categorising** sport sponsorship objectives into **corporate, marketing, media, relationship building, and personal objectives**. In Figure 1, we provide an overview of sport sponsorship objectives discussed in the literature by assigning them to the respective categories. This information was synthesized from the following studies: Chadwick and Thwaites (2004, 2005); Cliffe and Motion (2005); Cobbs (2011); Cornwell, (2008); Greenhalgh and Greenwell (2013); Gwinner and Eaton (1999); Hartland et al. (2005); Kourovskaia and Meenaghan (2013); Smolianov and Shilbury (2005); O'Reilly & Madill (2009, 2012); Thwaites (1995).

Moreover, sponsors do not merely consider sponsorships as a business-to-customer (B2C) marketing tool anymore, but increasingly recognise the potential of achieving **business-to-business (B2B) objectives** with sponsorships.

Sponsorship Effect Measurements

An **accurate definition of objectives** helps to derive specific activities for implementing and activating sponsorships (Meenaghan, 2013, p. 387). It further facilitates **effect measurements** during and after the partnership (Tripodi 2001, p. 85). The latter is of paramount importance, as the managers increasingly have to **justify their sponsorship expenditures** (O'Reilly & Madill, 2012, p. 51).

Nevertheless, sponsorship objectives cannot be measured precisely with **“hard”** return on investment (ROI) figures. On the one hand, this seems **problematic** in the light of the growing pressure to measure and justify sponsorship investments (O'Reilly & Madill, 2012, p. 51). On the other hand, assessing sponsorship only with “hard” figures does not cover the **full potential** of sport sponsorships since they also **create emotional bonds**, which tie customers to their brand (Cliffe & Motion, 2005). A strong emotional bond can hardly be achieved with “classic” advertising campaigns. Consequently, “soft” measurements have to be applied in sport sponsorship, such as recall, recognition, image increase, purchase intention, or word-of-mouth intention. Sport organisations can use the knowledge about the versatile application areas and objectives shown in Figure 1 to **specify their sponsorship proposals**.

To put it in a nutshell:

1. Sponsors target **different stakeholders** with sponsorships.
2. Sponsors pursue **multiple objectives**.
3. Categories of sport sponsorship objectives are **corporate** objectives, **marketing** objectives, building **relationships**, **media** objectives, and **personal** objectives.

4. In the past, sponsors mainly addressed B2C relationships, whereas nowadays **B2B relationships** become **increasingly relevant**.
5. Effective sponsorships require an **accurate definition of objectives**.
6. There is an **increased need to justify** the high sport sponsorship investments.
7. Sport sponsorship effectiveness **cannot** be **measured only** by “**hard**” figures.
8. One special feature of sport sponsorship is the potential to create **strong emotional bonds** with customers.
9. Sport sponsorship can only leverage its **full potential** if sponsorship creates **emotional bonds**.
10. “**Soft**” figures nourish effect measurement in sport sponsorship.

References

- Amis, J., Pant, N., & Slack, T. (1997). Achieving a sustainable competitive advantage: A resource-based view of sport sponsorship. *Journal of Sport Management*, 11(1), 80-96.
- Chadwick, S., & Thwaites, D. (2004). Advances in the management of sport sponsorship: fact or fiction? Evidence from English professional soccer. *Journal of General Management*, 30(1), 39-60.
- Chadwick, S., & Thwaites, D. (2005). Managing sport sponsorship programs: Lessons from a critical assessment of English soccer. *Journal of Advertising Research*, 45(3), 328-338.
- Cliffe, S. J., & Motion, J. (2005). Building contemporary brands: a sponsorship-based strategy. *Journal of Business Research*, 58(8), 1068-1077.
- Cobbs, J. B. (2011). The dynamics of relationship marketing in international sponsorship networks. *Journal of Business & Industrial Marketing*, 26 (8), 590-601.
- Cornwell, T. B. (2008). State of art and science in sponsorship-linked marketing. *Journal of Advertising*, 37(3), 41-55.
- Greenhalgh, G., & Greenwell, T. C. (2013). What's in it for me? An investigation of North American professional niche sport sponsorship objectives. *Sport Marketing Quarterly*, 22(2), 101-112.
- Gwinner, K. P., & Eaton, J. (1999). Building brand image through event sponsorship: The role of image transfer. *Journal of Advertising*, 28(4), 47-57.
- Hartland, T., Skinner, H., & Griffiths, A. (2005). Tries and conversions: are sports sponsors pursuing the right objectives?. *International Journal of Sports Marketing and Sponsorship*, 6(3), 20-29.
- Kourovskaja, A. A. & Meenaghan, T. (2013). Assessing the Financial Impact of Sponsorship Investment. *Psychology & Marketing*, 30(5), 417-430.
- O'Reilly, N., & Madill, J. (2009). Methods and metrics in sponsorship evaluation. *Journal of Sponsorship*, 2(3), 215-230.
- O'Reilly, N., & Madill, J. (2012). The development of a process for evaluating marketing sponsorships. *Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration*, 29(1), 50-66.
- Meenaghan, T. (2013). Measuring sponsorship performance: challenge and direction. *Psychology & Marketing*, 30(5), 385-393.
- Meenaghan, T., McLoughlin, D. & McCormack, A. (2013). New challenges in sponsorship evaluation actors, new media, and the context of praxis. *Psychology & Marketing*, 30(5), 444-460.

- Smolianov, P., & Shilbury, D. (2005). Examining integrated advertising and sponsorship in corporate marketing through televised sport. *Sport Marketing Quarterly*, 14(4), 239-250.
- Statista. (2017). Sponsoring - Investitionsvolumen 2016 [Sponsorship – Investment volume 2016] Retrieved from <https://de.statista.com/statistik/daten/studie/4789/umfrage/investitionsvolumen-fuer-sponsoring-prognose/>
- Thwaites, D. (1995). Professional football sponsorship-profitable or profligate? *International Journal of Advertising*, 14(2), 149-164.
- Tripodi, J. A. (2001). Sponsorship – a confirmed weapon in the promotional armoury. *International Journal of Sports Marketing & Sponsorship*, 3(1), 95-117.