

Corporate Sponsorship of Local Athletic Departments

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Marketing

Abstract 2009-209

May 30, 2009

3:00 PM

Poster

(Lexington/Carolina Prefunction)

Corporate sponsorship, which was once corporate giving or philanthropic activities motivated by true altruism (Cornwell 1995; Meenaghan 1998), has evolved into an objective-driven and strategic marketing vehicle (McKelvey & Grady, 2008). Sport sponsorship is one of the fastest growing areas of marketing (Lough & Irwin, 2001; Mason, 2005). Although the sponsorship market is much smaller than professional sports levels, sponsorships of local and regional level sports have increased dramatically in recent decades (Covell, 2001; McAllister, 1998). Local sports such as college and high school home games could also be marketing tools that help the sponsors achieve their objectives (Covell, 2001). The revenue from sponsorship can be a big source of income to cope with financial pressures and help achieve school sports managers' goals (Cousens, Babiak & Bradish, 2006).

Exchange theory has been used to explain many marketing exchanges. The sponsorship relationship is the process of exchange (McCarville & Copeland, 1994; Sam, Batty & Dean, 2005). The basic assumption of exchange theory is that individuals enter into new associations because they expect doing so will be rewarding (Cropanzano & Mitchell, 2005). Although there is a large body of literature and research pertaining to sport sponsorship, most previous research has focused on nationally known and high competitive level sports sponsorship. There is still little known about the factors and corporate attitudes which may influence the attainment of the potential local sponsorship of sport (Lough & Irwin, 2001). In accordance with this need, this study will explore the local sports sponsorship by examining the reasons and decision-making process and procedures in which sponsors engage in the sponsorship exchange process. The study also will identify the differences in perceptions between the local sport marketers and the corporate sponsors.

Due to the lack of background information on this topic, and in order to get detail data from sponsors that invest in local sport, qualitative methodology is appropriate for this study. This study will focus on the sports sponsorship of local athletic departments in Denton, TX. According to the United States Census Bureau (2007), Denton is the nation's tenth fastest-growing city among those with over 100,000 people. Denton is home to two state universities, the University of North Texas (UNT) and Texas Woman's University (TWU), which together have a combined enrollment of over 45,000 students. TWU is NCAA Division II School with only women's intercollegiate sports. The UNT has both men and women's intercollegiate sports at the NCAA Division I-A level. In addition to the two NCAA Division I-A and Division II universities, the athletic department of Denton Independent School District also gets corporate sponsorships.

Interviews will be arranged with representatives from the three athletic departments and their corporate sponsors, in order to answer these research questions: (1) What are the reasons corporations sponsor the local athletic departments? (2) What are the decision-making process and procedures used in the sponsorship exchange process with the athletic departments? (3) What are the process and procedures local athletic departments utilize to attract corporate sponsors? (4) How do local athletic departments and their corporate sponsors evaluate the agreed upon sponsorship and the future opportunities with each other? (5) How do the perceptions of the exchange process of local athletic department marketers differ from those of the corporate sponsors? The qualitative data gathered from these interviews will be organized and analyzed using a qualitative software package, NVivo 7. Data verification and analysis will be used to identify main themes and sub themes that help to examine sponsorship reasons and the decision-making procedures and how this might affect sponsorship.

A pilot study was conducted with a NCAA Division II university athletic department and three of its corporate sponsors. The purpose of the pilot study was to determine the feasibility of a larger study to examine exchange theory in the sport environment. Likewise, the pilot study allowed for an evaluation of the research questions and the interview questions be used in the current research. The result of the pilot study indicated that the relationships, business and philanthropy are the three reasons that corporations sponsored the university athletic program. The participants explained that relationships are a major part of the success or failure of local athletic department sponsorship arrangements. Different from sponsorship of nationwide level sports events that corporations focus on marketing value; the corporate objectives of the Division II athletic program sponsorship are more similar to sponsorships of local level sports. The sponsors not only expected marketing returns such as increasing sales, increasing awareness, enhancing image, reaching target markets, and maintaining relations on sponsorship investments, but also have philanthropy as a factor.

2009 North American Society for Sport Management Conference (NASSM 2009)

Since several issues for corporate sponsorship were identified through the pilot study, this comprehensive qualitative study to explore the sponsorship exchange process in three local athletic departments in a common geographic community is warranted. The results from this study will benefit scholars, corporations, and local athletic departments. It will provide scholars with a stronger understanding of the sports sponsorship exchange process. Corporations will understand the benefit of investing in local athletic departments, and can use it to achieve their goals. Local athletic department administrators will understand the factors, attitudes and perceptions influencing the sponsor's decision. Knowing this information will enhance their understanding of the exchange process and increase their ability to negotiate and maintain successful sponsorship.