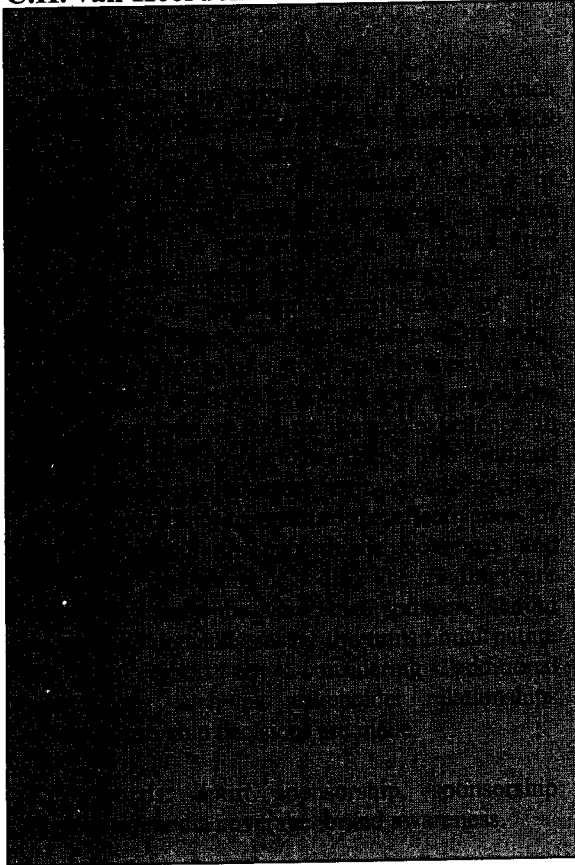


SPORT SPONSORSHIP IN SOUTH AFRICA: OBJECTIVES SHOULD REACH BEYOND MEDIA COVERAGE AND BRAND AWARENESS

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INTRODUCTION

In South Africa sport sponsorship has enjoyed a remarkable growth since the early 1990s, largely due to South Africa's re-admission to international sport and the substantial increase in television coverage of major sporting events. Sport sponsorship and advertising expenditure in South Africa exceeded R2.7 billion in 2002. Table 1 illustrates the historical run of SA sponsorship spending since 1985.

Conceptual framework

Kuzma, Shanklin and McCally Jr (1993) argue that the practice of sponsorship by marketing practitioners has developed by trial and error and that much has been learnt in this manner. "Only in recent years have academicians and consultants turned their attention to studying corporate sponsorship in a systematic way and publishing their results in a public forum". This might indicate that practitioners, due to the lack of academic postulation and model building by academicians, had to precede theory and develop their own sponsorship management and decision-making skills from their continuous ongoing experiences.

The views of Pope (1998), Hoek as cited by Kitchen (1999), and Cornwell and Maignen (1998) allude to the existence of inadequately researched relationships between sponsorship objectives, sponsorship activities (leverage), and sponsorship evaluation.

In particular, Hoek as cited by Kitchen (1999), identifies two distinct areas that merit more detailed research attention. The first is the evaluation of sponsorships and the second should focus on the outcomes of sponsorships.

Table 1: Historical trends in sport sponsorship spending in South Africa (1985 – 2002)

Year	Sponsorship (R million)	Change	Back-up (R million)	Change	Total (R million)	Change
1985	63		50		113	
1986	84	33%	70	40%	154	27%
1987	107	27%	92	31%	199	29%
1988	124	16%	109	18%	233	17%
1989	151	21%	136	24%	287	23%
1990	174	15%	156	15%	330	15%
1991	207	19%	180	15%	387	17%
1992	275	25%	236	31%	511	32%
1993	285	4%	238	0.1%	523	2%
1994	321	13%	272	14%	593	13%
1995	418	30%	340	25%	758	28%
1996	522	25%	420	24%	942	24%
1997	642	23%	530	26%	1 172	24%
1998	885	38%	740	40%	1 625	39%
1999	1 049	19%	852	15%	1 901	17%
2000	1 088	4%	898	5%	1 986	4.5%
2001*	1 254	15%	1 054	17%	2 308	16%
2002*	1 492	19%	1 239	17.5%	2 731	18%

Source: Ad Focus (2001:103-104).

Note: Back-up spending refers to additional spending linked to the sponsorship such as advertising, hospitality and sales promotions and can also include the cost of being a broadcast sponsor. Updated 2001 and 2002 figures are supplied by BMI.

However, before these two areas can be researched, current sponsorship objective setting practices in South Africa, as the first step in sponsorship management, should be critically examined. It is generally thought that 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. Clearly defined, quantifiable sponsorship objectives therefore should provide the best guidance for selecting the events or activities to sponsor, thus enabling the sponsor 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 (Van Heerden, 2001).

In this paper the view is expressed that sport sponsorships should be managed by linking objectives to leverage opportunities that allow for suitable measurement. Figure 1 offers an example of how a sport sponsorship should be managed where the focus is on specific sponsorship decision-making areas (van Heerden, 2001:358-360):

- A sport sponsor sets objectives that are concrete and measurable; specifies target

audience(s) including development and upliftment; offers benchmark measures (such as specifying the desired behavioural change, and a time period).

- The cross-impact and tie-ins with a selection of the marketing communication elements (advertising, sales promotion, personal selling, marketing and corporate public relations, promotional licensing and direct marketing) to leverage the effectiveness of the sponsorship are outlined.
- List the desired effect(s) and measure the ability to create multi-dimensional marketing platforms in terms of generating profit and building stakeholder relationships and achieving transitional effects such as community upliftment and sport development
- Select (or develop) appropriate sponsorship measurement tools to measure whether the desired effects were achieved.

The scope of the research reported in this paper covers the first of the three main decision-making areas illustrated in Figure 1, namely the types of sport sponsorship objectives set by entrants to the Raptor Awards from 1999 to 2002.

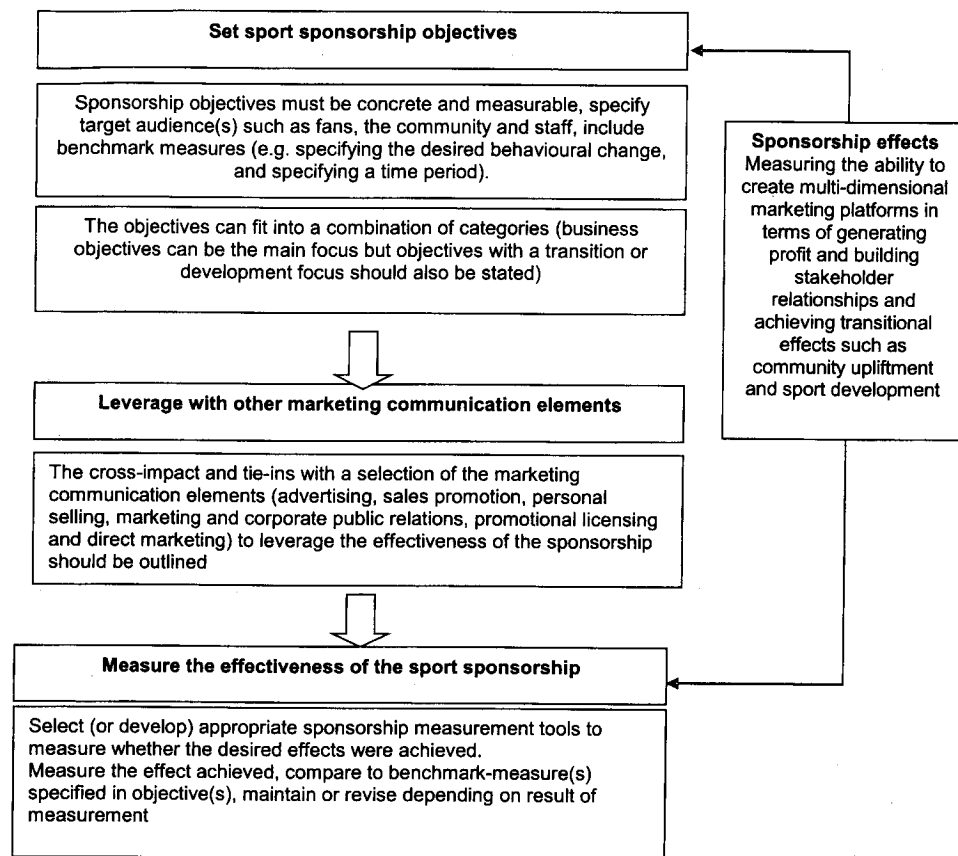


Figure 1: A sport sponsorship management framework

Raptor Award leverage activities and measurement of sponsorship activities are not reported in this paper.

Objective of the study

News media frequently reported that tennis, netball, athletics and even the team sent to the 2002 Commonwealth Games struggled to attract sponsorships and other means of support from corporate South Africa.

The growth in sport sponsorship and back-up expenditure, as depicted in Table 1, raises the need to identify and analyse the decision-making of South African sport sponsors from a transitional perspective. This perspective alludes to the situation that all sporting codes have to adhere to an unofficial agreement that development programmes, social upliftment and transition in the management of sport should take place. This emphasises the pressure on sponsors not only to achieve commercial objectives but also to contribute to the transition of sport and to set a wider range of objectives, including stakeholder relations and community involvement.

The main objective of this study therefore is to identify the scope and objectives of Raptor Awards entries and to qualitatively analyse such objectives to ascertain whether the objectives reflect a focus on stakeholder relations and social development.

METHODOLOGY

Due to the confidential nature of information supplied on the Raptor Award entry forms no discussion of any variance between aspects such as the size of sponsor or turnover of promotion expenditures and sponsorship objectives could be made. Neither could any information be released that may identify the type of organisation included in the study. The only analysis allowed by the Raptor Award Committee was a frequency tabulation

of the different sponsorship objectives set by entrants to the Raptor Awards.

Respondents

The Raptor Awards, the only sponsorship award competition that recognises excellence in South African sponsorships, were introduced in 1999. The Association of Marketers (ASOM) (recently transformed to create a new body – The Marketing Federation of South Africa) employed a public relations and mass media campaign to inform sponsors about the newly created Raptor Awards and to invite all sponsors (not only ASOM-members) to enter into the competition.

Most of the major sport sponsors participated in the initial competition. In 1999 31 sport sponsors entered, in 2000 only eleven entered, in 2001 thirteen entered and in 2002 23 sponsors entered into the Raptor Awards (a cumulative total of 78 sponsors). Some sponsors entered over all four years. ASOM urged the researcher not to divulge any biographical detail of any of the sponsors and no comparative analysis was allowed between sponsors in the same industry, for example banks.

Note: The Raptor Award competition was disbanded in 2003 and from 2004 sponsorship and event marketing awards were added to the Loerie Awards (advertising and promotion).

No formal questionnaire was used. The entrants to the Raptor Awards had to, in open-ended format, state the following on the Raptor Awards entry forms:

- Which sport sponsorship objectives do they set for each of their sponsorships?
- How do they leverage their sponsorships? and
- How do they measure the effectiveness of their sponsorships?

The three questions listed here correspond to the three main areas depicted in Figure 1.

Analysis

Entrants' information on the range of sponsorships set, leverage opportunities employed through the integration of marketing communication variables, and sponsorship measurement aspects were qualitatively analysed.

The main sport sponsorship objectives set by 1999 to 2002 Raptor Award entrants were summarised and fitted into the five main categories (corporate, brand/service/ product, sales, and media) identified by Sandler and Shani (1993) and Pope (1998). Key words were identified to every sport sponsorship objective to give the objectives a generic connotation (e.g. awareness) and to ensure easier fitment into the five sponsorship categories.

Tables 2a to e summarise the incidence of corporate sponsorship objectives, brand/product/service objectives, media objectives, sales objectives,

and hospitality objectives from 1999 to 2002.

Table 2a depicts that the following objectives were inter alia favoured throughout 1999 to 2002:

Positioning, Corporate awareness, Relationships, Image, Own (the) sporting code/title sponsorship, and Awareness and Corporate Brand-building. An increase in recall as an objective can be noted from 1999 to 2002.

The following corporate sport objectives were mentioned once or twice during one of the Raptor Award competitions and can be regarded as insignificant (and are not presented in a Table in this paper): Active (being), Association & Reinforcement, Awareness & identity building, Awareness Image and goodwill, Behaviour change, Commitment, Deliver message, Equal opportunity, Excitement, Expand market, Fund raising, Goodwill, Create interest, Launch the sponsorship, Link to activities, Perception change, Presence, Service level, Involvement strengthen, and Opportunity to participate.

From Table 2b it can be deduced that Brand awareness and exposure objectives were favoured throughout 1999 to 2002. The following product/brand/service sport objectives were mentioned once or twice during one of the Raptor Award competitions and can be regarded as insignificant (and are not presented in a Table in this paper):

Table 2a: Incidence of corporate sport sponsorship objectives set by Raptor Award entrants (1999 - 2002)

MAIN CATEGORY OF SPORT SPONSORSHIP OBJECTIVES: CORPORATE OBJECTIVES	1999	2000*	2001	2002
	Raptor Awards	Raptor Awards	Raptor Awards	Raptor Awards
	Freq	Freq	Freq	Freq
Positioning	10	4	4	11
Corporate awareness	8	7	5	9
Relationships	5	0	4	2
Image	3	0	1	1
Own sporting code/title sponsorship	2	1	5	1
Awareness & brand-building	2	0	0	0
Differentiate	2	0	0	1
Community relations	2	1	4	2
Staff integrate / motivate / relations	2	1	0	0
Support sporting body	1	0	0	0
Development	1	1	0	0
Association	1	4	3	0
Social upliftment	1	1	0	1
Growth of sport (code) & development	1	1	5	1
Eliminate previous sponsor's equity	1	2	1	0
Recall	1	0	3	6
ROI maximise	1	0	2	1
Image reinforcement	1	0	3	0
Spectator reach	1	0	2	2
Corporate brand building	0	0	2	3
Reach target market	0	3	0	0

* Very few sponsors participated in the 2000 Raptor Award Competition.

Table 2b: Incidence of brand/service/ product sport sponsorship objectives set by Raptor Award entrants (1999 - 2002)

MAIN CATEGORY OF SPORT SPONSORSHIP OBJECTIVES: BRAND/SERVICE/ PRODUCT OBJECTIVES	1999	2000	2001	2002
	Raptor Awards	Raptor Awards	Raptor Awards	Raptor Awards
	Freq	Freq	Freq	Freq
Brand awareness and exposure	10	3	2	6
Image of the brand	2	3	1	2
Communicate values	2	0	1	1
Brand equity	2	0	0	0
Experience product	2	0	1	1
Brand awareness and loyalty	2	0	0	1
Goodwill and loyalty	1	3	2	2
Brand promotion	1	1	1	5
Brand positioning	1	0	5	0
Brand loyalty	1	0	2	3
Brand communication with customers	1	0	0	2

Affinity marketing, Align brand, Create brand appeal, Changes to product, Free trail, Link brand, Participant use of brand, Brand personality, Brand presence, Promotional project, Recognise logo, Brand reputation, Team as brand, and Service use. Table 2c shows that Sales at the event-objectives were important throughout 1999 to 2003. Apart

from 2000 market growth/share gain were evident in 1999, 2001 and 2002. Table 2d illustrates that media awareness/coverage/publicity and the opportunity to advertise were important throughout 1999 to 2003. Hospitality objectives did not rate highly amongst the respondents.

Table 2c: Incidence of sales sport sponsorship objectives set by Raptor Award entrants (1999 - 2002)

MAIN CATEGORY OF SPORT SPONSORSHIP OBJECTIVES: SALES OBJECTIVES	1999	2000	2001	2002
	Raptor Awards	Raptor Awards	Raptor Awards	Raptor Awards
	Freq	Freq	Freq	Freq
Sales/at event/ volume	6	4	6	2
Service use	5	0	0	0
Market growth/share gain	4	0	4	4

Table 2d: Incidence of media sport sponsorship objectives set by Raptor Award entrants (1999 - 2002)

MAIN CATEGORY OF SPORT SPONSORSHIP OBJECTIVES: MEDIA OBJECTIVES	1999	2000	2001	2002
	Raptor Awards	Raptor Awards	Raptor Awards	Raptor Awards
	Freq	Freq	Freq	Freq
Media awareness/ coverage/publicity	8	4	8	6
Advertising	1	0	9	2
Broadcast	1	0	3	1
Media clutter avoid	1	0	0	0
Media communication	1	1	0	0
Media partnership	0	1	1	0

Table 2e: Incidence of hospitality sport sponsorship objectives set by Raptor Award entrants (1999 - 2002).

MAIN CATEGORY OF SPORT SPONSORSHIP OBJECTIVES: HOSPITALITY OBJECTIVES	1999	2000	2001	2002
	Raptor Awards	Raptor Awards	Raptor Awards	Raptor Awards
	Freq	Freq	Freq	Freq
Hospitality	3	0	0	2

Table 3 summarises, according to an identified keyword, the frequency of different sport sponsorship objectives favoured by the Raptor Award entrants.

Table 3: Sponsorship objectives set by Raptor Award entrants (1999-2002).

Freq	Broad terms identified in the objectives set by Raptor Award entrants
29	Corporate awareness
29	Positioning
26	Media awareness/ coverage/publicity
21	Brand awareness and exposure
17	Sales/at event/ volume
12	Market growth/share gain
12	Advertising
10	Community relations
8	Image of brand
6	Staff motivate
5	Hospitality
4	Social responsibility
3	Social upliftment
2	Development
1	Staff integrate

It illustrates that the respondents favour awareness and positioning objectives but place less emphasis on the community and staff and no indication of a focus on the authorities as sponsorship stakeholders. Social responsibility, upliftment and development are also not major focus areas.

DISCUSSION

It is generally accepted that sponsorship is a marketing activity, and in particular part of the marketing communication mix (Van Heerden, 2001) but closer analysis of the sport sponsorship objectives set by Raptor Award entrants indicates that they tend to be biased towards creating awareness and generating publicity.

The objectives set the Raptor Award entrants fit into those categories identified by international sport sponsorship experts such as Sandler and Shani (1993) and Pope (1998), namely broad corporate, product/brand/service, sales, media coverage and guest hospitality. South African sponsors seem to indicate a bias towards setting awareness, media coverage, and image objectives in their sponsorship planning. This may indicate that sponsors strive to generate media coverage that will enhance corporate image and build individual brand awareness and brand image. This finding suggests that sport sponsors are very reliant on the ability of mass media coverage to carry their marketing and communication messages, logos and advertising in support of their sponsorships. Pope (1998) argues that the use of media reach and cost effectiveness are now largely discounted by both theoreticians and practitioners alike. He quotes Cornwell (1995) and Kuzma et al (1993) as proof of his statement. Lee, Sandler and Shani (1997) argue that there is a clear shift from emphasising media objectives to emphasising corporate objectives (e.g. corporate image). The image or reputation of a corporate brand might be enhanced when a sponsorship meets the requirements of other stakeholders such as the broad public, staff or the authorities (government).

Smaller sponsors who sponsor (or are aiming to sponsor) those sporting codes and events that don't attract substantial media coverage would probably have to set different types of objectives that address for example fans, employees and the community. This is perhaps the most important strategy that smaller sponsors or sponsors of non-televised sporting events can follow, namely focus on building relationships with important stakeholders.

The findings may also indicate an underlying problem in the sense that large sport sponsors set objectives to suit their ability to measure the effectiveness of the sponsorship through media coverage and awareness measurement tools. It is surmised that local sponsors are currently unable to really measure the effectiveness of their sponsorships in building relations with various stakeholders (general public relations) or return on investment as represented by an increase in sales volume (marketing).

According to statistics available from the South African Advertising Research Foundation (SAARF)(2003) just more than 60% of South African households own a television set, the majority of the population does not have regular access to national print media and radio is the most frequented medium (a medium that does not really offer benefits to sponsors in terms of creating awareness, branding or corporate image opportunities). M-Net, that broadcasts a large percentage of the major sponsored sporting

events, has achieved a household penetration of just more than 10% (SAARF, 2003).

This means that the majority of the population is not fully exposed to the branding and communications of those sponsors surveyed in this study, except for perhaps soccer sponsors - most local soccer matches are broadcast on the SABC - and some of the cellular sponsorships. Most South Africans are probably uninformed about the contributions that many sponsors make in the staging of events. It can be assumed that sport sponsors regard their decision-making to be based on sound business decisions such as differentiating themselves from competitors, positioning themselves as being associated with winning teams and being able to communicate to prime target markets. Whether they really achieve these, is not evident from the findings of this study.

What is also uncertain is whether sponsorship decision-makers unintentionally disregard staff and the broader community as important stakeholders. The overemphasis on media coverage objective-setting and media coverage measurement practices by South African sport sponsors raises a particular concern. The demands set by the transitional nature of South African sport are not fully met by most major sport sponsors (as indicated by those sponsors who entered into the Raptor Awards - that recognize excellence in South African sponsorship).

The scope of decision-making in sport sponsorships should address the demands placed on sport sponsors to involve other stakeholders such as staff and the community in the sporting events they sponsor. This will aid the transformation of sport - a topic that is hotly debated in the media.

Sponsors should explore how they can leverage the effectiveness of their sponsorships without being too dependent on media coverage - especially those sport sponsors who are involved with sponsored properties that do not attract major media coverage. Smaller sponsors should therefore focus on how to leverage the effect of their sponsorships by direct contact with their target audiences. Examples would be advertising and branding at the event, sales promotions and promotional licensing at events.

Sponsorship as a marketing communication tool can impact on sales performance, but sponsors should realise that its real value lies in forging a long-term relationship with the sporting event or activity, different market segments or stakeholders, and the community at large (which integrates with some of the PR objectives). This means that, in addition to attaining media coverage, other principles should also be kept in mind.

RECOMMENDATIONS

If it is agreed that South African sport is in transition then sport sponsors should:

- analyse whether their sponsorships are only aimed at gaining commercial effects or whether they have a responsibility to contribute to the successful management of sport as well;
- convey sound business principles to the properties they sponsor; and
- to a greater extent draw other stakeholders into the sponsorship such as the broad community, staff and the authorities.

The value added by a sponsorship is not restricted to those that attend the event or activity but acceptance and respect is also gained in the community at large. Through an involvement in sponsorship, sponsors should not merely just seek awareness for a brand, but they have to position the brand in such a way that everybody understands that the brand is part of society and that the sponsorship offers benefits to the entire population.

That is why a sponsorship can also benefit smaller sponsors such as a local retailer or a small manufacturer who cannot manage to achieve television coverage but who is able to build community relations by

demonstrating social responsibility and showing that the sponsor is caring, and concerned about society (which integrates with some of the social responsibility or social investment objectives many organisations have). A good example here is Bakers who have made a major contribution to sport development through its Bakers Mini Cricket Development Scheme without achieving huge media coverage.

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