

Sport Sponsorship beyond Brand Awareness

—The Case Study of Sports Teams in Sweden

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Abstract: Sponsorship provides a good platform for companies to promote themselves. Through the empirical study on practical cases, this paper analyzes the importance of team values and brand benefits in sponsorship. It is found that companies suffered by financial crises attach more importance to profits and brand benefits; big, influential corporations tend to sponsor sports clubs with common values.

1. Introduction

Sponsorship is an important communication tool for companies, which is demonstrated by the sponsorship deal that Lenovo, a computer manufacturing company, established by investing approximately \$80-\$100 million to be an official sponsor of the 2008 Olympic Games in Beijing (forbes.com).

However, in times of the financial crisis many companies have to shorten their sponsorship arrangements. This is very evident in Spain's soccer clubs where e.g. the FC Valencia is still waiting for the six million Euros the meanwhile bankrupt company Valencia Experience should have paid for being on the jerseys of the club. Some other Spanish soccer clubs are playing without jersey-sponsors because of financial troubles of former sponsors. (Sponsors, 2008)

Sponsorship can be defined in many different ways and Wells, Moriarty and Burnett (2006, p. 464) claim that sponsorship occurs when "[...] companies support an event – say a sporting event, concert, or charity - either financially or by donating supplies and services". Sponsorship is very popular among many of today's companies and both public and private companies as well as profit and non-profit companies use sponsorship as a part of their marketing strategy. (Olkkonen, 2001)

Likewise, it has been found that organizations which aim for a congruent goal and have similar policies are more likely to ally in a sponsorship relationship. The both organizations in a sponsorship relationship start to feel strong loyalty to each other once they have signed a contractual agreement but the organizations are also more likely to remain loyal to each other if they have similar goals and procedures. (Chadwick and Thwaites, 2006)

2. Aim of the Paper

The aim of this study is to get empirical examples about real sponsorship relationships in order to find out to which extend the matching and sharing of values is considered to evolve beyond brand awareness to co-branding partnerships. This paper will aim for a double perspective, both from the point of view of the company and the point of view of the sports club.

To give details of how the aim of this paper was fulfilled the first topic described will be the methodology chosen, followed by the limitations that were faced in the development of the research. Next, the general theoretical concepts associated with the aim of this research such as corporate brand, brand equity, co-branding and relationship marketing will be exposed. Additionally, specific theory about the strategic sponsorship decision making from the perspective of both, the company and the sports team, is elaborated. Following this, the empirical data obtained is analyzed based on the

theoretical framework and a model created in order to understand the information obtained from the interviews. Finally, the specific findings as well as the theoretical and practical contributions of this research will be concluded.

3. Methodology

The choice of the research design of this work was based on creating awareness and understanding of how sponsorship relationships are managed nowadays from the perspective of companies as well as sports teams. Therefore the point of departure for our research was secondary data from sport marketing and marketing literature.

Furthermore, personal in-depth interviews of different marketing terms helped to get a better understanding which lead to corresponding relevant answers.

4. Limitations

One limitation of this research is that the generalize of this research can be challenged due to the number of interviews conducted with sports teams and companies (only five sports teams and three companies). Furthermore, the sample consists mainly of local Swedish companies and sports teams which lead to a lack of diversity in the results. By interviewing teams and companies from a vary of different countries, it would be easier to generalize the results on a global level.

Another limitation is the fact that the corresponding partners in the sponsoring relationship could not always be approached, e.g. the Akademisk Boldklub was interviewed but we did not get any response from their sponsors. The results would have been more in-depth and valuable if we had researched both sides of the relationship in this case as well.

There could also be problems with the interview objects since maybe some of them were not able to talk about certain things because they were prohibited to do so by their team or company. This could lead to the fact that we actually missed out some important information that have been useful for our research.

5. Empirical Findings

The empirical findings are based on interviews conducted with three companies and five sports teams. The purpose of these interviews was to test the following hypotheses that were formulated according to the theory and secondary data explaining the current management of sponsorship relationships.

5.1 Sports teams are aware of the brand and core values of their sponsors and vice versa.

All interviewed companies and sports teams are aware of the core values of their partners. However, in most of the cases this awareness is quite superficial. They perceive the most obvious core values, only Helsingborg IF seems to do a thorough analysis of them in order to find the partner that suits with the own values. Helsingborg IF searches for companies that want to use the clubs brand and would like to get in contact with all the things the club deals with during the season. This corresponds to the building of a co-branding relationship suggested in the theory.

5.2 The matching of core values is an important part in the decision making process of sponsorship beyond awareness.

Within the companies interviewed only Kraftaktörerna shows that the matching of core values is the turning point of the decision making process. They like to get involved and being seen as a child friendly company, that is why they put money in kids, youth and handicapped people. They also look for the reinforcement of their image as a local company; therefore they pursue a policy of sponsoring teams in the geographical area of the company. The other two companies are only looking for brand awareness. Biomain and DeWitt have an interest in the core values of their potential partners and it can be taken into consideration in the decision making but the turning point for them is the brand

awareness they can reach. For instance, DeWitt stated that if there were a jess club that did not represent the values of the company but had got a good media presence, the inconsistency of core values would not be relevant.

According to the sports teams interviewed, there is a strong competition within the sports team industry. As a consequence, it is difficult for sports that are less attractive for the general society and especially the media, to be strict in terms of finding a sponsor that fits their own values. This might explain why Helsingborg Basket does not consider the matching of core values as the turning point in the decision making. As it was said by Lina Rönndahl, they need any penny they can get. On the other hand, the matching of core values for Landskrona BoIS is important but secondary. They do not approach only the potential sponsors with values that can fit with Landskrona BoIS's values but if a sponsor with very contradictory values asks a sponsorship they would not make the deal. Since these two teams do not have matching values their audiences do not perceive any other value from the sports teams because the values of their sponsors cannot summarize their identity. For the other three sports teams the matching of core values is the turning point.

5.3 Sports teams as well as sponsors try to communicate these values to their target group through the sponsorship.

Kraftaktörerna is the only company that definitively is looking for an opportunity of transferring values with the teams it sponsors. As it is shown in the interview Kraftaktörerna does not get involved with projects or teams that have a bad reputation and non matching values because they want to be perceived as a child friendly company. Contrary, companies like Biomain are just looking for awareness. They do not take advantage of the media presence of its sponsored to communicate other values to its customers. Even if the sports team has values suitable for the company they do not work on communicating those values in the most efficient way. Furthermore, as it is said above one benefit that Biomain takes from the sponsorship is to entertain its customers by watching the games together after business meetings. This is only considered as entertainment instead of trying to build a relationship between their customers and the team.

In relation with the sports teams, even though for Landskrona BoIS and Helsingborg Basket the turning point is not the matching of core values, once they have got a sponsor with those values, they try to make the most out of it by communicating this to their customers. For example, Landskrona BoIS co-branded with its sponsor Yves Rocher, taking advantage of the same target group and compatible values and worked together on attracting the segment of female.

5.4 The matching of the target group of the partner with their own target group is an important part in the decision making process of sponsorship beyond awareness.

The matching of target groups is more important for companies that cannot spend that much money on sponsorship since they have to care more about who sees their brand through the sponsorship to reach the target group their products and services are aimed at. They cannot afford to reach everyone so they try to focus on their main clients. The big companies often have a really broad target group. They can enlarge the finances and therefore reach out for more people. As seen in the interview with Roland Kosnjek he states that "the target group of DeWitt is very broad, therefore this is not a main criterion in selecting a sports club to sponsor."

The sports teams are using the matching of target groups in the sponsorship proposal in order to promote themselves and put them into a better negotiation position with the potential sponsors. With the knowledge of the matching target groups the sports teams want to highlight the advantage the potential sponsor would get from getting establishing a sponsoring deal with this certain team over sponsoring another sports team. Alex Rasmussen, the marketing manager from Akademisk Boldklub A/S, points out that especially in the last years sponsoring was also used to reach the internal target group of employees. Companies wanted to attract and entertain their employees and signed sponsoring contracts in order to get in touch with sports teams.

6. Conclusion

Confirmed by the research, even if both, companies and sports teams, get brand benefits from the sponsorships, one of the key advantages that sports teams get is money from the companies and this is a tangible benefit. That is why sports teams tend to be more concerned to fit the target group and core values of the companies in order to be more attractive to them.

On the other hand, it is difficult for sports teams to get long sponsorship contracts because their media presence depends very much on the sport performance of the team which cannot be guaranteed. As it is shown in the analysis above, the driver for sponsorship deals is the media presence the sports teams possess. Many companies establish sponsoring deals to get only brand awareness, but the most attractive sports teams for sponsors should be those that create brand awareness and at the same time share the core values and communicate these core values to the target group through a co-branding strategy. The interviews with the companies and sports teams showed that traditionally it has been difficult for sports less attractive for the general society and especially the media to be strict in terms of finding a sponsor that fits their own values.

However, nowadays, the financial crisis is affecting every kind of sport. Thus, the sponsors are trying to get the most profitable deals, therefore trying to get as much brand benefits as possible. The companies that we interviewed still are mostly focused on brand awareness, only Kraftaktörerna seems to consider the matching of values as the turning point for its sponsorship deals. Furthermore, it was found that even if sports teams are thinking about the match of core values because of the pressure from the sponsors, there are sports teams that truly understand the additional benefits that can be obtained from the sponsorship. Rickard Nilsson (Helsingborg IF) accepts that financial reasons are important but the team looks for the sponsors that offer the best benefit, not only the highest amount of money. He is very aware of the opportunity that sponsorship offers to communicate feelings and values.

It can be concluded that the bigger the organization and the more marketing knowledge the managers possess, the more awareness for the relevance of the match of core values to make the most out of the sponsorship, seeing this sponsorship as a co-branding strategy.

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