

Sport Sponsorship as a Tool of Marketing Communication – A Case Study of Two Real Estate Companies

Gurpartap Singh¹, Dr. Ambika Bhatia²

Department of Business Management, Gian Jyoti Institute of Management and Technology, Sector 54, Mohali -160055, Punjab, India.

prof.gurpartap.singh@gmail.com

²Punjabi University Regional Centre for Information Technology & Management, Sector 61, Mohali - 160062, Punjab, India.

ambika_2216@yahoo.co.in

ABSTRACT-Sponsorship, in general, is an important component of promotional mix devised by many companies. Companies are known to use sponsorship as a means to associate with a particular event as part of their marketing efforts. Sponsoring of sporting events has been in use since long in various parts of the world and has also found ready acceptance in India. Many companies, whether their products /services have some association with a sport or not, are using sport sponsorship. The purpose of this paper is, therefore, to make an attempt to better understand the use of sport sponsorship as a tool of marketing communication. To achieve this purpose, a simple instrument was designed with questions related to the sponsorship objectives, process of selecting the event, and evaluation of effectiveness of sport sponsorship. Review of literature was carried out to develop a conceptual framework presenting a foundation for data collection. Real Estate companies are prominent sponsors of sports in the country. A qualitative, case study methodology has been used, based on documents and interviews of two Real Estate companies. The study shows that sport sponsorship has varied objectives. However, some of the most commonly used objectives of sport sponsorship are the corporate related objectives like corporate image, entertainment for clients, and employee relations. The study further shows that companies select a specific sport sponsorship property on the basis of different criteria such as the interest of the top management and the concerned sport's potential to convey the marketing message. Further, the results of the study show that companies do not carry out formal evaluation of the effectiveness of sport sponsorship.

General Terms—marketing, sponsorship, sports

Keywords- sports sponsorship; marketing communication; communication tool

1. INTRODUCTION

In one form or the other, sponsoring has been traced back as long as to the times of Roman Empire where artists and famous philosophers received money and other royalties for creating new books and art. Famous artiste Leonardo da Vinci and the famous writer William Shakespeare would, for instance, not been able accomplish their works without the sponsoring which they received. Although this kind of sponsoring differs a lot from what we see today, the fundamental factors behind it are still the same (Skinner & Rukavina, 2003). In India also, we often read in historical accounts that kings and emperors used to give financial support to artistes and singers. More recently, during 1910-1970, in the western world the art of sponsoring became revolutionized by organizations that started not only to sponsor motor and golf tournaments but also individual participants. In the beginning, these sponsors were mainly tobacco, liquor and motor companies seeking for new ways to earn money and reputation (Skinner &Rukavina, 2003). Thus, we find that sponsoring is something that has been present since long, but in different forms.

In the present times, we find that sponsorship, especially the sponsorship of sports, has become even more popular and companies invest huge amounts to become sponsors of different events, individual players and teams. Meenaghan (1991a) describes five factors which are considered to be responsible for popularity of sponsorship. These are: the increasing prices of media advertising; new opportunities derived from the increase in leisure activities; the proof of success stories concerning sponsorship; increase in media awareness of sponsored events, and the infectivity of traditional marketing sources.

Meenaghan (1991b) suggests that sponsorship is an element of marketing communications within the broader context of the marketing mix of product, price, distribution and marketing communications. He further states that



sponsorship is similar to the advertising tool in regards of the money invested for commercial purposes. Czinkonta and Ronkainen (2004) also mention the use of sponsorship, advertising, personal selling and sales promotion as tools of promotion mix used to achieve marketing communication objectives.

2. PROBLEM STATEMENT

From marketing point of view, Dolphin (2003) lists some benefits likely to be received by the sponsoring organizations. These are: creating greater reputation, creating brand awareness, and stimulating sales. At the same time, he also states that the benefits which organizations receive from sponsoring are very hard to know exactly. This view is also supported by Olkkonen (1999) when he says that although there is greater importance and money spent on sponsoring agreements, it is still very hard to measure its effectiveness. For instance, it very difficult to try to realize and decide how much money the increase in brand awareness, goodwill and PR that sponsoring can generate will be worth. It is also very difficult to evaluate how large is the proportion of the increase in sales that comes from the increase in sponsorship. The problem further gets compounded when an organization has no obvious relation with the sponsored sport, for example, a cement manufacturer which supports a hockey team. Having observed that sport sponsorship is increasingly being used, it has potential benefits, but also has problems attached to it; we decided to examine the reasons for which companies are inclined to go in for sport sponsorship, the way they look at the sponsorship opportunities, and the kind of evaluation of results being carried out by them. We also decided to choose one particular business category that didn't have any direct or obvious link with sports.

3. OBJECTIVES OF THE STUDY

The main objective of this study is to develop better understanding of use of sport sponsorship as a tool of marketing communication by companies in India. To achieve this objective, we will try to explore the following three aspects:

- 1. A description of the objectives of sport sponsorship.
- 2. A description of the selection process in sport sponsorship.
- 3. Evaluation of the effectiveness of sport sponsorship.

4. SCOPE AND OUTLINE OF THE STUDY

Attempt has been made to understand some aspects of sport sponsorship from the perspective of the sponsoring companies. The scope of this study has been further narrowed as we have examined the use of sport sponsorship in two Real Estate companies only.

In the beginning of this paper we have given a brief introduction about sport sponsorship and its use a tool of

marketing communication. Thereafter, we have discussed about problem statement, objective of the study and scope of the study. This is followed by literature review, a conceptual framework, the research methodology, presentation and analysis of data, and lastly, the implications of the study.

5. LITERATUTE REVIEW

This section gives an overview of the previous literature related to the research area. A brief about theories on sport sponsorship is followed by its objectives, selection process, and effectiveness evaluation, finally leading to a conceptual framework.

All over the world, several companies usually use some kind of a systematic process for devising a sport sponsorship programme (figure 1).

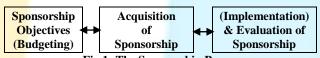


Fig 1: The Sponsorship Process
Source: Adapted from Shank (1999. p.370)

As per Shank (1999), while developing sponsorship programmes, decisions are based on objectives and budgets, as the objectives can never be reached without the money. After the objectives and budget have been finalised, the specific sport sponsorship opportunity is selected from the available options, which is then implemented and evaluated. As this study is based on the perspective of sponsoring companies, we will now present a brief review of the literature related to the sponsorship objectives, selection process in sponsorship (sponsorship acquisition), and evaluation of sponsorship.

5.1 Objectives of Sport Sponsorship

Sport sponsorship is a diverse activity and companies undertaking sport sponsorship are also a mixed lot. The very concept of sport sponsorship offers the possibility of having various objectives under different circumstances.

Faed (2006) suggests that the most important objectives of companies in supporting sports are to create a positive image, public awareness, increase brand awareness and reach the target market. Ivarsson & Johnson (2004) mentioned increasing the public awareness, adding to company prestige, influencing young people, creating satisfaction among customers and obtaining media coverage as the most important corporate objectives of sport sponsorship. According to Shank (1999), the primary objectives of sport sponsorship from the sponsor's perspective are awareness, advantage over competition, reaching target markets, relationship marketing, image building, and sales increase. Abrahamson, Forsgren and Lundgren (2003) have brought out the importance of sales objective in sports sponsorship. A number of researchers (Gross, Traylor and Shuman, 1987; Gilbert, 1988; Abratt



and Grobler, 1989; Stotlar, 1992) have mentioned about individual objectives. Davis (2008) feels that sports sponsorship is increasingly about making a positive and lasting long-term impact, not spiking sales for a short period of time. Several of the companies analysed by him demonstrate the benefits of having a longer-term, strategic approach to sports marketing investments.

Thus we find that various objectives have been identified in the case of sports sponsorship. Moreover, the empirical evidence indicates that there will be mixed objectives. Kuzma et al (1993) found that the most important objectives of sponsoring sports were corporate objectives like increasing company awareness, improving company image and demonstrating community responsibility. Morgan's (1992) findings showed the main objectives as image building and creating awareness. Gross, Javalgi and Traylor (1992) found brand building and corporate image building as important sports sponsorship objectives.

One of the important studies on sport sponsorship by Meenaghan (1983) divides sponsorship objectives into corporate objectives and brand objectives, such as broad corporate objectives, product related objectives, sales objectives, media coverage, guest hospitality and personal objectives. He also claims that many of the objectives may frequently overlap as well as an interaction of the objectives is commonly used in sponsorship campaigns.

Pope (1998) states that media objectives, corporate objectives, marketing objectives and personal objectives are the broad categories of sponsorship objectives that are commonly acknowledged and accepted in the sports marketingliterature. These have been shown in a tabular form in table 1.

Table 1. Objectives for Corporations Involved in Sponsorship of Sport

of Sport				
Corporate	Marketing	Media	Personal	
Objectives	Objectives	Objectives	Objectives	
- public	- business	- generate	- management	
awareness	relations	visibility	interest	
 corporate 	- reach target	- generate		
image	market	publicity		
- public	- brand	- enhance ad		
perception	positioning	campaign		
 community 	- increase	- avoid		
involvement	sales	clutter		
- financial	- sampling	- target		
relations		specificity		
- client				
entertainment				
- government				
relations				
- employee				
relations				
- compete with				
other				
companies				

Source: Adapted from Pope (1998, p.2)

For this study also, the classification of objectives by Pope (1998) was included in the questionnaire.

5.2 Selection of Sport Sponsorship

Once a decision has been taken, in principle, to go in for sports sponsorship, then the company has to look at various options that are available. As per Tripodi (2001), there is a selection process in sponsorship in which, before selection of any proposal, it has to meet certain criteria. Shank (1999) also says that sponsoring companies commonly use a decision making-process for sport sponsorship. Shank (1999) further suggests the following criteria for selection of a sponsorship: correct positioning, connection to the brand, difficult for competitors to imitate, ability to reach the right audience, appeal to the lifestyle, personality, and values of the target audiences, congruence with the current corporate goals and strategies, possibility to use the sponsorship for hospitality to embrace important potential and current customers, possibility of employee involvement, ways to evaluate the sponsorship effectiveness, affordability, ease of planning the sponsorship annually, and the extent of the sponsorship being a complement to the current promotion mix.

Brassington and Pettitt (2000) have suggested some factors that need to be examined prior to making a sponsorship decision. These factors include relevance, length of impact, compatibility with objectives, uniqueness/exclusivity, and spin-off PR/marketing opportunities.

Meenaghan (1991) found that criteria that are commonly used while taking the selection decisions include the ability to fulfill objectives, coverage of the defined target audience, the level of coverage of the target audience, and the costs involved in the sponsorship programme.

Goff (1995) mentions a number of factors which are generally used for selecting a sponsorship activity. These are: the revenue prospects for the company, the capability to integrate the product into the sporting event, the cost of the sponsorship, exposure to the company's target market, ability to improve the company's image, possibility to achieve a competitive advantage in the market place, the hospitality/entertainment possibilities, the opportunity to show the company's commitment to the community, corporate exclusivity, and increased sales/trial of product/service.

However, Liu et al. (1998) show that a standard set of conditions concerning companies' criteria for providing sports sponsorship cannot be applied. But they note that the two most important factors that emerge from their study are corporate policy and increased brand awareness. Walliser (2003) offers a few more selection criteria to select sponsorship activities, such as perceived similarity between the sponsor's product and sponsored activity, similarity between targets of sponsor and sponsored, the status and image of the potential sponsored entity and its eagerness to collaborate, geographical reach, contact frequency and quality, expected sponsorship costs and benefits, the type of rights received, and the possibility to include the sponsorship to the existing marketing strategy.



As per a very recent study by Greenhalgh and Greenwell (2013), the selection criteria that respondents place the highest level of importance on include: cost effectiveness, company image fit within the target market of the sports, the flexibility of the sports property, spectator demographics, and the company's product/service image fit with the sport's image.

5.3 Evaluation of Sport Sponsorship Effectiveness

With lots of money being spent on sports sponsorship, it is natural to think about some kind of evaluation of sponsorship success. Busby and Digby (2002) feel that the demand for accountability has increased with the increased use of sponsorship, and also because companies nowadays are more willing to pay more for events, and those bracing themselves for uncertain economic conditions have a heightened need to justify costs. Now the question that arises is that how do companies evaluate the effectiveness of sponsorship and at what stage.

Lynde (2007) says that when evaluating a sponsorship's value to a particular company, there are two different schools of thought – "Return on Investment" (RoI) and "Return on Objectives" (RoO). Depending upon a company's business, the RoI can come in a number of ways like increased sales of a product, increased spending by customers, advertising value of the media received via the sponsorship, and PR value of activities conducted around the sponsorship. Companies who realise that sponsorship decisions are made for reasons that may not be easily quantifiable, may look for RoO. Some examples of this include employee pride and morale, exciting the sales force, and enhancement of a company's brand image.

Grohs et al. (2004) report that for managers wanting to assess the success of their sponsorships, measuring media coverage and exposure is still the most important tool. Meenaghan (1991) suggests that the level of media coverage gained as an outcome of sponsorship activities is frequently used by companies as an indicator of performance. He also indicates a tendency to evaluate sponsorship results in communications rather than in sales increase, due to the basic communication objectives. Preand post-tests on awareness and image can therefore be carried out to measure whether the sponsorship was noticed and what improvement it has made on awareness levels, attitudes and opinions about the sponsor (Brassington & Pettitt, 2000).

Brassington and Pettitt (2000), further say that companies can measure sales results when evaluating the effectiveness of sport sponsorship. Meenaghan (1991) also claims that many sponsors point to sales results as evidence of sponsorship effects.

Meenaghan (1991) further mentions that monitoring guest opinions can provide a measure of sponsorship impact. Moreover, the participants, spectators, activity organizers and the company's sales force may act as useful sources of measurement. Brassington and Pettitt (2000) also advocate

the use of obtaining audience feedback as a method of measuring effectiveness because they consider it fairly easier to implement.

As far as timing of evaluation of effectiveness of sports sponsorship is concerned, literature (Meenaghan, 1991 and Busby & Digby, 2002) identifies three possibilities -- at the outset, continuous tracking, and at the end of the sponsorship programme.

6. CONCEPTUAL FRAMEWORK

We have considered three interrelated aspects of sports sponsorship — objectives, criteria for selection, and effectiveness. It is very easy to understand that evaluation of the effectiveness of a sponsorship programme is related to the objectives that were set because in the absence of clearly defined objectives proper evaluation would not be possible. Similarly, objectives are also linked to the process of selection of objectives as clear objectives would make it easier for a company to decide about a specific sponsorship opportunity. Moreover, any measurement that may be required to evaluate the effectiveness of a sponsorship can be carried out on the basis of sponsorship selection criteria that were chosen.

6.1 The first aspect of our research, that is, a description of the objectives of sport sponsorship, covers the following objectives:

Corporate objectives -- public awareness, corporate image, public perception, community involvement, financial relations, client entertainment, government relations, employee relations, and compete with other companies

Marketing objectives -- business relations, reach target market, brand positioning, increase sales, sampling Media objectives -- generate visibility, generate publicity,

media objectives -- generate visibility, generate publicity enhance ad campaign, avoid clutter, and target specificity. Personal objectives -- management interest

The above objectives of sports sponsorship were chosen as per the classification by Pope (1998), as it includes most of the major objectives thrown up by the literature review.

6.2 The second aspect, that is, selection of sport sponsorship, was finalised primarily on the basis of criteria identified by Meenaghan (1991), McCook et al. (1997), Liu et al. (1998), and Walliser (2003) and will work as support. By using several authors this study can be considered to be extensive. Brassington & Pettitt (2000), Busby & Digby (2002) and Grohs et al. (2004) have also discussed some of the same criteria. The final list includes: the revenue prospect for the company, the capability to integrate the product into the sporting event, the cost of the sponsorship, the exposure to the company's target market, he ability to improve the company's image, the possibility to achieve a competitive advantage in the market place, the hospitality/entertainment possibilities that are gained through the sponsorship, the opportunity to demonstrate the company's commitment to the community, corporate



exclusivity, increased sales/trial of product/service, increased brand awareness, corporate policy, the status and image of the potential sponsored party, perceived similarity between the sponsors product and sponsored activity, similarity between targets of sponsor and sponsored, geographical reach, the types of rights received, and the opportunity to add the sponsorship to the present marketing strategy.

6.3 In case of the third aspect, that is, **evaluation of the effectiveness of sport sponsorship**, literature review showed that there are no widely used methods of evaluation of effectiveness of sports sponsorship. However, the following commonly used evaluation methods indicated in the literature were included in the questionnaire:

- Measuring media exposure (air time on television or radio and column inches in the print media)
- Assessment of communication results (pre- and post-tests on level of awareness and pre- and posttests on attitudes and opinions
- Measurement of sales results
- Feedback from participating groups

The reason for choosing the theory by Brassington and Pettitt (2000) is that it is recently made and, therefore, can be considered relevant for this study.

As far as steps/stages considered by sponsors for evaluating the effects of a sport sponsorship programme are concerned, we identified the following:

- Awareness levels and attitudes to brand among the target audience at the outset.
- Tracking process to see the progress of sponsorship activity and assessing the need for any adjustment or change.
- Final evaluation to see if the objectives have been met and how have these been evaluated and measured.

7. METHODOLOGY

In this section we will discuss various aspects of research methodology adopted by us.

To begin with, this study is basically **descriptive in nature** as we carry out review of literature, develop a framework, and collect data on companies' objectives of sport sponsorship, the selection process, and the evaluation of effectiveness.

The research approach has focus on **qualitative research**. The research questions are framed in a manner that the answers would contribute to an understanding of spots sponsorship. The idea is not to generalise but try to get indepth information through specific questions.

The strategy adopted by the authors for this study is to make use of **case study method**. Real Estate companies are prominent sponsors of sports in the country. Therefore, it was decided to consider two companies for collecting the relevant information.

The information collected for this study is from **primary sources** with supplementary information from **secondary sources**. The sources of information employed for this study are interviews and documentation. Focused interviews were conducted with the help of a questionnaire. Apart from the interviews, secondary background information about the companies was collected from their websites and annual reports.

In the **sample selection** for this study, we decided to choose two local real estate companies that are involved in sport sponsorship. This was done to make the personal interviews easier to conduct. These companies are: Pearls Infrastructure Projects Limited and Preet Land Promoters & Developers Pvt. Limited. Both these companies have been sponsors of Kabbadi World Cup in Punjab (and some other sports events). To meet the appropriate respondents from the companies, we visited their Mohali offices and got in touch with Mr. Gurpinder Singh, Senior Manager (Marketing) at Pearls Infrastructure and Mr. Sukhwant Singh, Public Relations Manager at Preet Land Promoters, as they looked after the work related to sponsorships.

Data analysis means examining, categorizing, tabulating, or in other ways recombining the evidence with the aim to address the initial proposition of the study (Yin 1994). Regardless of one's general approach to qualitative research, the data may be analyzed either within or across cases. Within-case analysis is idiographic in nature, concentrating on understanding the features of a single case, or a small number of cases. The material may be presented with minimal interpretation, by organizing it chronologically into a narrative. In this descriptive, narrative approach, the researchers restrict themselves to arranging the material into a story, which is allowed to speak for itself. Such presentations can be an excellent way of demonstrating the existence of a phenomenon (Barker et al., 2002). Cross-case analysis looks across individuals in order to identify common themes about the phenomenon being studied, aiming to see which aspects are shared across participants. Usually the researcher is also interested in describing variations within the phenomenon, that is, themes or patterns that characterize only some participants' accounts (Barker et al., 2002). Trying to do both individual case studies and cross-case analysis at the same time will likely lead to confusion (Patton, 2002). Therefore, it was decided to use only crosscase analysis as it also presents the individual cases side by

8. DATA ANALYSIS

This section presents an analysis of the data collected from the respondents. A cross-case analysis is conducted in which differences and similarities between the two cases are presented.

8.1 Objectives of Sport Sponsorship



When asked about the objectives of sports sponsorship, the main objectives of Preet Land Promoters are publicity and promotion of properties. In comparison, the main objective of Pearls Infrastructure is brand building. Thus we find that the two companies have different main objectives. However, both the companies said that the main objective of sport sponsorship has remained same ever since they started sponsoring sports.

Regarding the *corporate related objectives*, the public awareness, corporate image, and employee relations are considered as important by Pearls Infra. Preet Land considered more objectives like public awareness, corporate image, public perception, client entertainment, government relations, and employee relations.

Therefore, the cross-case study indicates that the two companies share the objectives of public awareness, corporate image and employee relations. Preet Land also considers objectives like public perception, client entertainment and government relations. However, neither of the companies considers community involvement, financial relations and to compete with other companies as objectives when deciding about undertaking some sport sponsorship programme.

Regarding *marketing objectives*, the cross-case analysis indicates that that both of the companies consider business relations and brand positioning as important objectives. Preet Land considers reaching target market and increase in sales as additional marketing objectives. However, 'sampling' was not considered by either of the companies.

When it came to the *media objectives*, both Preet Land and Pearls Infrastructure consider objectives of generating visibility and generating publicity. Thus, these two objectives seem to be considered as essential. However, Preet Land also considers the media objective of enhancing ad campaign and avoiding clutter as important.

The point on which both the companies showed complete similarity was in the case of *personal objective* as both the companies agree that the management interest was a major determining objective of sport sponsorship.

The above observations regarding objectives of sport sponsorship are presented in a simple and reduced form in table 2.

8.2 Selection Process in Sport Sponsorship

When it comes to the selection of sport sponsorship, the two companies diverged in their answers. Pearls Infrastructure looks at the likely interest of the public in the event and its ability to deliver the marketing message. However, Preet Land primarily decide on the basis of management interest. Both the companies have specific criteria which are used to evaluate and select the sport sponsorship opportunities. Both the companies do not consider the revenue prospect or the capability to integratethe product into the sporting event. However, both of thecompanies considerthe cost of the sponsorship, the

Table 2. Summary of the Analysis of 'Objectives of Sport Sponsorship'

Sponsorship	Preet Land	Pearls Infrastructure
Main Objective(s)	Publicity	Brand Building
•	Promotion of	
	Properties	
Constant objectives	Constant	Constant
	Considered	Considered
Corporate objectives		
- public awareness	Yes	Yes
- corporate image	Yes	Yes
- public perception	Yes	No
- community involvement	No	No
- financial relations	No	No
- client entertainment	Yes	No
- government relations	Yes	No
- employee relations	Yes	Yes
- compete with other	No	No
companies		
Marketing objectives		
- business relations	Yes	Yes
- reach target market	No	Yes
- brand positioning	Yes	Yes
- increase sales	No	Yes
- sampling	No	No
Media objectives		
- generate visibility	Yes	Yes
- generate publicity	Yes	Yes
- enhance ad campaign	No	Yes
- avoid clutter	No	Yes
- target specificity	No	No
Personal objectives		
- management	Yes	Yes
interest		

exposure to the company's target market and the ability to improve the company's imageas selection criteria.

The possibility to increase brand awareness, the geographical reach of the sponsorship, and the type of rights received are also considered as important criteria by both the companies. The possibility to increase sale/trial and the opportunity to add the sponsorship to the present marketing strategy are the criteria which are considered by Pearls Infrastructure only. On the other hand, the criteria which are considered only by Preet Land include the hospitality/entertainment possibilities, opportunity to demonstrate the company's commitment to the community, the corporate exclusivity, the corporate policy and the status and image of the sponsored party.

Neither of the two companies regards the possibility to achieve a competitive advantage in the market place, the perceived similarity between the sponsor's product and the sponsored activity, or the similarity between targets of the sponsor and sponsored as important criteria in the selection process. The above observations regarding



selection process in sport sponsorship are presented in a simple and reduced form in table 3.

Table 3. Summary of Analysis of 'Selection Process'

Table 3. Summary of Analysis of	1 Selection I II	0000
	Preet Land	Pearls Infrastructure
Main selection criteria	Merits of	Likely interest
	the	of public
	proposal	•
Specific selection criteria	Considered	Considered
- The revenue prospect for the company	No	No
The capability to integrate the product into the sporting event	No	No
- The cost of the sponsorship	Yes	Yes
- The exposure to the company's target market	Yes	Yes
- The ability to improve the company's image	Yes	Yes
- The possibility to achieve a competitive advantage in the market place	No	No
- The hospitality/entertainment possibilities that are gained through the sponsorship	Yes	No
- The opportunity to demonstrate the company's commitment to the community	Yes	No
- The corporate exclusivity	Yes	No
- The possibility to increase sales/trial of product/service	No	Yes
- The possibility to increase brand awareness	Yes	Yes
- The corporate policy	Yes	No
- The status and image of the potential sponsored party	Yes	No
- The perceived similarity between the sponsor's product and the sponsored activity	No	No
- The similarity between the targets of sponsor and sponsored	No	No
- The geographical reach of the sponsorship	Yes	Yes
- The types of rights received	Yes	Yes
- The opportunity to add the sponsorship to the present marketing strategy	No	Yes

8.3 Evaluation of Effectiveness of Sport Sponsorship

As was expected, neither of the companies formally evaluates the effectiveness of sport sponsorship. Pearls Infrastructure occasionally asks the concerned employees about their opinions regarding sponsorship. Preet Land

doesn't even do that. Both the companies do look for media coverage but they don't actually use media exposure measurement. Even though Preet Land indicated increase in sales as an objective and Pearls infrastructure also uses possibility to increase sales/trials as a criterion for selection of sponsorship, they don't measure the sales results. However, both the companies do get some kind of informal feedback from participating groups about what went well and what didn't and the same is discussed by the senior management. As both the companies do not measure the effectiveness of sports sponsorship in a formal manner, it is natural for them not to give much importance to timing of evaluation. However, whatever stock taking is done is generally done at the end of sponsorship programme. Table 4 presents the observations regarding evaluation of sport sponsorship effectiveness in a simple and reduced form.

Table 4.Summary of Analysis of 'Evaluation of Sport Sponsorship Effectiveness'

Sponsorship Effectiveness'				
	Preet Land	Pearls Infrastructure		
Main evaluation method	Feedback from participating groups	Feedback from participating groups and employees		
Specific selection criteria	Considered	Considered		
Measuring media exposure				
air time on television or radio	No	No		
and column inches in the print media	No	No		
Assessment of communication results				
pre- and post-tests on level of awareness	No	No		
pre- and post-tests on attitudes and opinions	No	No		
Measurement of sales results	No	No		
Feedback from participating groups	Somewhat	Somewhat		
Steps/stages considered for evaluation				
Awareness levels and attitudes to brand among the target audience at the outset.	No	No		
Tracking process	No	No		
Final evaluation at the end	Somewhat	Somewhat		

9. FINDINGS AND CONCLUSIONS

On the basis of the above data analysis, now we provide the main findings and conclusions which will be related to the objectives of this study. So, here we will try to give a description of the objectives of sport sponsorship, the



selection process in sport sponsorship and evaluation of the effectiveness of sport sponsorship.

9.1 Description of the objectives of sport sponsorship

On the basis of the information collected from the two companies under study, we can draw the following conclusions:

- Main objectives of sport sponsorship may differ from company to company but they tend to remain constant.
- Companies share the corporate related objectives of public awareness, corporate image and employee relations. Objectives like public perception, client entertainment and government relations may also be considered. Companies do not consider communityinvolvement, financial relations and to compete with other companies as objectives.
- Regarding marketing objectives, business relations and brand positioning are considered as important objectives. Reaching target market and increase in sales may be considered as additional marketing objectives.
- When it comes to the media objectives, companies consider objectives of generating visibility and generating publicity as essential. Media objectives of enhancing ad campaign and avoiding clutter as important may also be considered.
- In the case of personal objective, the management interest is a major determining objective of sport sponsorship.

9.2 Description of the selection process in sport sponsorship

Companies use different selection criteria as part of the selection process in sport sponsorship. A summary is given below

- When it comes to the selection of sport sponsorship, the companies considerably differ from each other.
 Companies look at the likely interest of the public in the event and its ability to deliver the marketing message, but decision may also be taken on the basis of management interest.
- Companies have specific criteria which are used to evaluate and select the sport sponsorship opportunities. They consider the cost of the sponsorship, the exposure to the company's target market and the ability to improve the company's image as selection criteria. The possibility to increase brand awareness, the geographical reach of the sponsorship, and the type of rights received are also considered as important criteria.
- The possibility to increase sale/trial, the opportunity to add the sponsorship to the present marketing strategy, the hospitality/entertainment possibilities, opportunity to demonstrate the company's commitment to the community, the corporate exclusivity, the corporate

- policy and the status and image of the sponsored party may also be considered by individual companies.
- The criteria which are not considered important include the revenue prospect, the capability to integrate the product into the sporting event, the possibility to achieve a competitive advantage in the market place, the perceived similarity between the sponsor's product and the sponsored activity, and the similarity between targets of the sponsor and sponsored.

9.3 Description of the evaluation of effectiveness of sport sponsorship

When companies spend a lot of money on sponsoring sports, they ought to give due importance to evaluating its effectiveness. However, what we found is being summarized as follows:

- Companies do not evaluate the effectiveness of sport sponsorship in a very formal manner.
- They may occasionally ask the concerned employees about their opinions regarding sponsorship.
- Companies do look for media coverage but they don't actually use media exposure measurement.
- Even though increase in sales may be an objective or the possibility to increase sales/trials may be a criterion for selection of sponsorship, companies don't actually get down measuring the sales results.
- However, they do get some kind of informal feedback from participating groups about what went well and what didn't and the same is discussed by the senior management.
- Whatever, minimal informal evaluation is done, it generally takes place at the end of sponsorship programmer.

10. IMPLICATIONS

In this section, we some give recommendations for managers looking after sport sponsorship and also discuss the implications for further research.

10.1 Recommendations for Managers

Like any other endeavor, it is of utmost importance for the managers looking after sport sponsorship to define clear objectives. It is obvious that proper setting of objectives will help during the process of selection of sport sponsorship activity. The objectives will be very helpful in decision making and also the screening of sponsorship proposals. If a proposal has to be turned down, the decision can be conveyed to the sponsorship seeker in a dignified manner. Final evaluation also becomes easier and meaningful in the light of clear objectives.

The choice of most relevant selection criteria is also very important. Companies should take into account only those criteria which are significant for them.

Another recommendation for the companies is that they need to properly control and evaluate the effectiveness of a sport sponsorship activity. The findings of this study show



that generally companies do not follow a rigorous measurement process, even though they spend huge amount of money on sport sponsorship activities.

Thus, companies, especially in the real estate business, should realise that if they are using sport sponsorship as part of their marketing effort, they must carry out thorough and formal measurement of effectiveness. This is important to fully get the benefits of using sport sponsorship as a tool of marketing communication.

10.2 Implications for Further Research

In India, even though sport sponsorship is increasingly being used as a marketing communication tool, the research in this field is extremely limited. To give academic support to the increasing trend of using sport sponsorship that can help companies to combat the problem of clutter with conventional advertising, there is need of exploring this alternative mode of promotion and advertising. The present study adds to the limited academic literature on sport sponsorship and thus, will pave the way for more research.

In this study, we have tried to understand some aspects of sport sponsorship as a tool of marketing communication tool with the help of two companies only. As the study isnarrow in scope with two Mohali based real estate companies, the results can't be generalised. For this, a more extensive and quantitative study is required.

And lastly, some other areas of further research can include comparison of sport sponsorship as a marketing communication tool in Indian and foreign companies, sport sponsorship in a small vs. large companies, sport sponsorship in regional and national companies, and sport sponsorship in different product categories.

REFERENCES

- [1] Abrahamsson, J. T., Forsgren, T. & Lundgren, H. 2003. Sports sponsorship as a Marketing Communication Tool. Lulea University of Technology. Department of Business Administration and Social Sciences, 971 87 Lulea, Sweden.
- [2] Abratt, R. and Grobler, P. 1989. The Evaluation of Sports Sponsorship. International Journal of Advertising, 1989, Vol. 8, pp.351 362.
- [3] Brassington, F., &Pettitt, S. 2000. Principles of Marketing (2nd ed.). London: Prentice Hall.
- [4] Busby, R., &Digby, W.W. 2002. Measuring Successful Sponsorship – Evaluation Strategies for Justifying Investment. (2nd ed.). London: International Forum of Sponsorship.
- [5] Czinkota, M.R., &Ronkainen I.A. 2004. International Marketing (7th ed.). Mason, Ohio: Thomson/South western.

- [6] Davis, J. 2008. Sports Sponsorship and Branding: Published: July 04, 2008 in Knowledge@SMU
- [7] Faed, A.R. 2006. Strategic assessment of sport sponsorship as a marketing communication tool in electronic industry. M.Sc. in Marketing and Ecommerce. The joint master programme between, Lulea University of Technology and Tarbiat Modarres University.
- [8] Gilbert, D. 1988. Sponsorship Strategy is Adrift. The Quarterly Review of Marketing, Autumn, pp. 6-9.
- [9] Goff, M.1995. Centerfold. IEG Sponsorship Report, 14 (8), pp. 4-5.
- [10] Greenhalgh, G. P. and Greenwell, T. C. 2013.

 Professional niche sports sponsorship: an investigation of sponsorship selection criteria.

 International Journal of Sports Marketing & Sponsorship 14(2).
- [11] Grohs, R., Wagner, U., and Vsetecka, S. 2004.
 Assessing the Effectiveness of Sport Sponsorships
 An Empirical Examination. Schmalenbach Business Review, 56(April), pp. 119-138
- [12] Gross, A. C., Javalgi, G. and Traylor, M. B. 1992. Sponsorship: Priorities and Practices in the U.S., Working Paper, Cleveland State University.
- [13] Gross, A.C., Traylor, M.B. and Shuman, P.J. 1987. Corporate Sponsorship of Art and Sports Events in North America. ESOMAR Congress, 1987, pp. 9 -13.
- [14] Kuzma, J.R., Shanklin, W.L. and McCally, J.F. Jr. 1993. Number One Principle for Sporting Events Seeking Corporate Sponsors: Meet Benefactor's Objectives. Sport Marketing Quarterly, Vol. 2 No. 3, pp. 27-32.
- [15] Liu, J., Srivastava, A., & Hong, S.W. 1998. Transference of Skills Between Sports and Business. Journal of European Industrial Training, 22 (3), 93-112.
- [16] Lynde, T. 2007. Sponsorships101 [Online] Available at<http://www.sponsorships101.com/home/#> [Accessed on 10 January 2013].
- [17] Meenaghan, J.A.1983. Commercial Sponsorship. European Journal of Marketing, 17 (7), 5-73.
- [18] Meenaghan, T. 1991a. Sponsorship Legitimising the medium. European Journal of Marketing, 25(11), 5-10.



- [19] Meenaghan, T. 1991b. The Role of Sponsorship in the Marketing Communication Mix.International Journal of Advertising, 10 (1), 35-47.
- [20] Morgan, R.1992. Research Shows How Sponsorship is Misunderstood, Sponsorship News, Vol. 11 No. 9, pp. 16 17.
- [21] Patton, M.Q. 2002. Qualitative Research & Evaluation Methods. California/New Delhi: Sage Publications. 3rd Ed., pp. 440.
- [22] Shank, M.D. 1999. Sports Marketing A Strategic Perspective. Upper Saddle River: Prentice-Hall Inc. ISBN 0-13-621871-7.
- [23] Stotlar, D. 1992. Sport Sponsorship and Tobacco: Implications and Impact of Federal TradeCommission v. Pinkerton Tobacco Company. Sport Marketing Quarterly, Vol. 1 No.1, pp. 13-17.
- [24] Tripodi, J. 2001. Sponsorship A confirmed weapon in promotional armoury. International Journal of Sports Marketing & Sponsorship. March/April
- [25] Walliser, B. 2003. An International Review of Sponsorship Research: Extension and Update. International Journal of Advertising, 22, 5-40.
- [26] Yin, R.K. 1994. Case Study Research: Design and Methods (2nd ed.). Thousand Oaks, CA: Sage Publications.

Authors' Biography



Prof. Gurpartap Singh is an M.B.A. from Guru Nanak Dev University, Amritsar, with first position in the University. Presently, working as an Associate Professor with Gian Jyoti Institute of Management and Technology, Mohali, Punjab, India, he also holds B.Sc. and M.Sc. (Hons.) in Economics degrees.

Specializing in Marketing Management in M.B.A., he has over twenty six years of experience, including over eight years in academics and eighteen years in industry, in Marketing, Sales and Administration.

He has worked in industries like Wireless Communication/Telephones, Building Materials, Retail Automation, Office Automation and Courier & Cargo Services.

In academics, he has taught subjects like Consumer Behaviour, Managerial Economics, International Marketing, Services Marketing, Production and Operations Management, OB, MIS, Advertising and Management, Corporate Legal Environment and Strategic Management. Presently pursuing his Ph.D. from Punjabi University, Patiala, he has published papers in leading journals. He has a co-edited book on 'Innovative Marketing Strategies' to his credit. He has also coauthored a book on Consumer Behaviour, currently under publication by Himalaya Publishing House, Mumbai. He has also been the Editor of an on-line journal, Biz and Bytes, and is currently the editor of Gian Jyoti E-Journal.



Dr. Ambika Bhatia is working as Assistant Professor in Punjabi University Regional Centre For IT and Management, Mohali, Punjab, She 13years India. has comprehensive experience of teaching research and in Management Department of Punjabi University, Patiala.

Her area of expertise is Information System in management. Dr. Ambika has done her Doctorate in Decision Support System and has published various research papers in National and International Journals.