

Sponsorship: Creating Meaning and Delivering Value

By Prof. Pascale Quester

Few marketing techniques are as ubiquitous and as strident as sponsorship. Any sport event is now likely to offer a myriad of logos and brands for public consumption, whether displayed on the athlete, the field, or around the televised broadcast. Despite complaints about the increasing clutter of such sponsorship messages, the growth of this communication tool continues unabated, with total world expenditures estimated to exceed US\$43.5 billion in 2008, the year of the first ever Chinese Olympics in Beijing. While the Asian region represents less than 25% of this amount, an estimated \$US9.5 billion in 2008, it is experiencing faster growth, over 25% between 2007 and 2008.

When the stakes are so high and business firms so enthusiastic about sponsorship, it would seem both wise and timely to examine just what sponsorship is, what it does, as well as to appraise its potential as a basis for new forms of strategic alliances, of the type which could be mutually beneficial for both private and public sectors.

The rise and rise of sponsorship

Despite its topical nature, sponsorship is based on an old principle, that people are prepared to reward those who provide them with pleasurable experiences. In this sense, ancient Rome provides what must be the original form of sponsorship, with provincial administrators or army officers returning from their campaigns abroad with gifts, and glory, and funding the organisation of games and plays for the masses, in the expectation that their generosity would be rewarded by the popular votes and a seat in the senate.

Just as the modern Olympics are different from their earlier Greek manifestations, modern sponsorship only bears a partial resemblance to these earlier attempts at winning the crowds over. Today, modern sponsorship is defined as an investment in cash or kind in an event, sport, athlete, cause or idea, for the specific purpose of exploiting the commercial potential of this association in the marketing strategy of the firm.

The initial impetus for sponsorship seems

to have arisen from a number of factors, of which perhaps the most significant include:

- the gradual introduction of advertising bans for smoking and liquor products, forcing manufacturers to find a substitute method to secure brand exposure to large audiences;
- an increase in consumers' leisure time and capacity for both participation and spectatorship of sports;
- the withdrawal of government funding for sports and arts related activities, forcing clubs and events to secure alternative funds from private sources; and
- the increasing commercialisation of sport as a business, necessitating ever increasing funds to secure top athletes and facilities.

Another critical factor behind the rise of sponsorship is its unique capacity to cut across borders, making it an ideal global marketing tool. And what makes it an ideal global tool seems to be the way it impacts on consumers.

Sponsorship and its impact on consumers

In addition to the factors listed above, the globalisation of markets and the emergence of truly multinational firms has contributed significantly to the success of sponsorship. This is because sponsorship deals with emotions and experiences rather than words and arguments, as would advertising. As a non-verbal, emotion-based approach, sponsorship involves an association with things that can be immediately and viscerally interpreted by consumers. It is perhaps telling that Coca-Cola, the drink of "gringos Americanos," only broke into South America via its association with soccer, the only sport that can bring Latino crowds to emotional paroxysms.

Research on sponsorship has long focused on consumer response to sponsorship by examining how accurately consumers remember sponsors and whether this changes their attitudes towards the sponsored brands. Studies after studies have demonstrated that consumers' recollection of sponsors is far from perfect. In some cases, the direct competitors of the sponsor may actually be spontaneously cited by audiences as sponsor. In other cases,

consumers may possibly recall the sponsor but not feel or think any differently about them. How could this be? Simply, consumers tend to use mental shortcuts to recall things and market prominence (how dominant a firm is) or product/event congruence (whether it makes sense for this sponsor to be involved with this event or sport) can be powerful drivers of consumers' memorisation. This is bad news for challenger brands and manufacturers of products unrelated to sport. For these firms, investing in sponsorship may well prove dangerous, as they unwillingly prop up their competitor's name in consumers' mind.

Perhaps more importantly, research has also demonstrated that securing a sponsorship is only the beginning. Leveraging the sponsorship, and making sure consumers know about it, is often just as costly but ultimately just as essential in securing an impact. When congruence is not evident, there is a need to create this congruence by ensuring that consumer can see a logical link between the sponsor and the property, as well as by investing in the long term: Part of what makes sense to people is an expectation of association. Because Coca-Cola has been involved with the Olympic Games for many years, it has become congruent, even though there is no reason to associate a soft drink with track and fields or swimming. On the other extreme of the spectrum, a cough lozenge manufacturer can (and indeed did) create a strong association with the Sydney Opera House, because members of the audience all understand the need to suppress a cough in the middle of a musical performance.

Managing the sponsorship relationship

Beyond the important research that examines the impact of sponsorship on consumers, studies have also looked at the special relationship that can build over time between the sponsor and the property (the organisation that benefits from the sponsorship). Relationship marketing is now a well established body of knowledge and has established that long term, mutually beneficial relationships are often the key to successful businesses. Yet, sponsorship agreements have long been driven by opportunistic or even exploitative motives. It is a matter of record that many

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