

Sponsoring Firms Assess Perceptions of Sport Property Sponsorships and Execution

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Corporate sponsorship of sports, arts, entertainment, and cause-related events has experienced a significant growth in practice and academic interest over the past three decades. During this time period, industry expenditures have increased from \$450 million in the mid 1980's to over \$14 billion in the United States alone, while worldwide expenditures are expected to surmount \$37 billion this year (IEG, 2007). Sponsorships rapid growth in becoming an established marketing communications tool is due in large part to its capability to effectively achieve marketing objectives such as increased sales through building corporate brand awareness, image, and equity (Javalgi, Traylor, Gross, & Lampman, 1994; Quester, 1997; Turco, 1995; Cornwell, Roy, & Steinard, 2001; Meenaghan, 1991; Gardner & Shuman, 1987).

Despite this growth, Javalgi et al. (1994) suggested that few attempts have been made to evaluate the effectiveness of achieving sponsorship objectives. Since that time, progress has been made from both the theoretical and empirical perspectives of evaluating sponsorships. However, as most sponsorship activities and activations are consumer-based (Cornwell, Weeks & Roy, 2005), the majority of research efforts have focused on consumer perceptions of sponsorship. As sponsoring firms are consumers of the sport, art, cause, and/or entertainment property service, there is also a need to better understand the level of satisfaction corporations experience through these relationships. Therefore, the purpose of this study was to explore the sponsoring firm's satisfaction with the services provided by sport properties.

The core of the study examines the relationship between sport properties and firms that sponsor those properties. The theoretical frame of this study was based upon the service quality literature. Brady and Cronin (2001) identified the Hierarchical Approach which names nine subdimensions (e.g., attitude, behavior, expertise, design, social factors, tangibles, etc.) that define the three direct determinants of service quality (interaction, environment, and outcome). As stated by Brady and Cronin (2001), "these subdimensions reflect the composite set of factors customers consider when they evaluate the quality of the service interaction, environment, and interaction" (p. 38). Additionally, as it relates to sport, McDonald, Sutton, and Milne's (1995) TEAMQUAL serves as an extension of Parasuraman, Zeithaml, and Berry's (1986) preeminent SERVQUAL on service marketing. Finally, Bitner, Booms, and Tetreault's (1990) research into what causes customers to distinguish between very satisfactory services from very dissatisfactory services was instrumental in better understanding the needs of customers. Marketing executives at fifty (n=50) firms that spent a significant portion of their budgets on sport sponsorships were solicited to participate in this study. The participants represented key decision makers with regards to marketing budget responsibilities at their respective companies. Titles of the participants ranged from Marketing Manager to Chief Marketing Officer. These firms represented such categories as consumer goods, retail, beverages, financial, telecommunications, and airlines. In order to more thoroughly understand firm's satisfaction with sport property sponsorship, qualitative methodology was utilized for this study.

Over the years, qualitative research has continued to grow in diversity of methods used (Patton, 1999), as well as amount of credibility earned (Biddle et al., 2001; Patton, 1999). Kaplan and Maxwell (2005) define the goal of qualitative research as "understanding issues or particular situations by investigating the perspectives and behavior of the people in these situations and the context within which they act" (p. 30). Lincoln (1992) dissects qualitative research into two sub categories: human-to-human methods and artifactual methods. The human-to-human methods include "interviewing, participant and non-participant observation, and nonverbal communication" (p. 376, 1992). For purposes of this study, the human-to-human interviewing method was conducted in order to fully utilize the flexibility of the one-on-one interviewing process. Qualitative interviewing allows researchers to better evaluate interviewee experiences, while additionally allowing them to restate events that have occurred in their organization (Rubin & Rubin, 1995). As the data collection and transcription process progressed, tentative categories and themes began to emerge. Toward the latter part of the interview process, emerging themes were incorporated into subsequent participant interviews. Each interview was coded to allow for easier review of the materials. Results of the study identified the following four main themes: 1) Return on Investment (ROI), 2) ROI effects buying decisions, 3) activation, and 4) lack of understanding regarding the firms business. With a focus on Return on Investment (ROI) strategies, companies are looking for a measurable return on the dollars they are investing. In the interviews, several marketing executives stated their views regarding the role ROI plays in their marketing decisions. Participants noted a potential return to traditional media vehicles, primarily due to exorbitant costs and the increase of clutter affecting viewership (Seaver, 2006). Additionally, a number of respondents noted that they were approaching sponsorship purchases with a more analytical approach as it relates to activation. Finally, the overriding theme regarding sport properties misconceptions of companies marketing efforts centered on

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a lack of working knowledge regarding the firm's business model. Sponsoring firms noted that their desire was for sport properties to take time to understand the intricacies of the firm's business. Instead, many firms reported that sport properties send proposals that do not address key marketing strategies central to the firm's success.

This study has both research and practical implications. From an academic front, additional research into the high turnover rate among sponsorship sales personnel and its effect on service quality would make for an interesting extension of this research. Further investigation is needed into the expectations of companies that spend advertising dollars via sport sponsorships and how those expectations can be realized. The study's main objective from a practical standpoint was to gain general insight into the perceptions of firms spending on sport sponsorships. Sport properties that rely on sponsorship dollars as a revenue stream can use this information to better service their clients.