



ROLE OF SPONSORSHIP IN POPULARIZING SPORTS

Dr. Baiju Abraham

**Associate Professor, Department of Physical Education
Lucknow Christian College, Lucknow, India.**

ABSTRACT

An appropriate definition of sponsorship is Sandler's (1993) as cited by Papadimitriou (2008), "The provision of resources (money, people or equipment) by an organisation directly linked to an event or activity in exchange for a direct association to that event or activity." Sponsorship is one of the most important aspects of marketing communications. Sport is currently the largest industry to receive funds through sponsorship. From 2001-2010 sponsorship by corporations has risen dramatically.

KEYWORDS: largest industry , marketing communications.

INTRODUCTION:

It is difficult to place an exact value on the UK sponsorship industry, but according to Key Note (2010) market reports the increase of major sponsorship deals in the UK has jumped from £353m to £486m in the last decade. One explanation for the added industry value could be attributed to the availability of sports events on television across the large pre-pay platforms. Another factor could be the commercialisation and co modification of sporting events in general. Boyle (2009) described elite sports as being viewed by corporations primarily as a tool for 'adding brand value'. (Key Note, September 2009)

SPONSORSHIP FROM THE SPONSOR'S PERSPECTIVE

When companies commit themselves to sponsoring certain activity, they should always have clear reasons and objectives for their actions. Sponsorship goals should always be linked to promotional objectives and in a wider sense to the marketing objectives of the organization (Shank 2009, p. 333). Shank (2009, p. 333) differentiates between direct and indirect sponsorship objectives. The direct sponsorship objective is expected to have an immediate impact on sales as well as impacting the level of the consumer behaviour. The indirect sponsorship objective on the

other hand is regarded as a long-term commitment, which requires a high level of generating awareness and company image before the companies can reach their set indirect objectives.

Sponsorship tends to communicate a company's message in a more different and less commercial way; the IOC designed an exclusivity contract back in 1988 Seoul Olympics to selected



companies to use the Olympic rings logo on their products in all parts of the world which guarantees that the sport entities will use only their product lines and not of unlicensed competitors (Mullin et al. 2007, p. 322).

BUILDING GOODWILL

Sponsorship is a great way of conducting business on a more personal basis in order to create a certain level of goodwill. Through the aid of hospitality and entertainment, an amicable business environment can be created which in turn can boost a company's image positively (Mullin et al. 2007, p. 328).

RELATIONSHIP MARKETING

Many companies are now involved in building a long lasting relationships with their customers and at the same time seeking new innovative means in acquiring new lasting ones too. The NASCAR has incredible success results from creating memorable experiences that often translates into lasting customer relationships (Armstrong & Kotler 2009, p. 9). According to Hardy et al, R. Mckenna regards finding a means to integrate the customers into the company, so as to create and sustain some level of relationship between the company and the customer (Mullin et al. 2007, p. 296). Groomroos, according to Mullin et al, identifies three main conditions under which relationship marketing is a productive and successful marketing approach. The first approach is the customer having an ongoing desire for some level of service. Secondly, the customer of the service tends to control the selection of the service supplier. Lastly, there are alternative service suppliers (C. Groomroos, Service Management and Marketing, 1990). These conditions are highly present in the sport market-place and also provide an excellent forum for relationship marketing since sport consumers are 28 highly involved consumers who usually have a desire for long-term association with a particular sport team or brand products (Mullin et al. 2007, p. 296). Shank (2009, pp. 339-340) regards this as giving the sponsors ample space to perform so as to entertain both new and old clients as well as themselves too in the process.

COMPETITION

Companies engage themselves in sponsorship deals at times due to some level of threat from their competitors. It has been argued by many sponsors that this is the main reason for sponsorship activity. In other words, if they are not interested and fail to invest in sponsorship, then some of their competitors will; which will eventually lead to a market loss for them in major events like the Olympics for instance (Shank 2009, p. 334).

IMAGE BUILDING

One of the most important aspects why organizations go into sponsorship deal is either to build the organizations image or to maintain a high level image. It is a two-way street for both the sports entity and the sponsoring organization whereby the latter, tends to associate itself or its brands with the positive images obtained by the unique personality of the sporting event (Shank 2009, p. 342). The situation can be fully verified in the case of Tiger Woods where many of his sponsors which included the likes of Gillette, Accenture, AT&T, and General Motors discontinued their sponsorship deals with him after news of his numerous infidelities broke out to the public. Many of these companies did not want their brands to be associated with such scandals and some went to the extent of pulling out the television commercial which featured the golf star.

ISSUES FACING THE INDUSTRY (THREATS)

There are quite a number of issues that both the sponsored properties and sponsoring firms need to consider when they set out to go into sponsorship event deals or other forms of competitions. Recently Mahendra Singh Dhoni, Captain of the Indian cricket team was in highlights for reasons relating to ambush marketing clause given in ICC guidelines during the Cricket World Cup 2011. He was a brand ambassador of a product directly in competition with an official sponsor of the World Cup. As sport sponsorship has grown and developed in importance and sophistication over the past three decades, so too have the efforts made by un-associated brands to capitalize on the financial benefits and media value provided by sport. The need for marketers, sponsors, and officials to acknowledge, understand, and defend against ambushing has been magnified by the staggering growth of sponsorship investment over the past twenty-five years. Sandler and Shani (1989) define ambush marketing as "a planned effort by an organization to associate itself indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an Official sponsor".

The goal of ambush marketers is to give consumers the impression that they are somehow connected to the event, without having to pay for the sponsorship. It is an attempt of the third party to associate with the event or its participants so as to deprive the 'official sponsors' of part of the commercial value due to their 'official' designation. Such an association is not in consent with the event organisers and the aim is to delude the consumers into believing that they are the official sponsors.

STRATEGIES

- **A. Direct ambush marketing** is an intentional use of symbols and trademarks associated with the mass event so as to give the consumers the wrong impression as to the actual sponsors of the event. Certain direct ambush marketing strategies are:
 - **Predatory ambushing:** The direct ambushing of a market competitor, intentionally attacking a rival's official sponsorship in an effort to gain market share, and to confuse consumers as to who is the official sponsor. For example, during the Heinekein, UEFA European championships, 2008, Heinekein in an effort to ambush Carlsberg's official sponsorship, created marching band-style "Trom-pets" (drum hats) for Dutch fans on their way to Bern which also acted as drum, branded with the heinekein logo and name; company released advertisements featuring Dutch fans travelling to Switzerland, visiting official Oranje fans camping complex, and Heinekein marketing executives plotting ways to ambush the European Championship.
 - **Coat tail ambushing:** the attempt by an organisation to directly associate itself with a property through legitimate link, without securing official event sponsor status. It refers to the unsolicited association of a company to an event. For example, in Beijing Summer Olympics, 2008, following Liu Xiang's injury in the men's 110m hurdles, Nike released a full page ad in the major Beijing newspaper featuring the image of the disconsolate Liu, a Nike-endorsed athlete, and the tagline: "Love competition. Love risking your pride. Love winning it back. Love giving it everything you've got. Love the glory. Love the pain. Love the sport even when it breaks your heart".
 - **Property infringement ambushing:** The intentional use of protected intellectual property, including trademarked and copyrighted property such as logos, names, words and symbols, in a brand's marketing as a means of attaching itself in the eyes of consumers to a property

or event. For example, in UEFA European Championships, 2008, betting company Unibet released a series of magazine advertisement in Polish magazine, Pitkanova for online betting on the European Championship, explicitly featuring the words 'Euro 2008' and football in their adverts. ling" brand.

B. ASSOCIATIVE AMBUSH MARKETING

The term itself is clear as it means intentional use of such terms or imagery which portrays that the company has links to the sport event or property, without making any reference to the official sponsorship. Such different types of associative strategies are:

Sponsor self- ambushing: When the official sponsor creates the marketing communication beyond the scope of its sponsorship rights effectively ambushing the other official sponsors. During UEFA European Championship, 2008, the official sponsor Carlsberg extended its promotion beyond the sponsorship rights by giving away headbands to the fans during the tourney, sporting fake team-colour hair; it also gave T-Shirts to the fans visiting the brand's promotional Booth.

- **Distractive Ambushing:** Creating the distraction in or around the place of event, not having any association with the event, in order to gain the attention from the event's audience and thus promote the brand's product. For example, in The Open Championship, 2008, Bentley set up a line-up of the Bentley cars outside Hill side Golf club which is adjacent to the Royal Birkdale, the host course of the Open, which attracted great attraction from the event audience.
- **Value Ambushing:** Making a direct reference to the event or property's theme or values to imply a link with the event in the mind of the consumers. For example, Puma, in the European Championship, 2008, in order to promote its football line used the tagline, June 2008: Together Everywhere, thus making a direct reference to the event being played that month.
- **Insurgent Ambushing:** use of surprise and aggressive promotion at an event with minimum investment in order to maximise the awareness and to distract the attention of the people from the official sponsors of the event and the event itself. For example, in 2008 French Open- Ronald Garros, K-Swiss ambushed the rivals Adidas and the clothing sponsor Lacoste by setting up a huge purple tennis ball on a crashed car on the major route to Ronald Garros.
- **Pre-emptive Ambushing:** When the official sponsor creates the marketing communication in order to usurp any possible ambush marketing campaigns of the rivals, thus prompting the ambush activities and distracting the focus from any of the other official sponsors of the event. For example, in the European Championship, 2008, Adidas produced 16 inflatable footballers wearing the jersey of each country participating in the event with Adidas logo and stripes including those countries which were sponsored by Nike and Puma.
- **Parallel property ambushing:** The creation of a rival event or property to be run parallel to the main ambush target, associating the brand to the sport or the industry at the time of the event, thus capitalising on the main event's goodwill. For example, Nike organised a global contest "human race" in 24 countries around the world including Shanghai, where the Olympics, 2008 was taking place, which was continued for 7 days following the Olympics, and gathered a huge international marketing throughout Olympics centred around Nike and

the marathon.

C. INCIDENTAL AMBUSH MARKETING: When the market communications of a company leads to such incidental ambushing of the official sponsors. It may be done in two ways:

Unintentional ambushing: when the consumers incorrectly identifies a non-sponsoring company as an official sponsor due to its previous association or due expectation of association with the event. For example, Speedo earned a considerable attention from media as result of success of swimmers wearing LZR racer swimsuits. This portrayed Speedo as official sponsor of the Beijing Games thus creating confusion in the market.

- **Saturation ambushing:** a strategic increase in the marketing communication of a product through aggressive marketing in order to maximise the advertisement during the event by maximising available advertising before, during and after the event. For example, Lucozade, during the Beijing Olympics indulged into aggressive marketing of its products much above its standard marketing featuring athletes and a variety of sports significantly.

Effective sponsorship keys (Aaker & Joachimsthaler 2000, p. 223)

1. Have clear communication objectives
2. Actively manage the sponsorships
3. Be proactive
4. Consider multiple sponsorship payoffs
5. Look for publicity opportunities
6. Own sponsorships if possible
7. Look for an exceptional fit Effective Sponsorship

Necessity of Legislation:

As India is trying hard to bid for either 2020 or 2024 Olympics, the controversial practice of 'ambush marketing' will come under scanner. No cricket lover can easily forget the instance of 1996 cricket world cup where Coca Cola was the official sponsor but its sponsorship was clearly overshadowed and ambushed by the cheeky and catchy slogan "nothing official about it" of Pepsi, although now times have changed and India has recently have organized the most successful cricket world cup ever both in monetary and popularity context and without any major controversy, but that is largely due to cricketing policies of I.C.C (International Cricket Council).

Today the stakes in sports are much higher for example the broadcasting rights of the cricket world cup of 1996 was bought for an nominal amount of \$ 15 million but for 2011 and 2015 cricket world cup the amount increased up to \$ 1.1 billion ,the sponsors are very much concerned about their rights and interests although protection provided under trademarks act, competition law seems to be enough to deal with every situation of ambush marketing but in reality they are not enough and are not sufficient for each and every situation, lets again discuss the "nothing official about it" campaign by Pepsi it was more or less a spoof or parody on the official sponsor but in reality it was a smartly done act of ambush marketing, the point of determination remains whether any business/official association with the event is implied indirectly, even today a smartly

done act of spoof or parody like "nothing official about it" will not be attract the provisions provided to attract ambush marketing.

Over the years, the nature and role of sports sponsorship has changed dramatically from altruistic patronage to calculated spend money, the expectation of concrete measurable 'return' on "investment" have become of paramount concern, the laws provided under trademark, copyright infringement, passing off or unfair competition can only be a stop gap arrangement and not a permanent solution.

Although the event organizers, sponsors, sportspersons do sign contracts of exclusive sponsorship before any major event so as to protect their rights and interests, like we have seen in recently concluded cricket world cup where the rules of I.C.C prohibited players from indulging in any sort of ambush marketing but these contracts limits each of their rights to interact or associate commercially with competitors of official sponsors in-stadia and in some cases for a period of time surrounding the event. As regards the world at large they have no rights other than trademark, passing off, false advertising and unfair competition laws, as a result, the contractual restraints described above in conjunction with existing law are of very limited use in curbing ambush marketing by opportunistic actors.

If we look at the examples of countries which have organized major events Australia (Olympic 2000), China (Olympic 2008), Canada (Winter Olympic 2010), and U.K (Olympic 2012) all of them either have passed event-specific legislation or amended existing laws to contemplate protection of the official sponsors of their major sporting events.

A major international sporting event plays a very significant role in developing economy and sports and also in promoting tourism, these major sporting events do require sponsors and no sponsor would invest their money at the risk of tribulations of ambush marketing. They also looks for return on their money and without proper legislation it will not be easy to attract sponsors so in order to promote sports and attract major sponsors there is an urge for proper legislation.

CONCLUSION

Ambush marketing is not a new phenomenon but lately due to increase in sports events at the world level, ambush marketing has been making headlines. In order to avoid ambush marketing, organizers are making an effort to make such rules or guidelines which gives them the power to take action against the wrongdoer. It is now common to make legislation before any major event for example; the London Olympics Bill, published on 15 July 2005, debated in Standing Committee, and amended on 18 October 2005. It deals in particular with regulation of advertising activities and commercial exploitation in connection with the Games and protection of the Olympic intellectual property such as the Olympic symbol, motto, and associated words. This act shall cease to be in force on 31st December 2012. The objectives of doing so are to protect the financial investment made by official sponsors and maximize the return to organisers of the event which, without official sponsorship, would be unlikely to take place. Today an obnoxious amount of money is at stake, thus one can see the hard work involved to stop the ambushers. Therefore the time has come to implement a legislation which protects the rights of the official sponsors and also infringement of the intellectual property rights.

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