

CHAPTER 5

A THEORETICAL EVALUATION OF SELECTIVE SPORT SPONSORSHIP RESEARCH FRAMEWORKS

As corporate spending on individual sport sponsorships escalate and the opportunities for sponsorship multiply, senior management is being forced to create sport marketing departments to assess those opportunities and to measure their ultimate return on investment (Farrelly, Quester & Burton, 1997:170).

5.1 Introduction

In the previous chapter a broad review on sport sponsorship research indicated that relationships between sport sponsorship objectives, marketing communication activities and sport sponsorship evaluation needed to be properly analysed.

In this chapter a proposed sport sponsorship management and decision-making framework that consists of a number of steps in managing sponsorships and making sponsorship decisions, will be presented.

While outlining such a framework, a range of sport sponsorship objectives and sport sponsorship evaluation practices, identified in the literature review (sections 5.2.3 and 5.2.5), will be analysed. A brief reference on measuring the cross-impact between the different marketing communication variables is also offered.

A second framework, extracted from the first, that illustrates relationships between sport sponsorship objectives, integrating marketing communication mix variables into the sport sponsorship, and sport sponsorship evaluation practices will also be proposed.

5.2 Building a framework (Framework 1) to enhance marketers' understanding of sponsorship management and decision-making

It is argued that a theoretical framework should be formulated that would aid sport marketers' understanding of sport sponsorship management and decision-making. Such a framework should be based on sound theoretical principles that will be discussed later in this chapter and be critically analysed and tested through appropriate research (to be discussed in Chapters 6 and 7) to establish its viability and application.

An outline for a sport sponsorship management framework is suggested upfront **for convenience purposes** and will be discussed in the following sections to substantiate theoretical support for the different perspectives included in this framework. Such an outline includes the following perspectives:

Step 1 **Sport sponsorship management**

- Formulate decision-making criteria to select the appropriate sporting event or programme to sponsor;
- Outline management principles on which the sport sponsorship will be based; and
- Select appropriate target audiences.

Step 2 **Integration**

- Plan and integrate the sport sponsorship into the marketing and marketing communication plans.

Step 3 **Setting of sport sponsorship objectives**

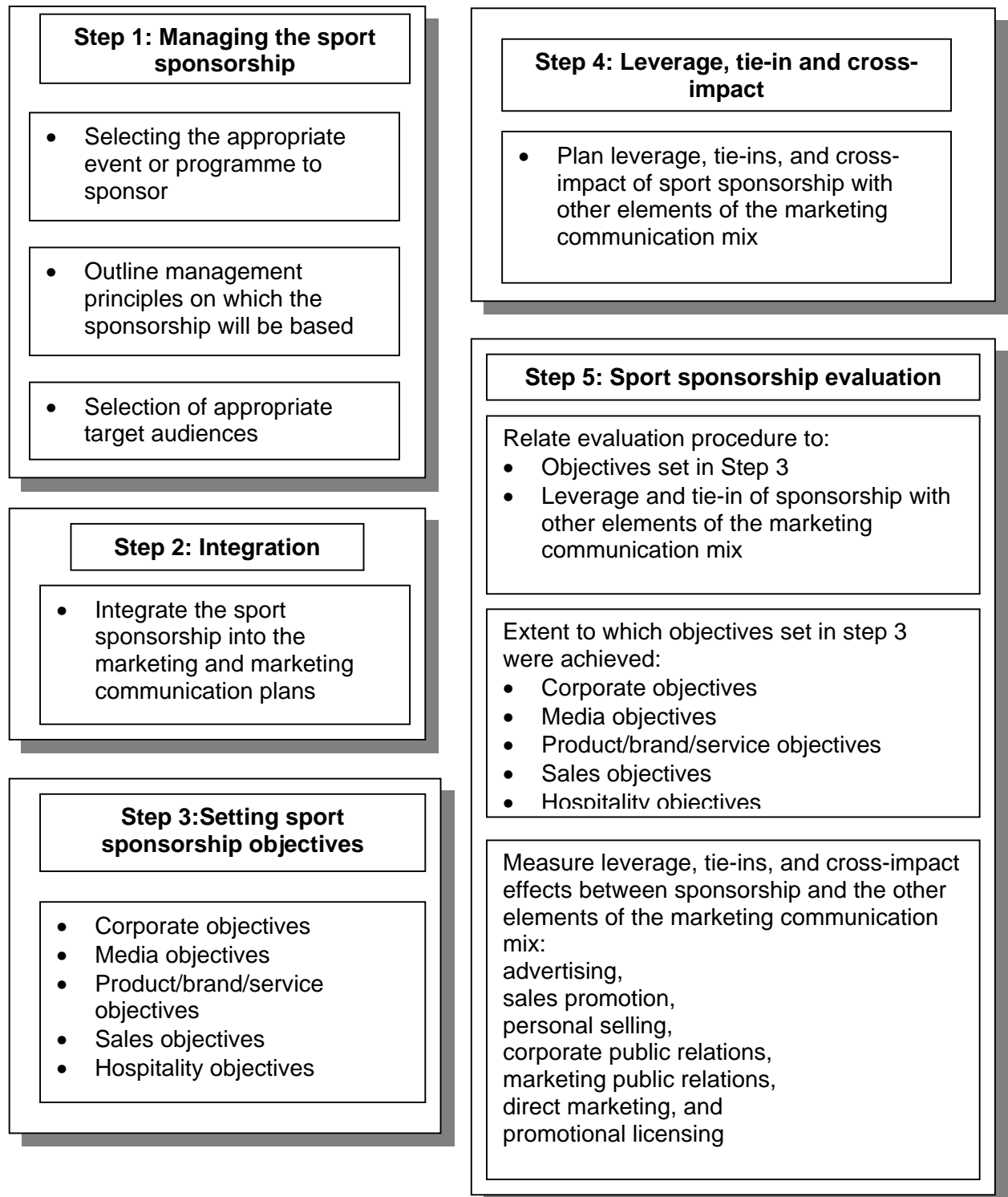
Step 4 **Leverage, tie-in and cross-impact**

- Plan leverage, tie-ins and cross-impact of sport sponsorship with other elements of the marketing communication mix.

Step 5 **Evaluating sport sponsorship effectiveness**

Figure 5.1 (referred to as Framework 1) illustrates a proposed framework that is an attempt to link the theoretical discussion of this thesis in Chapters 4 and 5 to the research procedure to be outlined in Chapters 6 and 7.

**FIGURE 5.1 STEPS IN SPORT SPONSORSHIP MANAGEMENT
(FRAMEWORK 1)**



Each of the steps will be discussed in turn in the following sections.

5.2.1 Step 1: Sport sponsorship management

In the first step, three aspects are important:

- A procedure to select the appropriate sporting event or programme to sponsor,
- Management principles on which the sport sponsorship will be based need to be outlined, and
- Selecting appropriate target audiences.

The procedure to select the appropriate event to sponsor is loosely based on the views of a few authors who have listed a number of aspects that need to be considered when sponsorship decisions are made.

The management principles address the locus of decision-making, the strategic corporate benefits of the proposed sponsorship, and perspectives on affinity and ambush marketing.

Selecting appropriate target audiences should aim to match the intended target audiences to every sport sponsorship objective set. Without specifying the particular audiences targeted the desired effects or outcomes of the sport sponsorship cannot be measured in the last step of the framework proposed earlier.

5.2.1.1 Selecting the appropriate sporting event or programme to sponsor

Watkins (1997:115) emphasises that sport sponsorships should have a long-term focus, while Grobler (1992:44) argues that to ensure a productive relationship, it is important that an organisation should position itself over the long-term with a particular sport that reaches that organisation's target market.

Watkins (1997:116) supports this sentiment that relationship building over time is important in sponsorship. "While individual clubs or events are being

sponsored, more emphasis should be placed on the building of long-term strategic alliances with leading sports organisations”.

Setting of objectives, reaching the target market, integrating different marketing variables, and analysing risk are directly or indirectly implied by authors such as Jobber (1995), Shimp (1997), and Brassington & Pettitt (2000). Jobber (1995:454) states that the following aspects should be considered when an organisation is deciding on selecting an event or programme to sponsor:

- Communication objectives - awareness, image enhancement, improving community relations, and/or creating entertainment opportunities;
- Target market - trade or final customers, matching the customer profile base with the likely audience of the sponsored event or programme;
- Risk - the event (or participants) might attract adverse publicity to the event and the sponsor;
- Promotional opportunities - sales promotion and publicity potential;
- Past record - results of the previous sponsorship and reasons why the previous sponsor withdrew; and
- Cost - sponsorship opportunity representing value for money.

The following aspects should, according to Shimp (1997:566), be considered when the appropriate events to sponsor are analysed:

- Is the event consistent with the brand image (objectives)?
- Does the event offer a strong likelihood of reaching the desired target market?, Is the event geographically suited? Is it consistent with key target audiences?
- Is the event one that the competition has previously sponsored, and is there a risk in sponsoring the event of being perceived to be "me-tooish" and confusing the target audience as to the sponsors' identity?
- Does the event fit into overall marketing plans?
- Does the event complement existing sponsorships and fit with other marketing communication programmes?
- Is the event economically viable?

A number of factors are discussed by Brassington & Pettitt (2000:812/813) that need to be considered before a sponsorship decision is made:

- Relevance - match the sponsorship and the target audience.
- Length of impact - one-off or longer relationship-building to establish name.
- Uniqueness - it is not always financially possible to be a sole sponsor but through associated media coverage maximum advantages can be attained.
- Spin-off promotion - spending more money on other marketing communication variables such as advertising to maximise the impact of the sponsorship.

Universally these views fit into the framework proposed in Figure 5.1 and it is concluded that the following aspects are important when the appropriate event to sponsor is selected:

- Set sponsorship objectives relating to the event that include a focus on defining the appropriate target audiences;
- These objectives should be derived from corporate and marketing objectives, plans, and strategies;
- The event should create leverage and cross-impact opportunities with other marketing communication variables, and
- The event should create measurable long-term commercial benefits to the sponsor.

Crowley (1991:11) and Farrelly *et al* (1997:170) emphasise that an analysis of the intended sponsee(s) should be done to ensure that the correct sport sponsorship management decisions are made. Their views were summarised, and a number of aspects were arbitrarily added to compile Table 5.1 which list a number of suggestions that should be regarded as being important when sponsors make sport sponsorship decisions.

TABLE 5.1 SPORT SPONSORSHIP SPONSEE ANALYSIS

1.	The sponsee(s) having a business plan
2.	The sponsee(s) having a marketing plan
3.	The sponsee(s) having a public relations plan
4.	The sponsee(s) submitting professional sponsorship proposals
5.	The sponsee(s) previous success rate
6.	Sponsee(s) officials'/administrators'/organisers' behaviour
7.	Participants' (athletes/artists/organisations) behaviour
8.	Exposure to a large number of participants
9.	Exposure to a large number of spectators
10.	Addressing previously disadvantaged communities
11.	Being a broadcast sponsor of an event

The first four aspects listed in this table reflect on the professional attitude and behaviour of the sponsee. Items 5 to 7 relate to the level of risk that can be expected, while items 8 and 9 link to possible sport sponsorship objectives. The researcher added items 10 and 11, suggested to be particularly relevant to South Africa. Table 5.2 indicates a number of aspects that are suggested as criteria to evaluate the sponsorship proposals of sponsees.

TABLE 5.2 EVALUATING SPONSEE'S SPORT SPONSORSHIP PROPOSALS

Budget size required
The opportunity for differentiation
Gaining access to specific target media
Gaining access to specific event audiences
The strategic fit with corporate image
The strategic fit with product/brand/service image
Building customer relations
The effect on employee morale
The extent of media coverage that can be gained and publicity opportunities
Exclusive naming rights
Executives' personal preferences
Creating opportunities for long term associations
Being able to complement other marketing communication elements

The criteria listed in Table 5.2 could be based on the objectives set by the sport sponsor. The important issue highlighted here is that the sponsorship decision should be based on matching the sport sponsorship objectives of the sponsor to the target audience reached by the sponsee's event or programme. Reference is also given to the importance of the rights that the sport sponsor can expect during the run of the sponsorship campaign (as discussed in the previous chapter).

The statements listed in Tables 5.1 and 5.2 have been used in two empirical studies (Crowley, 1991:11 and Farrelly *et al*, 1997:170). No published research is known or available where these or similar statements were tested in South Africa. It was therefore considered to be important enough to include in the present study. These statements will be included in the questionnaire and evaluated with respect to importance by the respondents (to be discussed further in Chapter 7).

5.2.1.2 Outline management principles on which the sponsorship will be based

a) Managing the sponsorship

Wragg (1994:10) states that "marketing will usually have responsibility for sponsorship", but public relations also need to be involved "if full value is to be obtained".

Effective sponsorship management therefore requires intimate knowledge of corporate, marketing and public relations strategies. Sponsorship managers should have the opportunity to make inputs in corporate decision-making. They also need to have appropriate negotiation skills to ensure that each and every aspect of the sponsorship and the sponsor's rights, as they pertain to the sponsorship contract, is professionally managed and that nothing is omitted. In the previous chapter sponsorship contract aspects concerning sponsor rights, as identified by Mullin *et al* (2000:235), were listed and they should always be kept in mind.

A decision must be made whether the sponsorship budget should be integrated into the marketing budget as part of the marketing communication mix and should depend on the duration, size and nature of the sponsorship investment. It is strongly suggested that all aspects of the sponsorship programme are implemented and controlled by professionals who are members of a sponsorship division within the marketing department.

b) Strategic corporate benefits of sponsorship involvement

It is suggested that the long term benefits and rewards that flow from a well-managed sponsorship may include the following:

- Flexibility – Sponsorship allows for niche marketing opportunities, enabling the sport marketer to manage relationships with uniquely defined target markets such as a particular group of consumers. This provides the opportunity to connect more closely with these target markets by associating the organisation, its brands or services with the qualities of the event or activity itself. Simultaneously the organisation's corporate personality, values, and style are projected, thus positioning the organisation as being in tune with its target markets and being responsive to their preferences, lifestyles and attitude.
- Brand equity – Sponsorship can serve as an important branding vehicle that can expand, reinforce and even alter brand personality characteristics through the association with the qualities of an event. Sponsorship builds equity over time, increasing its effectiveness over a longer term and improves return on investment. When fully integrated and leveraged events build brand equity, and maximises awareness and loyalty.
- Media exposure – Sponsorship is the only form of marketing communication that allows a marketer to dominate the media without having to directly compete with other promotional clutter. It can also extend the value of advertising campaigns by creating a dynamic, interactive environment that makes key messages, flighted during matches, contests,

and events more relevant and persuasive because the desired target audiences are probably watching or listening.

- Cost effectiveness – Sponsorship enables marketers to obtain coverage and brand awareness at a more favourable rate than traditional advertising, adding greater value to the advertising Rand and simultaneously incorporating corporate public relations and social responsibility programmes.
- Human resources relations – An organisation's reputation and image have direct bearing on the morale of existing staff and can encourage future job applicants of the highest quality to apply for advertised positions.
- Sponsorship influences decision-makers – Through corporate hospitality and establishing a good corporate image and reputation, an organisation's ability to interact with local and national government legislators, decision-makers, and other influential people, can be made easier providing lobbying opportunities.
- Globalisation – Linking a South African organisation with South African sporting success is an invaluable tool in the export focus of organisations and promotion of the nation as a whole. As indicated in the previous chapter sponsorships are global phenomena. All barriers of bureaucracy, national prejudice, cultures and languages can be crossed.
- Presenting new opportunities – Sponsorship and the leverage of the sponsorship to maximise the return on investment, presents great innovative challenges that test creativeness and often the ingenuity skills of sport marketers and marketing communication practitioners.

Sponsorship is a highly flexible form of marketing communication and can be tailored to meet a wide range of marketing and corporate objectives as will be fully discussed later in this chapter. It also demonstrates social responsibility to the consumer thus showing that the organisation is caring, and concerned about society.

Management decisions in this area should therefore be based on how social bonds between sponsors, sponsees, and sport-users are built within

parameters specified by the broad corporate, general marketing and specific sponsorship objectives.

c) Sponsorship creates affinity marketing opportunities

Mullin *et al* (2000:275) describe affinity marketing as an example of "why sponsorships work". An individual's level of cohesiveness, social bonding, identification, and conformity to the norms and standards of a particular reference group is enhanced. Sponsorship therefore creates affinity marketing opportunities through relationship marketing (between sponsor and sponsored team or event and sport-user or fan), frequency marketing (sponsorship campaign runs before, during and after the event), loyalty marketing (e.g. affinity bankcards with team logo's), and database-marketing (membership lists).

It can also be argued that sponsorships create emotional bonds between sport-users and sponsors. Fans might associate more with a sponsor's brand because:

- the sponsor is perceived to be sharing the fan's values and interests and is therefore offering the fan's type of product and the brand becomes the fan's type of brand; or
- if the fan is already a consumer of that brand the fan's continued purchase of it becomes reinforced and the organisation achieves one of the most sought-after indirect marketing objectives, that of brand loyalty.

Sponsorship is a highly flexible form of marketing communication and can be tailored to meet a wide range of marketing and corporate objectives as will be fully discussed later in this chapter. It also demonstrates social responsibility to the consumer thus showing that the organisation is caring, and concerned about society.

Management decisions in this area should therefore be based on how specific sponsorship activities can address certain specific sponsorship objectives such as building brand awareness and increasing loyalty.

d) Sponsorships create ambush marketing opportunities

Mullin *et al* (2000:276) describe ambush marketing as an example of "why sponsorships" don't always work.

Ambush marketing is defined by Sandler & Shani (1989:9) as a planned effort of an organisation to associate itself directly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor. A non-sponsor therefor creates the impression of being an official sponsor of the event or activity by affiliating itself with that event without having paid the sponsorship rights-fee or being involved in the sponsorship contract.

Management decisions in this area should be based on always insisting on negotiating proper sponsorship contracts to close any opportunities to ambush marketers to dilute the effect of a sponsor's investment. All reputable sponsors should voluntarily avoid any actions that may be regarded as "ambush" practices.

Ambush marketing tactics are only inhibited by the ingenuity of the ambush marketer. An organisation may use slogans in their advertising such as "We support the South African team", or they may use symbols commonly associated with an event, such as the Olympic rings or a team's logo or colours. This creates confusion in the market as to the identity of the sponsor and dilutes the investment by the real sponsor.

Another example is when Reebok, the official sponsors of the 1996 Comrades Marathon, paid for the right to use their name and logo at the event but they were ambushed by another organisation. One of their main rivals, Nike, gained some of the Comrades Marathon publicity through its offer to donate

R20 to the national paralympic team for every runner who crossed the line with a Nike “Swoosh” logo painted on his or her face (Koenderman, 1997:75). The publicity that Nike, the ambusher, received from this completely overshadowed the sponsor’s involvement and as a result the danger existed that the real sponsor, Reebok, will lose their commercial impact.

Ambush marketing is extremely destructive. Sponsors can protect themselves and the event to a certain degree from ambush marketing by ensuring they are fully aware of the rights they have to the event and by taking full advantage of these rights, such as naming rights, branding rights, exclusive rights, broadcast rights, licensing, and merchandising rights. The sponsorship contract and a full knowledge of rights under the contract will create some protection as well as a good working knowledge of relevant Acts such as the Trade Mark Act and the Merchandise Market Act, which are being modified to offer protection against blatant ambush marketing.

The International Olympic Committee is formulating anti-ambush marketing regulations that all member countries will have to sign. Failure to do so will lead to a member country’s expulsion from the Olympic movement. In South Africa the Association of Marketers has compiled a document, *Sponsorship Guidelines* (1997) that, *inter alia*, provides an ambush marketing code of conduct. They expect all their members to voluntarily adhere to the stated principles thus creating a focus on self-regulation.

The following aspects to manage the dangers of ambush marketing are important:

- **Cover contractual rights in full** – It is absolutely necessary that sponsors know exactly what the legal aspects of the sponsorship and particularly, what their rights according to the sponsorship contract are (again pointing to the principles identified by Mullin *et al* (2000:235) and discussed in the previous chapter).
- **Negotiate broadcasting rights** – Many sponsors make the mistake, when negotiating an event sponsorship contract, in believing that the broadcast

rights are included in the rights package. Broadcast rights can be bought only from the broadcaster (SABC or SuperSport or e-TV Sport) who holds the rights to broadcast particular events. Broadcast rights are not included as part of the event sponsorship contract. Therefore if a sponsor wishes to be the event **and** broadcast sponsor, terms should be negotiated with the sport body or code, event organisers and the broadcaster at the same time.

- **Management and employee skills** - It is of the utmost importance that sponsorship managers have the appropriate skills to ensure that the sponsorship is managed properly in terms of the sponsorship contract and the objectives that were set. All employees involved in sponsorship activities should be adequately informed about the sponsorship objectives, the terms of the sponsorship agreement, and be trained to deliver the desired outcomes.
- **Sponsorships are expensive** – The sponsorship rights-fee is not the sum total of the sponsorship investment (see Table 4.1 in Chapter 4). It is therefore very important that the investment should be maximised to its fullest potential - it has to be leveraged by investing money in the other forms of marketing communication to maximise the sponsorship ROI and close down any space that potential ambushers might be looking for.

Various authors have commented and expressed their opinion that sponsorship should be based on certain management principles. An extraction of statements on sponsorship management is reflected in Table 5.3. These statements will be included in the final questionnaire.

TABLE 5.3 GENERAL STATEMENTS ON SPORT SPONSORSHIP MANAGEMENT

General statements on sponsorship management	Based on the comments and views of the following authors
<ul style="list-style-type: none"> • Setting measurable sponsorship objectives • Profit objectives in sponsorship strategies • Non-profit objectives in sponsorship strategies • Social responsibility objectives in sponsorship strategies • Philanthropic objectives in sponsorship strategies • Image enhancement objectives in sponsorship strategies • Senior management's co-ordination of the sponsorship effort • Assessing how sponsorships fit into the overall corporate plan • Measuring sponsorship effectiveness • Establishing measurement details and schedules • Alliance-building with business partners • The influence of government legislation • Assessing competitor sponsorships • Countering competitive ambushes • Creating competitive advantages • The benefits that the sponsor gets from sponsorships • Reviewing past sponsorship program performance • A balanced sponsorship portfolio (between sport/ arts/ philanthropy/ environment) 	<p>Fry, Keim & Meiners (1982); d'Astous & Bitz (1995); Copeland <i>et al</i> (1996); Kitchen (1996); Farrelly, Quester & Burton (1997); Lee, Sandler & Shani (1997); Mullen (1997); Vignali (1997); Doust (1998); Erdogan & Kitchen (1998); Rowley (1998); and Thwaites & Carruthers (1998).</p>

5.2.1.3 Target audience selection

One of the strategies of any sponsorship is to target specific corporate audiences. Cornwell (1995:13-24) argues that sponsorship objectives address a number of corporate audiences or stakeholders- *inter alia* the buying public; and non-consumer audiences such as financial institutions, potential investors, and stockholders. Table 5.4 illustrates particular relationships between target audiences, objectives, and effects.

TABLE 5.4 SPORT SPONSORSHIP EFFECTS ON DIFFERENT TARGET AUDIENCES

Objectives	Target	Sponsorship effects
Awareness/salience of brands Image enhancement	Consumers	Sales increase
Awareness/acceptance	Channel members	Facilitate business relationships
Awareness among potential investors	Financial institutions	Attract capital
Esprit de Corps & Enthusiasm	Employees	Increase productivity & morale
Company reputation	Lobbying government & local community leaders	Positive relations and cooperation

Source: Adapted from Gardner & Shuman (1988:11-17) and Cornwell (1995:13-24)

This table suggests that particular sport sponsorship objectives should be set for every identified audience in order to pinpoint the exact sponsorship effect strived for. For example, when consumers are targeted the objectives could range from brand awareness to brand loyalty that could be measured through the effect on sales.

Similar relationships are illustrated in Table 5.5 which also covers a wide range of target audiences: customers, the media, business partners, the community, business and trade relations in particular supply chains, staff relations, business contacts and key decision-makers.

TABLE 5.5 CORPORATE OBJECTIVES AND RELATED TARGET AUDIENCES

Corporate objectives
Increase awareness amongst customers
Enhance or change corporate image amongst the media
Change business partner perceptions or attitudes
Develop an involvement with the community
Build business/trade relations in particular supply chains
Enhance staff relations and motivation
Build "goodwill" amongst customers, business contacts and key decision-makers

Source: Adapted from Pope (1998:1)

Tables 5.4 and 5.5 suggest that management decisions in this area should therefore focus on matching the intended target audiences to the sponsorship objectives (behaviour modification or reinforcement) and desired effects or outcomes (did the expected behaviour modification or reinforcement take place) of the sponsorship activities.

In fact, it can be argued that all sponsorship objectives and evaluation procedures should primarily be based on formulating exactly what the desired effect (behaviour modification or reinforcement) on the intended target audiences should be.

5.2.2 Step 2: Integration

It is important to briefly reflect where sponsorships fit into the broader corporate picture. It is Van Heerden's (1998:358) view that:

- Sport sponsorship is an element of an overall integrative sport marketing mix;
- Sport sponsorship is an option available to be included by all organisations as an integrative element of the promotion or marketing communication mix of a corporate marketing mix; and

- Sport sponsorship supports or is supported by the other marketing communication elements: advertising, sales promotion, personal selling, publicity and/or public relations, direct marketing.

5.2.2.1 Plan and integrate the sport sponsorship into the marketing and marketing communication plans

a) A marketing tool

Sponsorship is an important marketing tool as illustrated by a statement of Grobler as quoted by Koenderman (2000:86) that 14% of all marketing expenditure in South Africa is spent on sponsorship or event management. Sponsorship spending holds substantial spin-offs for the advertising fraternity, generating an almost equal additional amount of supporting promotions and advertising expenditure. Grobler as quoted by Koenderman (2000:86) also states that the direct sponsorship and sponsorship back-up expenditure in 1998 was R1.625 billion compared to the measured total South African advertising expenditure of R7 billion. Eyles (2001:3) estimates the latter to be between R8 billion and R9 billion in 2001. Table 4.1 in Chapter 4 is a summary of direct sponsorship spending in South Africa.

Sponsorship provides opportunities to enhance aspects on which any sound marketing strategy is built. It enhances relationship building with a diverse set of target audiences such as consumers, business partners, the media, and employees. Sponsorship has the ability to provide marketing differentiation opportunities because competitors can advertise in the same media but only one particular organisation gains the right to associate itself with a particular sponsored event. A sponsor can also position itself relative to direct competitors in the minds of consumers by associating with events and teams that are supported by particular fans or sport-users.

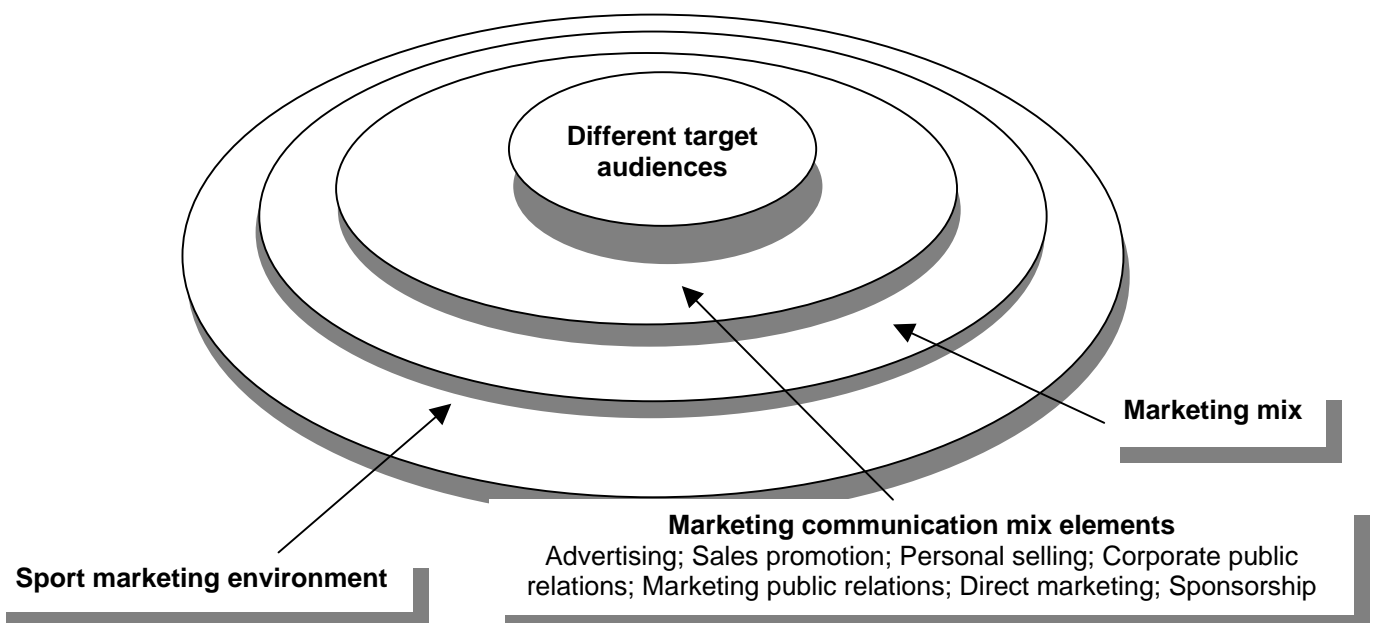
Through an involvement in sponsorship, an organisation can show that it is not merely marketing a successful brand, but that the brand is part of a wider

beneficial involvement in the society of which the consumer is a participating member.

b) A promotion tool in the integrated marketing communication mix

A number of authors (Van der Walt & Machado, 1992; Dibb *et al*, 1994; Furlong, 1994; Thwaites, 1995; Wilmshurst, 1995 and Meenaghan, 1996) (see Chapter 2) emphasise that sponsorship is an important instrument in the marketing communication mix. The reason for this emphasis is that in an era of increasing media fragmentation and subsequent consumer confusion, sponsorships create potential opportunities to be in the *same space* and the *same place* as the intended target audience, which should be immensely appealing to marketers. Sponsorship's inclusion as an important part of an integrated marketing communication mix is depicted in Figure 5.2.

FIGURE 5.2 THE PLACE OF SPONSORSHIPS IN THE MARKETING MIX



Source: Adapted from Mullin *et al* (2000:256)

Sport sponsorship can extend the impact of other elements of the marketing communications mix, such as advertising, sales promotion, and public relations to achieve particular objectives such as sales increase, in a sport marketing environment where sport-users and consumers are more open and receptive, making key messages more relevant and persuasive.

Sponsorship, isolated from the other elements of the marketing communication mix, would not be effective as these elements are required for leverage of the sponsorship programme and similarly, the other elements of the communications mix should link into the sponsorship programme and to each other enabling the communication plan as a whole to flow into achieving the overall corporate, marketing, and marketing communication objectives.

Sponsorship as a marketing tool can impact on sales performance, but its real value lies in forging a long-term relationship with the sporting event or activity and the community at large. The perception is that a sponsorship's impact is not restricted to those that attend the event or activity but acceptance and respect is also gained in the community at large.

There is growing realisation in several advertising agencies that, on their own, classic advertising skills will not suffice for the future. This is typified by efforts in leading agencies such as Hunt Lascaris TBWA and BSB/Bates to bring non-traditional skills such as sport sponsorship into the fold (De Villiers, 1994:17).

Sponsorship offers the opportunity of brand building and the selling of marketers' goods and services as an alternative traditional advertising medium. Sponsorship public relations (might also be referred to as marketing public relations) and publicity is fundamentally different from corporate public relations, social responsibility and corporate affairs, and therefore the corporate communication department should co-operate with the marketing department, on sponsorship issues.

Various authors have commented and expressed their opinion that sport sponsorship management should be based on marketing and communication principles. An extraction of statements covering these opinions is reflected in Table 5.6. These statements will be included in the final questionnaire.

TABLE 5.6 GENERAL STATEMENTS ON MARKETING AND COMMUNICATION ASPECTS OF SPORT SPONSORSHIP MANAGEMENT

General statements on marketing and communication aspects of sponsorship management	Based on the comments and views of the following authors
<ul style="list-style-type: none"> • The relationships that sponsorships build with diverse publics • Sponsorships playing a role in building relationships in the distribution channel • Profitable cause-related marketing opportunities created by sponsorships • Non-profitable cause-related marketing opportunities created by sponsorships • Assessing how sponsorships fit into the overall marketing plan • Assessing how sponsorships fit into the product/brand/service plan • Assessing how sponsorships fit into the overall corporate communication plan • Sponsorships supporting other marketing communication/promotion elements • Other marketing communication/promotion elements supporting sponsorships 	<p>Fry, Keim & Meiners (1982); d'Astous & Bitz (1995); Copeland <i>et al</i> (1996); Kitchen (1996); Farrelly <i>et al</i> (1997); Lee <i>et al</i> (1997); Mullen (1997); Vignali (1997); Doust (1998); Erdogan & Kitchen (1998); Rowley (1998); and Thwaites & Carruthers (1998).</p>

In the previous discussions in this chapter frequent reference to sponsorship objectives were made. In the following section different views on sponsorship objective-setting will be explored.

5.2.3 Step 3: Setting sport sponsorship objectives

Judging by the available number of views on sponsorship objectives it is assumed that this area of sport sponsorship decision-making has been extensively analysed by researchers, academics and practitioners. In the following section a broad discussion is given on different views and approaches.

5.2.3.1 Points to consider in setting sponsorship objectives

Sponsors should decide exactly why they are entering into a specific sport sponsorship. The diverse range of sponsorship objectives discussed in this section illustrates that it is not an easy decision. Sponsorship can be applied directly to the generation of sales, and is often designed to augment other marketing communication variables with objectives stated as to create brand awareness, enhance corporate and brand image, build relationships and develop goodwill in the community.

Sponsorship objectives must be clearly defined and able to match overall marketing objectives to ensure that they will aid in attaining those marketing objectives.

Clearly defined, quantifiable sponsorship objectives provide the best guidance to selecting the events or activities to sponsor, enabling the sport marketer to develop clear selection criteria. Strategies for leverage of the sponsorship can be developed directly from sponsorship objectives. Clear and measurable sponsorship objectives allow for focussing during implementation and enable effective evaluation of whether sponsorship “success” has been achieved.

5.2.3.2 Types of sponsorship objectives

A large number of authors have reported and compiled categories and lists of sponsorship objectives. This section on corporate objectives is based on the viewpoints of a number of these authors:

- a) Corporate sport sponsorship objectives emphasise public relations-related objectives

Irwin & Asimakopoulous (1992:43-51) compare corporate to product/brand-related objectives, as illustrated by Table 5.7, while Cornwell (1995:13-24) compared corporate objectives to marketing objectives, as illustrated by Table 5.8.

TABLE 5.7 COMPARING CORPORATE AND PRODUCT/BRAND-RELATED SPORT SPONSORSHIP OBJECTIVES

Corporation-related objectives	Product/brand-related objectives
Increase public awareness of the company and its services	Increase target market awareness
Enhance company image	Identify/build image with target market (positioning)
Alter public perception	Increase sales and market share
Involvement with the community	
Build business/trade relations and goodwill	
Enhance staff/employee relations and motivation	

Source: Irwin & Asimakopoulous (1992:43-51)

**TABLE 5.8 COMPARING CORPORATE AND MARKETING SPORT
SPONSORSHIP OBJECTIVES**

Corporate objectives	Marketing objectives
Improve corporate image	Generate sales
Boost service image	Focus the attention of the buying public
Improve company visibility	Generate brand name awareness
Influence non-consumer audiences such as financial institutions	Segment markets
Potential investors and stockholders	Pre-empt competitors
Alleviate community hostility toward a sponsor's past action or help to counter negative publicity	Facilitate prospecting for the sales force and create enthusiasm in the distribution channel members
Aid sales or staff relations and recruitment	Increase distribution outlets
Create esprit de corps among employees; influence community leader's perceptions	Develop individual, person-to-person rapport through free or low-cost tickets as well as special treatment at the sponsored event

Source: Cornwell (1995:13-24)

It is interesting to note that most of the corporate objectives listed in Tables 5.7 and 5.8 have a corporate communication or public relations angle. These views reflect on the discussion in Chapter 2 on the apparent disagreement on whether public relations or publicity, or both should be included in the marketing communication mix.

Kuzma *et al* (1993:27-32) compared corporate sponsorship objectives ranked in order of importance by Fortune 100 organisations, sponsors of the 1990 US Olympic Festival and sponsors of the 1991 International Special Olympics. Their findings are illustrated in Table 5.9

**TABLE 5.9 COMPARING SPORT SPONSORSHIP OBJECTIVES SET
BY FORTUNE 500 AND OLYMPIC SPONSORS**

	A	B	C
OBJECTIVE	RANKED BY SPONSORS		
Increase awareness of the company	1	2 (tie)	2
Improve company image	2	2 (tie)	4
Demonstrate community responsibility	3	1	1
Increase awareness of corporate products	4	4	5 (tie)
Provide a forum for customer orientation	5	small	small
Improve product image	6 (tie)	5	5 (tie)
Increase short-term sales revenues	6 (tie)	small	5 (tie)
Increase long-term sales revenues	8	small	small
Foster employee pride and motivation	9	6	3

A = Fortune 100 organisations / B = 1990 US Olympic Festival sponsors / C = 1991 International Special Olympics sponsors.

The higher ranked objectives in all three categories also indicate an emphasis on public relations-related sport sponsorship objectives. Sales stimulation is surprisingly lower down the scale of importance.

b) Sport sponsorship objectives are diverse

It must be noted that sport sponsorship objectives are very diverse. Although not studying sponsorship objectives, Rowley (1998:383-387) lists marketing communication objectives to be the following: increase sales, maintain or improve market share, create or improve brand recognition, create a favourable climate for future sales, inform and educate the market, create a competitive advantage - relative to a competitor's products or market position, and improve promotional efficiency. **Note the almost absence of media, publicity, PR or communication objectives** - a clear indication that sponsorship aims to achieve similar objectives than that of promotion but also aim to achieve a wider set of objectives.

A number of other studies highlight such various and diverse views on sport sponsorship objectives. These views are illustrated in Table 5.10.

TABLE 5.10 A COMPARISON OF DIFFERENT VIEWS ON SPORT SPONSORSHIP OBJECTIVES

Author(s)	Objectives identified
Ensor (1987:40-43) as quoted by McCook, Turco & Riley (1999:2)	<ul style="list-style-type: none"> • demonstrate good citizenship • demonstrate interest in the community • generate visibility for products and services • generate favorable media interest and publicity
Kitchen (1993: 367-386) (the percentages in brackets indicates sponsors who have listed the particular objective)	<ul style="list-style-type: none"> • Press coverage/exposure/opportunity (85%) • Television coverage/exposure/opportunity (79%) • Promote brand awareness (78%) • Promote corporate image (77%) • Radio coverage/exposure/opportunity (72%) • Increase sales (63%) • Enhance community relations (55%) • Entertain clients (43%) • Benefit employees (37%) • Match competition (31%) • Fad/fashion (26%)
Stotlar & Kadlecek (1993:32-36)	<ul style="list-style-type: none"> • The benefits of a corporate affiliation with sport • Access to events • Media exposure through signage within the venue • Ticket access to events • Product/service exclusivity within the sporting venue <p>Supplementary reasons include: desire to increase corporate consumer base, ability to develop tie-in programs, enhancement of the corporate image, tie-ins with the current advertising campaign</p>
Komorofski & Biemond (1996:35-40)	<ul style="list-style-type: none"> • To increase public awareness of the company, the product or both • To alter or reinforce public perception of the company • To identify the organisation with particular market segments • To involve the organisation in the community • To build goodwill among opinion formers and decision makers • To generate media benefits

	<ul style="list-style-type: none"> • To achieve sales objectives • To create an advantage over competitors through association or exclusivity • To gain unique opportunities in terms of hospitality and entertainment
Erdogan and Kitchen (1998: 369-374)	<ul style="list-style-type: none"> • Press coverage/exposure/opportunity • TV coverage/exposure/opportunity • Promote brand awareness • Promote corporate image • Radio coverage/exposure/opportunity • Increase sales • Enhance community relations • Entertain clients • Benefit employees • Match competition • Fad/fashion
Bennett (1998:458-465) (among UK, French and German sponsors)	<ul style="list-style-type: none"> • Building goodwill • Facilitating PR • Involving the organisation in the community • Improving social and economic life and infrastructures • Improving the organisation's image • Improving the loyalty and motivation of employees • Increasing media attention • increasing general public awareness of the organisation and its products • Encouraging loyalty among existing customers • Increasing company/brand awareness among particular consumer groups/market niches • Altering customer perceptions of the organisation or its products (eg by countering bad publicity) • Increasing sales • Gaining a competitive edge over rival businesses • Influencing politicians and other important people • Creating a good impression among shareholders

These views indicate broad corporate objectives with a public relations slant, focus on media exposure and a publicity focus, and suggest a wider set of marketing objectives that are related to brands, products and sales.

c) Linking objectives to benefits

A study by Liu *et al* (1998:93-112) suggest particular relationships between objectives set and the benefits aimed to be achieved. Corporate policy is indicated by the highest percentage of organisations (37%), while achieving high profile & brand awareness; and high profile, brand awareness, and increased sales by (21%) of respondents. Brand awareness is emphasised throughout and amazingly 14% were unsure about their sponsorship objectives.

TABLE 5.11 A COMPARISON OF SPORT SPONSORSHIP OBJECTIVES AND BENEFITS ACHIEVED

Objectives	Benefits
Corporate policy (37%)	High profile & brand awareness (21%)
Local & brand awareness (14%)	High profile & brand awareness % increased sales (21%)
High profile & media coverage & advertising (14%)	Brand awareness & corporate hospitality (21%)
No conflict with competitive products (7%)	Brand awareness (14%)
Large TV audience & corporate hospitality & product sales (7%)	Brand awareness & corporate hospitality & increased sales (7%)
Product development & brand awareness (7%)	Brand awareness & increased sales (7%)
14% were unsure	On-going promotion (7%)

Source: Liu *et al* (1998:93-112)

d) The Sandler & Shani (1993) classification

The views discussed in sections a, b, and c depicts a scenario that demands a more orderly system of grouping objectives in broad but distinctive categories. The most important view, from a more orderly perspective, is that

of Sandler & Shani (1993:38-43) who discuss the following three broad categories of sponsorship objectives:

- Corporate objectives - mostly image related;
- Marketing objectives - for example brand promotion and sales increase; and
- Media objectives - cost effectiveness, reaching target markets.

The first category has been discussed by several authors (e.g. Armstrong, 1988:97-103; Ackerman, 1993 (as quoted by Pope, 1998:1); Cornwell, 1995:13-24; Javalgi *et al*, 1994:47-58; Witcher *et al* 1991:13-33; and Yeo, 1989). Very little proof exists for the impact of sponsorship on image, with the exception of the work of Javalgi *et al* (1994:47-58), which has been disputed by Pope & Voges (1994:38-45) in a replication study.

The second category corresponds to the product/brand objectives for sponsorship identified among others by Ackerman (1993) (as quoted by Pope, 1998:1); Irwin & Asimakopoulos (1992:43-51) and Mescon & Tilson (1987:49-61). Stotlar (1993:35-43) reports that Visa attained market share gains after the 1988 Olympic Games while Irwin & Asimakopoulos (1992:43) state that Volvo realised six dollars in return for every dollar spent on its sport sponsorship programmes.

Pope (1998:124) argues that the last of these categories (media reach and cost effectiveness) is now largely discounted by both theoreticians and practitioners alike". He quotes Cornwell (1995) and Kuzma *et al* (1993) as proof of his statement. Lee *et al* (1997) state that there is a clear shift from emphasising media objectives to emphasising corporate objectives (e.g. corporate image).

It is interesting to note that Javalgi *et al* (1994:48/9) mention that "individuals who are responsible for sponsorship may be reluctant to examine its effects because of possible career risk, especially as the amount of money devoted to sponsorship increases.

e) Pope's classification

Pope (1998:1) who summarised the opinions of a number of authors namely, Gardner & Shuman (1986:11-17); Abratt, Clayton & Pitt (1987:299-311); Gross, Traylor & Shuman (1987:9-13); Gilbert (1988:6-9); Abratt & Grobler (1989:351-362); Stotlar (1992:13-17); and Sandler & Shani (1993:38-43); compiled a table that consists of four main categories: corporate, marketing, media, and personal.

f) Further modification by combining the views of Pope (1998:1) and Shani & Shandler (1993)

Pope's (1998:1) table and Shani & Shandler's (1993:38-43) categories were modified by the researcher by including other objectives listed by a number of authors to create Table 5.12. The marketing grouping was split into two new groupings (product/brand/service) and sales.

TABLE 5.12 MAIN CATEGORIES OF SPORT SPONSORSHIP OBJECTIVES

Corporate (including hospitality)	<u>Marketing</u> Product / brand / service	<u>Marketing</u> Sales	Media	Personal (management interest)
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The last category listed in Table 5.12 does not seem to fit well. Sleight (1989:9) observes that management "self-indulgence" is one of the worst reasons to embark on a sponsorship programme. Pope (1998:1) argues for the deletion of that objective, because Sandler & Shani's groupings are confirmed both by literature and in practice. The importance attached to each of these objectives is still debated, however and for research purposes the last category is included. In the following chapter the five groups of objectives (from Table 5.12) will be expanded to include a large set of objectives listed under each heading. A procedure to test the use of this set of objectives by South African sponsors will be discussed in the next chapter. Hospitality

objectives will for the moment be regarded to be included under corporate objectives.

g) A comprehensive set of sport sponsorship objectives

Table 5.13 indicates which theoretical sources were consulted to arbitrarily compile a range of sponsorship objectives that fit into the five main categories of sport sponsorship (corporate, brand/product/service; sales; media coverage, and guest hospitality) as proposed by the framework in the previous chapter and illustrated in Table 5.12.

TABLE 5.13 SPORT SPONSORSHIP OBJECTIVES

Main objectives in sponsorships	<p>Broad corporate objectives</p> <ul style="list-style-type: none"> • Expression of community involvement • Increase public awareness of the company • Change public perception of the company • To build goodwill amongst opinion formers • To reassure stockholders • To aid relations with current staff • To assist staff recruitment • Promoting corporate image • Gain competitive advantage through exclusivity • Target specific corporate audiences • Tie the company to the success of a team/event/individual <p>Product/brand/ service-related objectives</p> <ul style="list-style-type: none"> • Explore new market segments • Launch new product/brand/service • The product/brand/service can be integrated into the event • Sampling at/during the event • Build image within the target market (positioning) 	<p>Ackerman (1993); Armstrong (1988); Cornwell (1995); Ensor (1987); Erdogan & Kitchen (1998); Gardner & Shuman (1988); Irwin & Asimakopoulos (1992); Irwin & Sutton (1994); Javalgi, Traylor, Gross & Lampman (1994); Komorofski & Biemond (1996); Kuzma, Shanklin & McCally Jr (1993); Mescon & Tilson (1987); McCook, Turco, & Riley (1999); Pope & Voges (1994); Pope (1998); Sandler & Shani (1993); Stotlar (1993); Stotlar & Kadlecek (1993); Quester & Farrelly (1998); Witcher, Gordon, Craigen, Culligan & Harvey (1991); Yeo</p>
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	<ul style="list-style-type: none"> • Increase target market awareness • Increase market share • Support brand advertising • Strengthen brand preference <p>Sales objectives</p> <ul style="list-style-type: none"> • To facilitate sales-force prospecting • Gain new customers • To aid the sales promotion drive • Strengthen relationships with current customers • Increase short-run sales • Increase long-run sales <p>Media coverage</p> <ul style="list-style-type: none"> • Pre-event media coverage • Media coverage during the event • Post-event media coverage • To get coverage in a diverse range of media • Increase overall media attention • To counter adverse publicity <p>Guest hospitality</p> <ul style="list-style-type: none"> • Entertain current customers • Entertain prospective customers • Entertain suppliers • Entertain staff • Entertain intermediaries 	(1989); Wilson (1997).
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The objectives listed in this table will be included in the questionnaire (to be discussed in Chapter 7).

5.2.4 Step 4: Plan leverage, tie-ins and cross-impact with other elements of the marketing communication mix

Hoek (in Kitchen, 1999:361) says that a considerable debate over how "advertising works is ongoing", but that there has been surprisingly little research done into the relationship between advertising and sponsorship, and the different roles they may play in shaping or maintaining consumers' behaviour (Hansen & Scotwin, 1995:173-181). This statement immediately places the spotlight on one of the major objectives of sponsorship - can it change consumer behaviour by supporting and being supported by advertising?

It seems that it can be argued that for a sponsorship to be effective it has to rely on advertising support, a point made by Witcher *et al* (1991:13), who suggested that sponsorship is simply another form of advertising.

Hastings (1984:171-176) noted that while the precise content of advertising can be specified, managers have less control over when, where and how the media might feature sponsorship activity. Sponsorship is dependent on media exposure.

Meenaghan (1991:8) also discussed this dependence and argued that because sponsorship is largely a 'mute and non-verbal medium', it should be used in conjunction with traditional advertising - tie in with other marketing communication variables. Failure to do so, he argues, would mean that a full exploitation of the sponsorship's possibilities could not be guaranteed and this would leave open the opportunity for competitors to sabotage the sponsorship (Meenaghan, 1994:77, and 1996:103). Perhaps this author is alluding to ambush marketing, one of the failings of sponsorship.

Overall, Hoek (in Kitchen, 1999:367) argues, while sponsorship clearly creates awareness' there is, as yet, no evidence that awareness, and the subsequent development of descriptive belief attributes, will prompt product trial. She suggests that sponsorship, like brand advertising, is unlikely to

generate sales increases. If improved sales were sought, managers should consider linking sponsorship to direct behavioural outcomes, through the use of competitions or other lead-generating activities such as sales promotions.

Sponsorships should therefore not be regarded as a marketing quick-fix. As McDonald (1991:33) argues: "As more people have the sponsorship brought to their notice by publicity, they are reminded of something they already approve of; it is brought to the front of their mind. It does not follow that anybody's mind has been changed about the company because of the sponsorship".

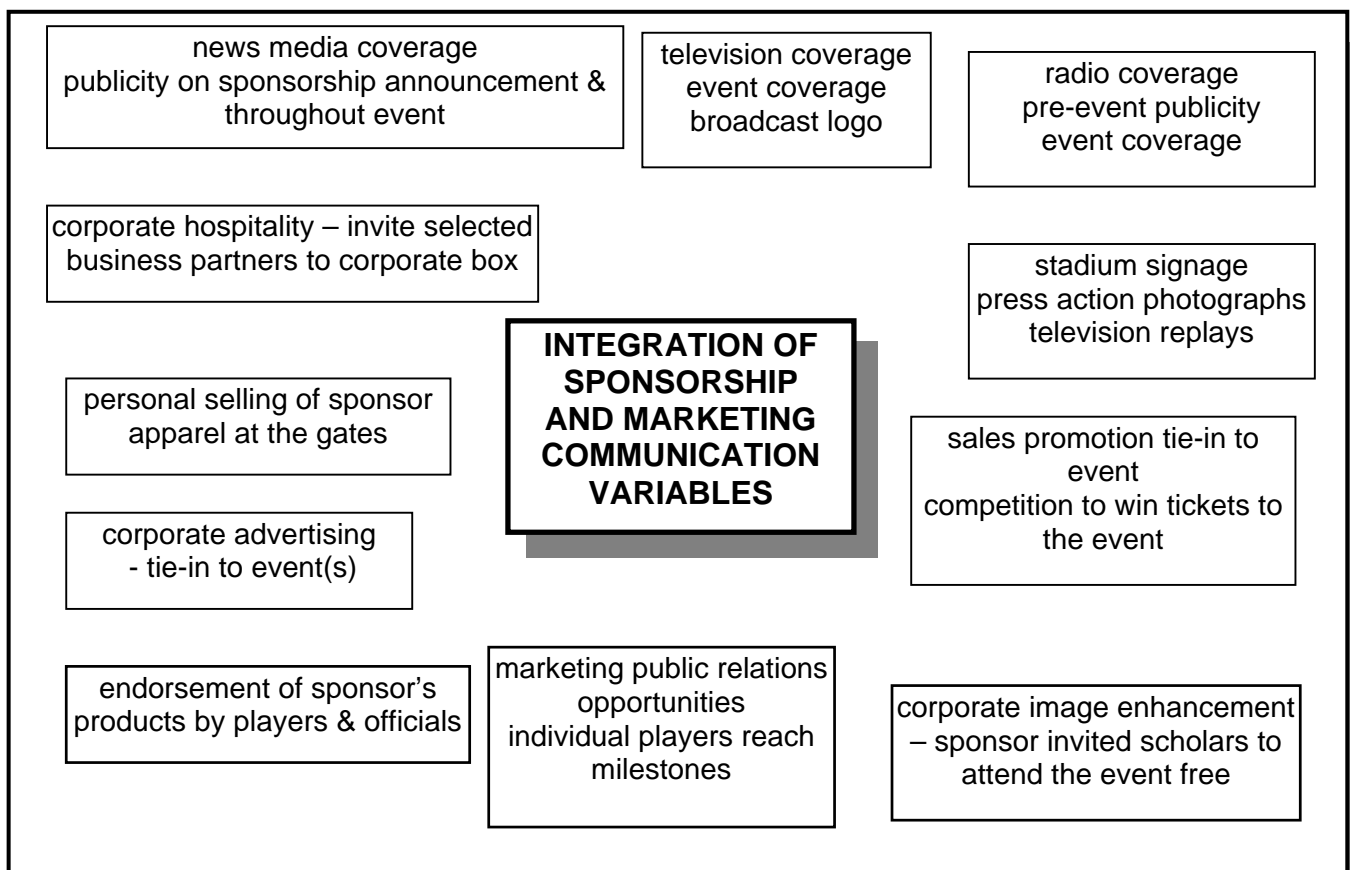
"Classical advertising (on its own?) cannot equal the awareness created through a well implemented sponsorship programme, is stated by Grobler (1992:44-47). Koenderman (1997:75) adds: "Sponsors on average spend another 70% (of budget) leveraging their involvement through advertising and promotions to clients, though the recommended ratio is to match the spend on rights fees rand for rand. If you do not tell the world you are sponsoring the event, nobody else will". The rule of thumb is to spend R1 – R1.25 in advertising for every rand spent on sport sponsorship".

It can be concluded on the cross-impact of sponsorship discussed in this section that sponsorship can change consumer behaviour but because of its dependence on media exposure, sponsorship has to be tied-in (create a cross-impact) with other marketing communication variables such as advertising, sales promotions, and publicity, to create a leveraging effect that increases the total return on investment

Figure 5.3 illustrates examples of different marketing communication variables that can be integrated to maximise the effectiveness of an event sponsorship. These variables have not been tested but serve purely as a fictitious illustration of the different variables that could be considered by a sponsor to maximise the effect of the sport sponsorship.

The main argument is that a sport sponsorship on its own will not create the desired effect if it is not supported by other, often innovative variables that attracts attention and builds awareness amongst the different target audiences.

FIGURE 5.3 INTEGRATING SPONSORSHIP AND OTHER MARKETING COMMUNICATION MIX VARIABLES AT A FICTITIOUS SPORTING EVENT



This figure also reflects the discussion in section 5.2.1.3 that illustrated the distinctive audiences targeted by sponsorships. It can be added that management decisions in this area should therefor focus on matching:

- sponsorship objectives to the intended target audiences;
- the most appropriate marketing communication variables to the intended target audiences; and
- the objectives, target audiences, and marketing communication variables to the desired sponsorship effects (behavioral modification and reinforcement).

The relevance of the cross-impact between the marketing communication (promotion) variables, is important in the context of this thesis. Various authors Jobber (1995:454); Koenderman (1997:75); Shimp (1997:566) and Brassington & Pettitt (2000:814) imply that sponsorship should be leveraged with other marketing communication variables to maximise the sponsorship expenditure.

TABLE 5.14 CROSS-IMPACT MATRIX FOR THE DIFFERENT VARIABLES OF THE MARKETING COMMUNICATION MIX

Variable	Corporate public relations	Marketing public relations	Sales promotion	Personal selling	Promotional licensing	Direct marketing
Sponsorship						

Table 5.14 illustrates a cross-impact matrix between the different variables, identified in the previous chapter as the most likely to be included in a sport-related marketing communication mix. It is argued that sponsorship managers should reflect on the cross-impact between sponsorship and other forms of marketing communication as depicted by this matrix.

Within the scope of this thesis it is suggested that the cross-impact effects between all the different sport marketing communication variables should be examined from the perspective of how they leverage the overall sport sponsorship effect. At the moment the literature is inconclusive on this leverage-effect. It will be guesswork to determine or even categorise what the exact cross-impact would be. A research procedure that will aim to complete this matrix will be discussed in Chapter 7.

Table 5.15 illustrates a collection of marketing communication variables that, as suggested by a number of authors, could to be integrated into a sport sponsorship programme or campaign.

TABLE 5.15 MARKETING COMMUNICATION VARIABLES THAT SHOULD BE INTEGRATED INTO A SPORT SPONSORSHIP

Marketing communication variables	Based on the comments and views of the following authors
<ul style="list-style-type: none"> • Corporate image advertising • General outdoor advertising • Outdoor signage at the event • Product/service/brand advertising • Product/service/brand launches • Direct response activities • Direct marketing activities • Personal selling activities • Corporate public relations activities • Publicity activities • Consumer sales promotions • Trade sales promotions • Sales force promotions • Branded clothing items • Competitions • Exhibitions • The corporate logo 	<p>Fry, Keim & Meiners (1982); d'Astous & Bitz (1995); Copeland <i>et al</i> (1996); Kitchen (1996); Farrelly , Quester & Burton (1997); Lee <i>et al</i> (1997); Mullen (1997); Vignali (1997); Doust (1998); Erdogan & Kitchen (1998); Rowley (1998); and Thwaites & Carruthers (1998).</p>

The marketing communication variables listed in this table will be included in the final questionnaire (to be discussed in Chapter 7).

5.2.5 Step 5: Evaluating sponsorship effectiveness

Hoek (in Kitchen, 1999:367) states that several researchers have noted that, although sponsorship objectives have been well documented, research into sponsorship evaluation has remained, at best, haphazard (Witcher *et al*, 1991:13-33; and Quester & Burton, 1997:1-20). It is therefore not surprising that Speed & Thompson (1997:266) conclude that "models identifying factors that influence a sponsorship's success lag far behind those seen in other areas of promotion (marketing communication)".

Hoek (in Kitchen, 1999:367) and Pope (1998:1) observed that although Javalgi *et al* (1994:47-58) noted that evaluation may not be undertaken because the sponsorships satisfy personal rather than commercial objectives, most researchers agree that evaluation is imperative, especially given the scale of investment now occurring. Thwaites (1995:152) argues that: "measures of exposure, awareness, image, sales effectiveness and guest hospitality are possible", but concludes that "objectives often appear to be imprecise and are not developed in a form that allows subsequent evaluation" (p 161).

This view reflects on the issue that objective-setting and evaluation procedures should be linked and be devised at the same stage in the sponsorship decision process. Arani (1992:7-12) and Sleight (1989:110/111) support this argument by linking evaluation directly to objective setting, emphasising the need to specifically identify anticipated results.

Many objectives listed by authors do not easily lend themselves to be measured in a quantifiable format (e.g. corporate image, avoid clutter, and client entertainment). There is also not any substantial evidence that sponsors engage in evaluation of any kind, let alone linking evaluation practices to pre-set objectives. Findings reported by Gross *et al* (1987:9-13) and Armstrong (1988:97-103) state that almost half of respondents to their survey did not engage in any form of evaluation at all.

Pope & Voges (1994:38-45) reported a direct link between the setting of objectives, evaluation and length of sponsorship agreements which illustrated that shorter sponsorship agreements (less than three years) occurred among those who failed to set objectives and who do subsequent evaluation. It would appear from their results that shorter sponsorship agreements are less satisfying to sponsors, if not also actually less successful.

Some debate over different categories of evaluation research exists. The remainder of this section examines the work undertaken to assess sponsorship's effectiveness.

a) General

According to the Incorporated Society of British Advertisers (ISBA) Guide to Sponsorship Evaluation (1998) the following objectives can be measured: Sponsorship reach and demographics; awareness and attitude; media coverage, reach and quality; merchandise and other sales and staff attitudes - an emphasis on general communication effectiveness.

On the other hand, Meenaghan (1991:35-47) identifies five main categories for measuring sponsorship effectiveness: media exposure; levels of sponsorship awareness by spectators; product sales; spectator feedback; and cost-benefit analysis - an emphasis on measuring general spectator effects.

b) Product/brand related measurement

In terms of market or product/brand related objectives, some evidence exists that sales increase measures are deemed to be important. Stotlar (1993:37) for example mentions that, "Visa conducted its own research, which demonstrated market share gains" after the 1988 Olympics and Irwin & Asimakopoulos (1992:43-44) say: "Volvo, which has determined that for every dollar spent on its sport sponsorship programs it realizes six dollars in return, has measured the cost effectiveness of sponsorships by the general popularity of an event, media-impressions-generated event growth, and dealer response".

In a similar vein, Jeannet & Hennessey (1988:456) report that in 1984, Puma sold only 15,000 tennis rackets per annum. In 1985, following Boris Becker's first victory in Wimbledon and his endorsement of Puma's rackets, sales skyrocketed to 150 000 rackets.

c) Media audits

Although sponsorship requires advertising support, the fact that news coverage of the sponsored event itself is at the discretion of the media means

it also has elements in common with public relations activities. Hoek (in Kitchen, 1999:368) finds that one method of evaluation has entailed a straightforward analysis of media coverage as reported by Abratt *et al* (1987:299-311); Parker (1991:22-30); and Marshall & Cook (1992:307-324).

The problem Hoek (in Kitchen, 1999:368) has with this measure is that, although it is analogous to using the frequency with which an advertisement has been screened on television as a measure of advertising effectiveness, the number of flightings is clearly not a measure of exposure, nor does it indicate whether any change in behaviour has occurred. Authors such as Meenaghan (1994:77-88) and Crimmins & Horn (1996:11-21) also argue that although apparently straightforward and objective, media audits have very limited practical usefulness.

Sleight (1989:229) is extremely critical of the use of media surveys for evaluation purposes. An example is the mechanism of media surveying that is based on the television exposure of the sponsor's name or logo apart from paid- for media advertising, measured in television minutes. The estimated monetary value of this exposure, had it been bought, is compared by sponsors to the monetary cost of the sponsorship. Sleight (1989:227-231) argues that:

- The quality of the message is different;
- Receipt of the message by the audience is not measured; and
- The cost of bought advertising is measured only at the highest rate - which few major advertisers ever pay.

Despite these contentions, Pope (1998:1) argues that figures from media audits are impressive, but "it is easy to see that they may be misleading". An example quoted is of a discussion of American media audits by the organisation Joyce Julius and Associates, where Stotlar (1992:14) observed the following: According to their calculations, top sponsors in NASCAR's Winston Cup Series will average \$4.9 million in television exposure for the season, and CART/PPG Indy Car sponsors will realise an average of \$3.6

million in terms of media exposure gained. These figures do not really reflect the effectiveness of the sponsorship but merely show comparative "publicity" rates which is not really an indication of sponsorship return on investment.

It must also be noted that this form of evaluation does not fit well with many of the objectives mentioned earlier in section 5.2.3.2 (e.g. employee motivation, governmental relations, and product awareness) and it must, therefore, be seen as questionable when used in isolation. Despite these criticisms and difficulties, media audits remain widely used. It also would seem to provide an opportunity to measure media cost-effectiveness.

d) Recognition, recall and awareness

As noted by Sandler & Shani (1993:41): "A first step in sponsorship effectiveness is the correct identification of a firm as a sponsor." This correlates strongly with the corporate objectives noted by the same authors.

Much research has been conducted into recognition and recall of sponsorship signage. Stotlar & Johnson (1989:97), in assessing stadium advertising, noted that between 62% and 77% percent of attendees at sporting events "noted the advertising". They also found that this corresponds favourably with national statistics that indicate a 70% standard for typical outdoor advertising. The advertising was also shown to increase sales by 33% for products available in the stadium.

A replication of Stotlar & Johnson's (1989:90-102) method was done by Cuneen & Hannan (1993:55) who found that of 451 subjects at a Ladies Professional Golf Association golf tournament, 98% noticed the advertising, (91% of these were not consciously looking), and that the most noticed signs (74%) were in concession areas, followed by leader boards (56%) and playing tees (56%). It was also noted that "sponsors who had products/services available on site were recognized in greater frequency than those who had not".

An analysis of 180 responses of a survey of recall and recognition of televised State of Origin Rugby League matches in Australia, led Pope & Voges (1997:38-45) to conclude that three or four signage locations are most beneficial for recall and recognition effects at televised stadium sporting events. Shilbury & Berriman (1996:27-35) who conducted recall and recognition of sponsors and advertisers at the St. Kilda Australian Football League club in Australia, observed that sponsorship needs time to be recalled and recognised. Pope (1998:1) observes that in most of the recall and recognition research, both in Australia and overseas, the emphasis has been placed on the awareness rather than the effect of that awareness - a serious failure. This failure is illustrated by enquiring where "awareness" fits into the consumer response continuum: awareness to interest to trial to conviction to purchase (or non-purchase?).

The natural progression from a media-centred measure should be to one that recognises that the success of any marketing communication campaign depends, at least to some extent, on whether it is noticed. Awareness, according to Hoek (in Kitchen, 1998:368), has long been a popular variable in the assessment of advertising, for two reasons. First, awareness is simple and inexpensive to measure; recall studies can be conducted quickly and they demand less of either researchers or the respondents they interview. More cynically, awareness is regarded as highly responsive to levels of advertising intensity - the marked changes in awareness scores that traditionally occur during an advertising campaign provide an obvious demonstration of the campaign's effect.

Hoek (in Kitchen, 1999:368) adds that researchers have measured a variety of different awareness variables, including awareness of the event itself, as well as awareness of the event sponsors and any sub-branding that may also have been undertaken (these measures are preferable to brand recall, since this may not be attributable to the sponsorship itself). Some research documented that sponsorship can produce marked increases in awareness (Sandler & Shani, 1993:38-43). Other authors such as d'Astous & Bitz

(1995:6-22) have noted a number of variables which mediate consumer awareness during a sponsorship.

Yet whether measurement of awareness variables also offers insights into a campaign's effectiveness remains a contentious question (Javalgi *et al*, 1994:47-58). Its application to a sponsorship campaign is therefore, as yet, unproven and the question whether a high sponsorship awareness holds positive financial benefits is unresolved.

Hoek (in Kitchen, 1999:369) contends that some insight into this is afforded by research exploring the relationship between awareness and actual behaviour, as suggested by Haley & Baldinger (1991:11-32). Nor has the direction of causality been clearly established. Hoek (in Kitchen, 1999:369) also argues that if the belief attributes consumers associate with brands depend largely on their experience of those brands, it could be logical to surmise that awareness may also have two components which parallel the descriptive and evaluative belief attributes - as discussed by Barwise & Ehrenberg (1985:81-93).

That is, people may have a superficial awareness of brands they have seen featured somewhere, but this awareness, like descriptive attributes, is neither an antecedent to, nor a consequence of, usage behaviour. By contrast, consumers may have a sophisticated awareness of brands because they have used them and have some knowledge of them. This latter form of awareness **is** consistent with Ehrenberg's (1974:32) argument that consumers "tend to perceive advertising for the brands [they] are already buying and repetitive advertising allows the habit to continue to operate in the face of competition".

This reasoning implies, according to Hoek (in Kitchen, 1999:369), that simple measures of awareness may provide little insight into the effectiveness of sponsorship (or advertising). This knowledge suggests that sponsorship awareness may vary across users and non-users, and that studies that do not collect usage as a dependent variable may provide little practical guidance or could not really serve as a classification for effectiveness.

Awareness features prominently as a core objective of many sponsorships, but the reasoning should be that the effects of high awareness should be measured and not just praising the high awareness figure itself.

e) Image and attitude

The works of Abratt & Grobler (1989:351-362); Parker (1991:22-30); Javalgi *et al* (1994:47-58); and Stipp & Schiavone (1996:22-28), serve as examples that image and attitudinal variables are popular objectives in sponsorship evaluation. Javalgi *et al* (1994:47-58) investigated whether consumers who were aware of an organisation's sponsorships viewed that organisation more favourably and found that, while some elements were viewed more favourably, this was not consistently the case. Hoek (in Kitchen, 1999:370) similarly finds a test of whether organisations that understood sponsorship had a better image than those who did not as an inconclusive measurement approach. Although Hansen & Scotwin (1995:173-181) noted improved awareness following sponsorship, they found few attitudinal improvements, a result they attributed to the limited information conveyed by sponsorship.

Sleight (1989:227) who also emphasises the importance of evaluation, recommends the use of attitudinal surveys, which would certainly give a justifiable evaluation of for example corporate related image objectives.

D'Astous & Bitz (1995:6-22) specifically investigated the relationship between sponsorship characteristics and consumers' perceptions and found, *inter alia*, that sponsorships that were not overly commercial, tended to be viewed more favourably, and that favourability was further enhanced if consumers were interested in the sponsored event. These findings are, according to Hoek (in Kitchen, 1999:370) not surprising; although they may confirm widely held beliefs, they offer no insights into how these perceptions may be managed, or, more importantly, how they affect consumers' purchase behaviour.

Whereas d'Astous and Bitz (1995:6-22) employed a variety of scenarios in their study, Stipp & Schiavone's (1996:22-28) study addressed very similar questions, but was located specifically within the context of the 1992 Olympics. Their results, that sponsorship of the Olympics improved the sponsor's image, are, according to Hoek (in Kitchen, 1999:370) also largely predictable, if only on the grounds that few organisations deliberately engage in activities likely to detract from their corporate profile.

Rajaretnam (1994:62-74) warns against studies of this nature for adopting an overly short-term perspective. He claimed that longer-term measures were necessary to address the true effects that sponsorship may have on an organization's image or positioning. According to Hoek (in Kitchen, 1999:370) Rajaretnam's case study of one Indian organisation found marked long-term improvements in awareness, corporate image and brand preference. The study did not include a discussion of other mix activities that may have affected these variables, nor have the results been replicated. More importantly, Hoek (in Kitchen, 1999:370) identifies a major failing that although brand preference (arguably a prerequisite for purchase behaviour) improved, the study did not report any attempts to assess the effects of this on sales.

f) Behavioural measures

Hoek (in Kitchen, 1999:371) argues that if sponsorship is undertaken to achieve behavioural outcomes, it would seem logical to measure the behaviours expected to be affected. Yet such measures are complicated by both theoretical and practical considerations. First, numerous authors have acknowledged that sales are affected by more than advertising, sponsorship, or any other promotional variable that may have been employed in a given campaign. In other words, sales are a function of many intervening variables, and the belief that sales can be predicted on the basis of promotion activity alone ignores the plethora of variables thought to affect purchase behaviour.

The question must be asked whether sponsorship can change or reinforce behaviour? The difficulties, either logical, practical, or both, in using

awareness, image or behaviour as an indication of sponsorship effectiveness inevitably raise a question in the mind of Hoek (in Kitchen, 1999:372) of whether sponsorship **can** be evaluated (and may explain why so few managers appear to undertake any formal research). She argues that rather than dismissing this key management question as too difficult, it seems logical to reconsider whether sponsorship can be managed in such a way that behavioural measures are made more accessible.

One method would be to link the sponsorship directly to some form of sales activity, such as a consumer sales promotion. For example, a retail sponsor of the Super 12 league, Mr Price may link in-store competitions to their event sponsorship in all their stores. Visiting any store is a prerequisite for entry into the competition, and entrants can be asked to buy clothing apparel as a further qualifier. The number of entry forms can be directly related to the increase in the number of clothing items sold and compared to target market characteristics such as geographical area.

Where sponsorship has been associated with both an event and the media coverage of that event, sponsors such as Vodacom have also run phone-in competitions, which required entrants to dial a predestined Vodacom-network cellular number to be eligible for a prize sponsored by Vodacom. The value of these associated promotions lies in the direct opportunity to measure the number of calls directly after a prompt was given during a match broadcast.

It would seem that opportunities such as those described in the previous two paragraphs, have a clear emphasis on a direct experience with the sponsor. It is usually supported by some kind of data collection (entry forms, and/or cellular calls) and offers opportunities for behavioural monitoring which relatively few organisations currently exploit.

In summary, evaluation should arguably be the most important phase of any sponsorship. However, Hoek (in Kitchen, 1999:372) argues that the variables currently assessed in sponsorship research seem unlikely to offer managers specific guidance about the success of a campaign, or about how sponsorship

generally could be better managed in the future. To obtain this information, managers may find it more helpful to consider these objectives in terms of cueing or reinforcing behaviour, and to relate their sponsorship to specific sales promotion activities that enable some assessment of behavioural consequences.

Table 5.16 illustrates a summary of current evaluation tools used to measure sport sponsorship effectiveness (as discussed by a number of authors). A few perspectives deemed to be important from the researcher's perspective were also added.

TABLE 5.16 SPORT SPONSORSHIP EVALUATION PRACTICES

Current sponsorship evaluation practices	<ul style="list-style-type: none"> • TV exposure value (time x advertising rates for 30 sec) • Radio exposure value (time x advertising rates for 30 sec) • Rand value of publicity expressed in advertising rates • Column centimetres in the press • Media reach • Readership demographics (segments, profiles, figures) • Viewership demographics (segments, profiles, figures) • Listenership demographics (segments, profiles, figures) • Continuity of publicity after the event • Cost per thousand of audience delivered • Target market reach effectiveness • Pre-event media coverage • Spectator figures • Surveys on staff attitude towards the sponsorship • Staff incentives/rewards • Pre- event attitude surveys towards the sponsor • Post event attitude surveys towards the sponsor 	Sleight (1989); Meenaghan (1991); Arani (1992); Kinney & McDaniel (1996); and ISBA (1998).
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	<ul style="list-style-type: none"> • Time-trend analyses of product awareness • Time-trend analyses of corporate image enhancement • Increase in sponsors' name recall • Cross impact between sponsorships and sales • Cross impact between sponsorships and sales promotion • Cross impact between sponsorships and public relations • Cross impact between sponsorships and advertising • Cross impact between sponsorships and direct marketing • Measuring customer reaction • Product trial opportunities • Product/brand/service awareness • Promotional licensing success • Merchandising success • Physical exposure of company branding • Hospitality success • Effect on community relations • Previous sponsorship spend • Competitive spend on sponsorships • Alliance opportunities with other sponsors • Cost accounting of sponsorship elements • Return on investment in Rand value • Calculating increased business • Sponsorship costs compared to other promotion costs • Successful integration between different sponsorships 	
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The sport sponsorship measurement tools listed in this Table will be included in the final questionnaire (discussed in Chapter 7).

5.3 Building a framework (Framework 2) to enhance marketer's understanding of the relationships between sport sponsorship management decision areas

It is argued that a theoretical framework should also be formulated that would aid a sponsor's understanding of setting sport sponsorship objectives that will allow proper measurement of sponsorship effectiveness.

In the first framework a step by step approach to sport sponsorship management was discussed. This framework does not directly address underlying relationships between important sport sponsorship management decision-areas. Such decision areas were identified in Chapter 4 and their theoretical foundation was discussed in section 5.2.

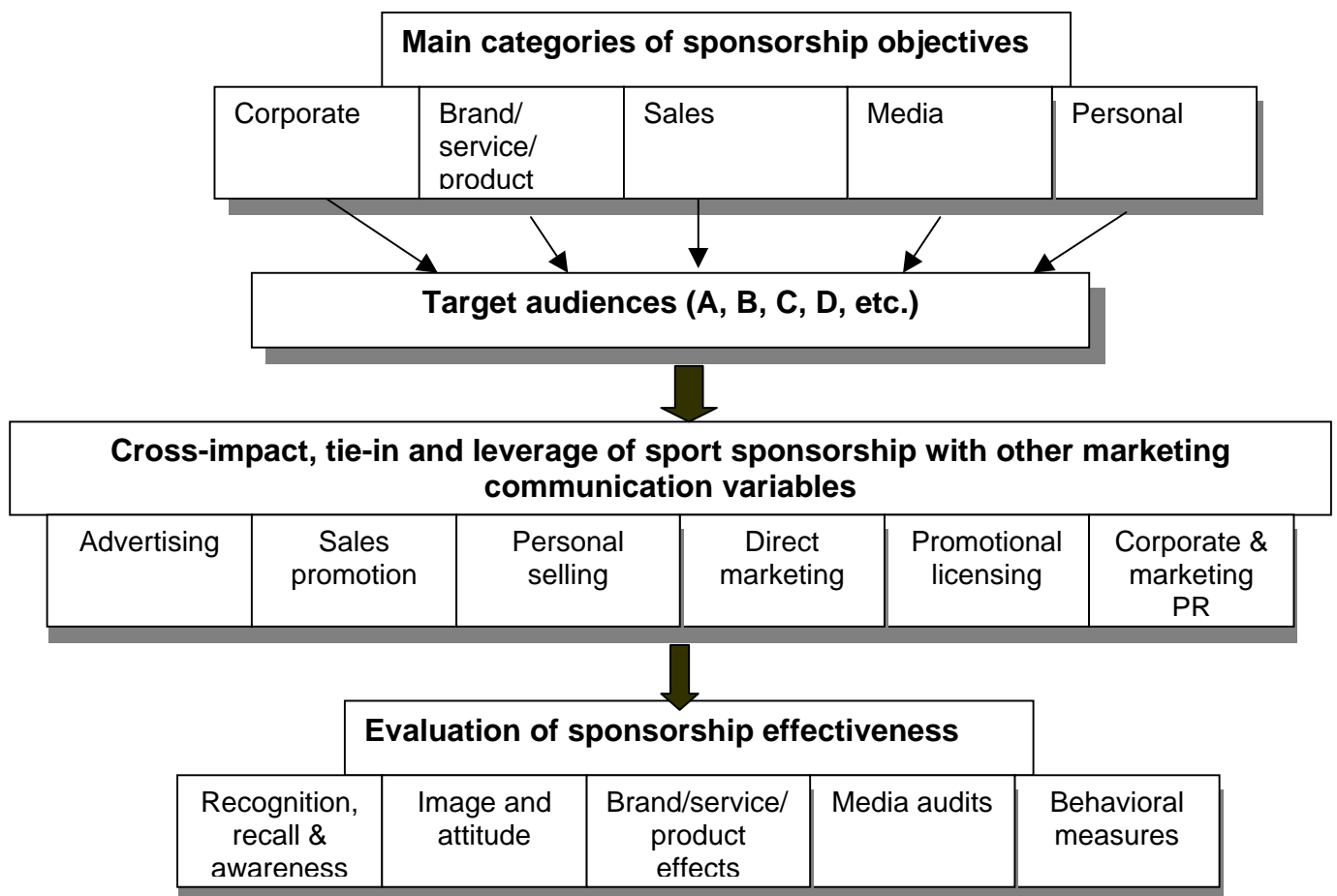
Those decision-areas which can be regarded as factors that affect sport sponsorship decision-making are: sport sponsorship objectives, specifying target audiences, integration of marketing communication mix variables into the sponsorship, and measuring the effectiveness of the sponsorship.

An extraction from Framework 1 was subsequently made to illustrate possible relationships between these decision-areas and is illustrated by Figure 5.4 which will for convenience reasons be referred to as Framework 2. This framework depicts the underlying relationships between the important decision-areas illustrated in Framework 1.

Figure 5.4, which links sport sponsorship objectives; target audiences, cross-impact, tie-in, and leveraging of sport sponsorship with other marketing communication variables; and the evaluation of sport sponsorship objectives summarises some of the discussions and views earlier in this chapter by linking sport sponsorship objectives, audiences, marketing communication variables and evaluation.

The testing of the second framework will be discussed in Chapters 6 to 8.

FIGURE 5.4 RELATIONSHIPS BETWEEN SPORT SPONSORSHIP MANAGEMENT DECISION-MAKING AREAS (FRAMEWORK 2)



Framework 2 postulates the following process:

- The sponsor sets a range of sponsorship objectives. The objectives fit into the five main categories (corporate /marketing (product /brand/service) and marketing (sales) /media /personal).
- The sponsor will have to match the most appropriate target audience (A, B, and/or C) to the range of objectives (corporate, marketing, product/brand/service, media, and/or personal) set.
- The cross-impact, tie-in and leverage of the sponsorship with the other marketing communication variables (advertising, sales promotion, personal selling, direct marketing, promotional licensing, and corporate and marketing public relations) are maximised by correctly fitting the sponsorship objectives set to the most appropriate target audiences and

implementing the most appropriate levels and mixes of marketing communication variables.

- The effectiveness of the sponsorship is analysed by measuring how well the desired response, depicted by the categories of evaluation (recognition, recall, and awareness; image and attitude; brand /service /product effects; media audits; and behavioural measures) and predicted by the range of objectives were achieved.

In the next chapters the research design and results will address whether this framework applies to the South African sport sponsorship scenario.

5.4 Conclusion

In this chapter a number of aspects was covered to formulate a theoretical base that may serve as a framework for the research part of this thesis. The main findings, observations and suggestions in this chapter are:

Sponsorship management

Decisions should be:

- Based on how social bonds between sponsors, sponsees, and sport-users are built within parameters specified by the broad corporate, general marketing and specific sponsorship objectives.
- To force a sponsor to always insist on negotiating proper sponsorship contracts to close any opportunities to ambush marketers to dilute the effect of a sponsor's investment. All reputable sponsors should voluntary avoid any actions that may be regarded as "ambush" practices.

Selecting the appropriate event to sponsor

Universally the views analysed in this chapter indicate the following procedure to select the appropriate event to sponsor:

- Set sponsorship objectives that include a focus on defining the target audience(s) relevant to the event;

- These objectives should be derived from corporate and marketing objectives, plans, and strategies;
- The event should create leverage opportunities with other marketing communication variables, and
- The event should establish measurable long-term commercial benefits to the sponsor.

Target audience selection

Management decisions in this area should focus on matching the intended target audiences to the sponsorship objectives (behaviour modification or reinforcement) and the desired effects or outcomes of the sponsorship activities (did the expected behaviour modification or reinforcement take place?).

Sponsorship objectives

The broad corporate objectives that need to be explored are corporate, marketing (product/service/brand-related and sales), media and personal (management interest).

Cross-impact, leveraging and evaluation

It can be concluded on the cross-impact of sponsorship discussed in this section that sponsorship can change consumer behaviour but because of its dependence on media exposure, sponsorship has to be tied-in with other marketing communication variables such as advertising, sales promotions, and publicity, to create a leveraging effect that increases the total return on investment.

Evaluation should arguably be the most important phase of any sponsorship. The variables currently assessed in sponsorship research seem unlikely to offer managers specific guidance about the success of a campaign, or about how sponsorship generally could be better managed in the future. To obtain this information, managers may find it more helpful to consider these objectives in terms of cueing or reinforcing behaviour, and to relate their sponsorship to specific sales promotion activities that enable some assessment of behavioural consequences.

It can therefore be argued that sponsorship managers should reflect on the cross-impact between sponsorship and other forms of marketing communication.

In the next chapter the scope of the empirical study will be introduced. The problem statement and research objectives will be outlined. The following will also be discussed:

- The formulation of research propositions to test the proposed Framework 1 of sponsorship management and decision-making (Figure 5.1); and
- The formulation of research propositions and hypotheses to test the proposed Framework 2 that illustrates relationships between sport sponsorship objective setting, integration of marketing communication mix variables into the sport sponsorship and eventual sport sponsorship effectiveness measurement (Figure 5.4).