

Impact of Corporate Sponsorship on Brand Outreach of Sports Tournaments

Prateek Sharma*

Symbiosis Institute of Business Management, Pune Symbiosis
 International (Deemed) University, Pune, India
prateek.sharma21@associates.sibmpune.edu.in*

Abstract

The research is conducted to probe why sports franchises experience a lot of success through their sponsorship deals. With the review of Literature, it was established that the enthusiasm of the fans plays a major role in the same. This research however, was not merely limited to the collection of secondary data through literature. The primary data of the research was the main part based on which the results of the research were brought about. The research activity that was chosen in this particular case is interview questions. Repeated follow up questions were asked to the participants of the research process to gather a proper standard of data.

1. Introduction

Sports is among the biggest sources of business in the modern day. It is not another activity that exhibits competition and encourages the excitement of common public. It has emerged from a competitive activity to form itself into an industry with the participation of big investors and long and short-term stakeholders. Sports tournaments are organized around the world and they create an impact in the minds of people. Some of the tournaments are held only once in a year. Most of the individual sporting tournaments belong to this particular category. There are also other tournaments that are held over the course of a season. The main American team sports and the European team sports fall within this category. In both cases, the tournaments draw attention and fanfare. There are thousands of crowds swarming in to attend the tournaments. Being in the same arena or the same facility where everything is going on provides the fans with more enthusiasm. There is one more factor that silently plays a role in the process and the role has grown bigger over the years. Corporate sponsorship in sporting events has paved a new way how people look at sports and sporting events in general. Through corporate sponsorship, it is possible for the sports franchises to increase their brand presence and stretch to the limits of their brand outreach.

Research Questions

In this particular research, the research questions are as follows:

1. Is it possible in the 21st century to organize sports tournaments without the large-scale presence of corporate sponsorships?
2. How does corporate sponsorship play a role in increasing the brand presence of the sporting events and also the athletes involved in the sporting events?

2. Conceptual Framework

In the phenomenon of sports, there are numerous commercial activities that are attached to it. The idea by the organizers of the sporting event is to make sure the reach of the event is as large as possible. The enthusiasm of the games among the fans keep on increasing with times. More and more people become familiar with the lingo and the bits and pieces of sporting culture. This

is a natural occurrence that always tend to move in the same direction. The commercial activities include the selling of TV rights. While it is a fact that the sports stadiums and the surrounding areas are always swamped with the presence of the fans, the TV contracts play a big role in the larger scheme of things (Dos Santos, Vveinhardt, Calabuig-Moreno and Montoro-Rios, p. 84, 2016). It is not possible for the tournament to occur without the TV contracts being sold. Well over 50% of the viewership of the events are from the TV in most of the cases. In case of the most popular sporting events, the ration jumps to more than 99% of viewers on the TV, almost 100 times or more than 100 times the number that is generated on the grounds. Therefore, it is not possible for the tournament

to function without the proper dealership that makes the purchase and sale of the TV rights (Koronios, Psiloutsikou, Kriemadis and Kolovos, p. 9, 2016). If by any chance there is some sloppiness on part of the organizers of the tournament or the sponsors of the tournament in selling the TV rights, there would be readymade information available to the backers of the sporting event.

It is possible and rather easy in the modern times to calculate how much money was lost due to the negligence on part of the people who were in charge of selling the rights (Keshkar et al, p. 7, 2018). The financial backers of the event would then immediately take swift action in order to set a precedence if such a case occurs. The level of importance to sell the television rights of the sporting event is high not just because there is money to gain by making a proper deal. If the monetary loss belongs to some other party who has bought the rights for television, then also it sets a bad precedent for the tournament. In such a case the tournament would never proceed to make the deal with the channel in the future (Toscani and Prendergast, p. 437, 2019). It is important for the channel to make sure that the connection to the audience is well established through the sale of TV rights.

The brand outreach of the sporting events is also highly important as far as the purpose of the vent itself is concerned. The more the people are able to engage with the brands, the better it would be for them (Temel and Sirin, p. 245, 2017). For sports events it is highly important that the brands connect to the target audience in a more creative way. Normally a brand would come up with advertisements that are targeted at this audience. When the same brand wants to promote itself, it would want to do something much more than that (Slatten et al, p. 151, 2017). It is important for the advertisements to come up with creative material that makes itself more attached with the event. It might happen with the inclusion of a star of the sporting event being a part of the advertisement and promoting the brand directly to the audience. Some of these advertisements are scripted with a direct message from the star on the advertisement about the product or the brand that he is associated with (Lund and Greyser, 2016). It can be studied that throughout the years, these promotions have undergone a change on some major level. The advertisements of the modern day consider the direct messages form of promotion to be bland and not as effective.

The effectiveness of the promotion has changed through the years because there are new types of promotion in the market. The technique of promotion that worked for the brand or the products are not essentially going to work for a long time (Abdourazakou and Leroux-Sostenes, p. 21, 2016). This is not true for each and every case, but at least for a large majority of the cases. The new forms of advertisements are more creative and more realistic for the understanding of the audience. Witticism and a more colorful approach to promoting the product creates more impact for the audience. In some other cases, the direct message form of promotion has been largely maintained by the organizations. Here, the change that is introduced in the promotion is

the inclusion of a catchphrase (Bragg et al, p. 14, 2018). The catchphrase has the characteristics of being more creative with the words and making a statement that is rather bold or important. The underlying part of the progress of such forms of promotion over the years is the fact that these brands want to connect to a better level with the target audience and increase the engagement of the brand with the very audience. This way, the connection of the tournament as a whole with the audience remains on a high level. More people stay attracted to the brands even if there is a loss in terms of the interest among these people in the events of the sport (Woisetschläger, Backhaus and Cornwell, p. 133, 2017). The other forms of promotion of these corporate interests also create an effect in the minds of the audience. For example, if the brand decides to put up billboard advertisements of the segments of their products that were directly associated with the brands, it would be possible for them to generate a large-scale interest in the minds of the target audience.

The biggest difference that the presence of corporate sponsorship has been able to create in the phenomenon of sports is that it has increased the brand presence of the athletes and the sporting franchises. The athletes of the modern day are not just athletes anymore (Coelho, Amorim and Almeida, p. 16, 2019). They are brands. Though this only applies to the top-level icons of the game, even the less successful athlete has a chance to market himself/herself through the mechanism of personality. It is mostly about the aspects that the audience would connect the most with. It is also important to note that there are multiple sports in the global level and as a result of that, there are multiple sporting icons across the sports. Due to the sponsorship culture that has entered into the sphere of sports, everything that is related to the sport has the opportunity to get more exposure (Hazari, 2018). Whether it be any funky moments that is shared by a sportsperson with the fans or whether it be a charity that

multiple sportspersons are attending, the amalgamation of everything into one is only possible because of the role corporate sponsorship and the sponsorship culture has played. It has introduced more people into public life and in doing so, has enabled the fact that there would be a high level of engagement between the elements of the sporting events and the fans. It has enabled the fact that people who do not even follow the sports events to a large extent know the faces of the people associated with it.

This is not just restricted to the sportspersons who play the game on the field (Chambers et al, p. 130, 2017). This is also true for owners and managers of franchises who, by virtue of the availability of more media and also the emergence of new culture in sports, get to lead a public life. The fans are more connected to sports and it has ensured that they would be connected for a long time.

3. Research Methods

Data Collection

The data collection part of the research project is highly critical. First of all, if data is collected properly in a research project, there is a chance that the errors would be low. For that, however, the researcher has to take the initiative (Snyder, p. 334, 2019). The researcher has to make sure that the data is verified once the collection procedure is completed. This can be done by repeating the data across various dimensions of the same population. Another way the data collection helps the researcher in the process is that it makes it easier for the researcher to make decisions. There are a lot of decisions that have to be properly verified and taken by the researcher. However, the process of data collection is such that the researcher would not be in an unknown territory (Malterud, Siersma and Guassora, p. 1755, 2016). The steps that are taken in a

data collection process is well known and the researcher is initiated in the process prior to the beginning of the research project. Therefore, the researcher would be able to make sure that the process goes on. On many occasions, the proceedings of the research are halted because the researcher would not have the power to make definitive decisions at the moment. To prevent the emergence of such occasions, data collection process is helpful for the researcher. In this case, the researcher would have to follow a set of protocols. The research movement would not be halted in the process.

The data collection process that is chosen for this research is Interview Questions. The interview questions would be posed to professionals in the sport industry. For that, it is highly critical that the research should be scrutinized in selecting the sample from the population. The selection of the sample, if done properly, makes sure that the chances of false data emerging during the process of research would be low (McGrath, Palmgren and Liljedahl, p. 1004, 2019). The researcher has to make sure that the sample population that is selected to participate in the research process would have no ulterior motive. It is also essential on part of the researcher to make sure that if the participant of the research is using some negative tactic, it would be caught and the participation of that particular individual would not be admissible. This would largely be done on the discretion of the researcher. The expertise of the researcher would be trusted in this process. The researcher can also hire experts to filter the false data out of the list of data collection. The interview questions would be posed at the professionals in the industry (Kallio, Pietilä, Johnson and Kangasniemi, p. 2957, 2016). The questions that would be posed at the participants would comprise of the difference they have experienced within the confinement of the sports industry. Follow up questions would be asked to the participants if the researcher feels that the answers provided by the participants are not enough for the process. The idea in this research activity is to gain knowledge about the difference that corporate sponsorship makes in the sport. The source of the data are the people involved in the industry themselves, giving the researcher a positive opportunity to conduct an efficient research process.

Research Ethics

The ethical consideration in this research is mainly the fact that the researcher might have to face professionals who are not sincere about the research process. In games and sports, there is a chance that the sportspersons are aggrieved with someone in the sports industry. That might turn up to be a cause for them to provide answers that are unfavorable to the industry itself. These types of answers have to be properly filtered out in the process so that the data collection in the research process remains valid. First of all, the researcher has to select the sample from the population with proper scrutiny (Maramwidze-Merrison, p. 14, 2016). If this process is carried out in an efficient manner, there would not be much of an ethical issue for the researcher.

Another research ethics issue that might come to play a role in the process is that including the name of the participants of the research process. The researcher has to make sure that the discretion of the participant is

properly maintained. It can also be the case of the participant wanting to be recorded for the participation. In this case, it is up to the discretion of the researcher. It has to be noted that if there is some notable contribution from some of the participants, it is proper in the situation of the research process to have a record about the same.

4. Results and Discussion

The following Interview questions ere posed to the participants of the research process.

1. In your career, have you ever wanted that there would be more of an exposure for you than what you got?
2. What change was brought upon in your life after there was a corporate deal in the making for your team?
3. What mechanisms were chosen by the corporate sponsors in promotion in your case and how effective were they?
4. Have you ever felt that the presence of some corporate brand would make a difference for your team that the team needed?
5. What are the thought process of corporate interests when they present people near you and you as the face in their promotion?

The interview questions were followed up by other questions in order to provide a better outlook on the topic of the research. It is important for the researcher to make sure that enough knowledge is gained in the research process. According to the answers provided by the participants of the research process, they have always felt the need to make sure that there is a high level of presence of the corporate sponsorship. The reason for that is there are a lot of people from the athletic background who do a lot of hard work and yet they do not get the recognition that they deserve (Dos Santos, Moreno and Franco, p. 161, 2019). A corporate deal is the only mechanism for these people to get the due recognition in the process. According to the analysis of the researcher, that is one of the leading factors that has led to the success of corporations in promotion and brand engagement in sports. It is not only the reason that the target audience wants to connect more with the athletes and the franchises. It is also the factor that the players and the interests within the franchises themselves have a high level of eagerness and enthusiasm that has worked in the success of corporate sponsorship. The combination of both the factors have resulted in a situation where the fans, the corporate interests and the franchise interests have been able to reap the benefits in the situation. The analysis also revealed that one of the reasons that the corporate interests have been able to succeed in the long run is because they have been sensible and sensitive to a lot of social causes. For example, in many cases, the corporate sponsorship deals have singled out money for donation to the medical facilities that play a role in taking care of the underprivileged children. These factors touch the lives of a lot of fans as well as that of the athletes and stars themselves (White, White and White, 2017). They enthusiastically participate in the process. It is not that the corporate interests run after the athletes and franchises who have a better marketable position. Many of the corporate interests revolve around making the lives of athletes better and often this is done by enabling them to do good for the others. These are the multiple factors that play a massive role in the success of corporate sponsorship. The money that the corporate interests offer is important. But the factor that makes them unique and enables the mechanism to go on is that they have managed to create a system where everybody's concern is under their scanner.

5. Conclusion

Sports enthusiasm is the leading factors that has led to the success of corporate sponsorship in sports. There are however, also other factors that play a role. First of all, it makes the sports icons and the franchises more connected to the fans on many levels. The connection was not up to a high level about 2-3 decades ago when the athletes and the sports teams were considered to be just that and nothing more. In the 21st century and also from the late 20th century, it has been noted that the engagement of the fans has gone to a much higher level. This is also due to the fact that the fans themselves have been eager for the engagement. An event that provides the fan with

an opportunity to spend time with sporting superstars would increase and improve the attraction of the fan with the sport itself. These are the factors that has enabled the corporations to be successful in their sponsorship and deal-making with the sports franchises. In the research, its was revealed that other factors have also played a role

in the impact of corporate sponsorship.

The corporations and their purposes are well embedded within the system and it provides a lot to the sport, the fans and the sports franchise and athletes themselves.

Reference List

1. Abdourazakou, Y. and Leroux-Sostenes, M.J., *Crowd Funding: the New Frontier of Sports Sponsorship? International Journal of Kinesiology and Sports Science*, 4(2), pp.18-26., 2016
2. Bragg, M.A., Miller, A.N., Roberto, C.A., Sam, R., Sarda, V., Harris, J.L. and Brownell, K.D.,
a. *Sports sponsorships of food and nonalcoholic beverages. Pediatrics*, 141(4), 2018
3. Chambers, T., Signal, L., Carter, M.A., McConville, S., Wong, R. and Zhu, W., *Alcohol sponsorship of a summer of sport: a frequency analysis of alcohol marketing during major sports events on New Zealand television. The New Zealand Medical Journal (Online)*, 130., 2017
4. Coelho, M.G.R., Amorim, J.G.B.D. and Almeida, V.M.C.D., *Sports mega-event sponsorship: The impact of FIFA reputation and world cup image on sponsor brand equity. BAR- Brazilian Administration Review*, 16(1), 2019
5. Dos Santos, M.A., Moreno, F.C. and Franco, M.S., *Congruence and placement in sponsorship: An eye-tracking application. Physiology & behavior*, 200, pp.159-165., 2019
6. Dos Santos, M.A., Vveinhardt, J., Calabuig-Moreno, F. and Montoro-Rios, F.J., *Involvement and image transfer in sports sponsorship. Inžinerinė ekonomika*, 27(1), pp.78-89., 2016
7. Hazari, S., *Investigating social media consumption, sports enthusiasm, and gender on sponsorship outcomes in the context of Rio Olympics. International Journal of Sports Marketing and Sponsorship.*, 2018
8. Kallio, H., Pietilä, A.M., Johnson, M. and Kangasniemi, M., *Systematic methodological review: developing a framework for a qualitative semi-structured interview guide. Journal of advanced nursing*, 72(12), pp.2954-2965., 2016
9. Keshkar, S., Lawrence, I., Dodds, M., Morris, E., Mahoney, T., Heisey, K., Addesa, F.A., Hedlund, D., Dickson, G., Ghasemi, H. and Faruq, A., *The role of culture in sports sponsorship: An update. Annals of Applied Sport Science*, 7(1), 2018
10. Koronios, K., Psiloutsikou, M., Kriemadis, T. and Kolovos, P., *The effect of perceived motivation of sports sponsorship: Evidence from basketball fans. International Journal of Business and Economic Sciences Applied Research*, 9(2), 2016
11. Lund, R. and Greyser, S.A., *More Effective Sports Sponsorship: Combining and Integrating Key Resources and Capabilities of International Sports Events and Their Major Sponsors.!*
a. *Harvard Business School.*, 2016
12. Malterud, K., Siersma, V.D. and Guassora, A.D., *Sample size in qualitative interview studies: guided by information power. Qualitative health research*, 26(13), pp.1753-1760., 2016
13. Maramwidze-Merrison, E., *Innovative Methodologies in Qualitative Research: Social Media Window for Accessing Organisational Elites for interviews. Electronic Journal of Business Research Methods*, 14(2), 2016
14. McGrath, C., Palmgren, P.J. and Liljedahl, M., *Twelve tips for conducting qualitative research interviews. Medical teacher*, 41(9), pp.1002-1006., 2019
15. Slåtten, T., Svensson, G., Connolley, S., Bexrud, C. and Læg Reid, T., *The Sponsorship Motive Matrix (SMM): A framework for categorising firms' motives for sponsoring sports events. European Journal of Tourism Research*, 15, pp.143-166., 2017

16. Snyder, H., *Literature review as a research methodology: An overview and guidelines. Journal of Business Research*, 104, pp.333-339., 2019
17. Temel, A.S. and SIRIN, E.F., *The relationship between sports sponsorship and corporate image, reputation and intention to buy: TORKU case. Türk Spor ve Egzersiz Dergisi*, 19(2), pp.241-253., 2017
18. Toscani, G. and Prendergast, G., *Arts sponsorship versus sports sponsorship: which is better for marketing strategy?. Journal of Nonprofit & Public Sector Marketing*, 31(4), pp.428- 450., 2019
19. White, D., White, C. and White, D., *Sponsorship-Linked Marketing: Using Social Media Brand Affinity Data to Determine Sport Sponsorship Effectiveness.*, 2017
20. Woisetschlager, D.M., Backhaus, C. and Cornwell, T.B., *Inferring corporate motives: How deal characteristics shape sponsorship perceptions. Journal of Marketing*, 81(5), pp.121-141., 2017