The potential contributions of sports sponsorship in impacting the product adoption process

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Benefits sought by businesses that sponsor sports events are discussed and links made between these benefits and the stages of a potential customer’s product purchase decision-process. The wide variety of benefits are classified into four main categories: increased awareness, enhanced image, product trial or sales opportunities, and hospitality opportunities. The risks associated with business sponsorship of sports events are described, and the media’s key role in enhancing a sponsor’s benefits is discussed. An extensive number of illustrative examples are included.

INTRODUCTION

Sponsorship is an element of promotion and the intent of those investing in it is to impact positively on a consumer’s product purchase decision-process, so sales of the sponsor’s products will increase. Promotion is basically an exercise in communication. Its role is to facilitate exchange with present and potential clients by informing, educating, persuading or reminding them of the benefits offered by a company, its products or services. Traditionally, promotion messages have been communicated through a combination of four vehicles: personal selling, advertising, publicity and incentives (sometimes termed sales promotions). Sponsorship offers a fifth vehicle which can contribute to the total communication effort of a company. It complements the other four vehicles, rather than supplanting any of them.

Sponsorship has two special strengths. First, positioning has become a central concept in marketing strategy, and corporate and brand image development are key factors in positioning. Image is used to differentiate and position products that are essentially similar. Sponsorship is particularly suited to image enhancement. Second, in many situations sponsorship may offer opportunities for a company to establish a more intimate and emotionally involved relationship with its target audience than is feasible with the other four communication vehicles. A company’s relationship with most of its audiences is usually rather distant and obviously commercial, while sponsorship enables a target market to be approached through activities in which they are personally interested. The intent is to communicate with audiences through their interests and lifestyle activities. In the context of sport, sponsorship allows a company to deliver its message to consumers who are relaxed, in a state of mind and in an environment that makes it likely they will be receptive. It may facilitate potential customers spending quality time with a company and its products: ‘When you reach prospects
who are interested in or are attending an event, they are yours. They are there because they want to be. They’re part of the event and in a receptive mood’ (McCabe, 1989).

In her taxonomy of the sponsorship package, Brooks (1990b) identified four different components of what she termed ‘the athletic platform’, upon which a sponsorship programme could be based. They were: the athlete, the event, the sport, and the team. She noted that any one of these could be used by a company in pursuit of its communication goals. The focus of this paper is on the sponsorship of sport events.

The essence of successful sponsorship of a sports event is the exchange of mutual benefits which occurs between a business and a sports organization. It is a reciprocal arrangement. The organization is likely to seek financial, in-kind and media benefits. Businesses may seek a large variety of relatively narrowly focused benefits from using sponsorship to communicate with their customers, but they can be classified into four broad categories: increased awareness, enhanced image, product trial or sales opportunities, and hospitality opportunities (Table 1).

Companies may seek to communicate with groups other than their potential customers. Other groups which may be affected by sponsorship decisions include employees, shareholders and financial institutions. For example, a particular sponsorship may create a sense of pride and unity among employees. Thus, it was reported in a study of sponsor decision-makers, ‘Many respondents mentioned that they sponsor sport to assist staff recruitment. A company having wide exposure in the media can get the reputation of being a dynamic firm which...
people would like to join’ (Abralt and Grobler, 1989). The profusion of multiple product companies has led many corporations to recognize a need to raise their profile with financial institutions and shareholders. Hence, some businesses have used sponsorship to communicate messages about the corporation as well as its products. However, in this paper, discussion is confined to how businesses use sponsorship to communicate with customer publics, since this is likely to be the most frequent focus of sponsorship investment decisions.

Armstrong (1988) provided some evidence suggesting that companies evolve through a progression of the benefits shown in Table 1. He conducted in-depth interviews with representatives of 17 international electronics companies which had major investments in sports sponsorship. He reported that initially sponsorship was primarily viewed as an alternative to advertising and as a way of getting media exposure. However, over time the emphasis shifted to image and public relations benefits. If those interviews were conducted today, it is reasonable to hypothesize that those companies would have progressed further through the benefits-sought sequence. In 1992, the sponsorship director of a motor event (Cherpit, 1992) commented, ‘Companies want a greater return for their dollar and quick impact. Corporate image building and visibility are at the bottom of the priority list’. Similarly, the Director of Corporate Sponsorship and Events at the Eastman Kodak Company stated:

As a sponsor, I look to the promoter to come to us with ideas on how the property can, in our case, sell film. Like most other companies today, we are no longer satisfied with enhanced image; give us opportunities for on-site sales, well-developed hospitality packages, dealer tie-ins, etc., and we’ll listen (Diggelmann, 1992)

Three of the four benefit categories (Table 1) constitute longer term strategic components of sponsorship which contribute to a company’s overall strategy for encouraging potential customers to purchase. In contrast, the creation of product trial or sales opportunities is a short term tactical action designed to culminate in immediate product trials or purchases. There is some parallel with the roles of the other marketing communication vehicles, since advertising, publicity and to a lesser extent, incentives, could be viewed as strategic mechanisms, while only personal selling is likely to result in immediate sales.

A sponsorship is likely to have the potential to yield multiple benefits involving all, or a combination of, the four categories. For example, sponsorship of a single sports event may lead to increased awareness of the sponsor’s product; stronger bonding by extending hospitality to key existing clients, potential clients, distributors and decision makers; using hospitality privileges to create staff and dealer incentives; and to induce product trial by potential new customers. A corporate sponsor is likely to devise as many benefit opportunities as possible from a sponsorship in order to optimize return on the investment.

THE RELATIONSHIP BETWEEN SPONSORSHIP BENEFITS AND THE CONSUMER’S PURCHASE DECISION PROCESS

A variety of decision-making paradigms, which model the stages through which potential consumers pass before purchasing a product, have been proposed in the consumer behaviour literature (Fishbein, 1963; Palda, 1966; Ray et al., 1973; Fishbein and Ajzen, 1975; Smith and Swinyard, 1980; Finn, 1982; Wortzel, 1982). A review of their similarities, differences and relative merits is provided by Reid and Crompton (1993).

The most widely accepted of these models is the AIDA concept (Lamb et al., 1992; Crompton and Lamb, 1986). The acronym
stands for awareness-interest-desire-action. An expanded version of the AIDA concept is the hierarchy-of-effects model, which proposes that consumers’ purchase decisions comprise a six-stage process: awareness, knowledge, liking, preference, conviction, and purchase (Lavidge and Steiner, 1961). These approaches are based on the cognitive psychology perspective that consumers are rational, that is, they think before they act (Assael, 1981). Variations of the hierarchy-of-effects model have been proposed by Strong (1925), Rogers (1962), and Campbell (1966), each of whom used different titles to describe their schemata. However, it has been suggested that differences between them may only be semantic (Kotler, 1984), because they all follow the cognitive, affective, conative sequence of Lavidge and Steiner (1961).

The AIDA and hierarchy-of-effects approaches have been endorsed by a number of writers and researchers (Lavidge and Steiner, 1961; Fishbein, 1963; Palda, 1966; Ray et al., 1973; Fishbein and Ajzen, 1975; Rothschild, 1984 Mowen, 1988). Although the two models have a different number of stages, they are readily reconcilable (Lamb et al., 1992). Table 2 shows that awareness embraces awareness and knowledge; interest incorporates liking and preference; while the last two AIDA stages, desire and action are synonymous with the final two hierarchy-of-effects stages, intention and purchase, respectively. For the purpose of this paper, the AIDA model was used because its fewer stages simplified the exposition.

An additional stage, reinforcement, has been added to the end of the AIDA sequence. It has been noted that:

What the company does to nurture the relationship with the customer, to build it, to strengthen it, is crucial to the company’s marketing effectiveness and efficiency. To work hard to attract new customers and then to be complacent in strengthening the relationship makes little sense (Berry and Parasuraman, 1991).

Hence, customer retention as well as attraction of new customers is likely to be a primary objective of some businesses sponsoring a sports event. This involves reassuring and confirming to customers that they made a wise decision in purchasing the company’s product.

The product adoption model shown on the left side of Fig. 1, suggests that potential purchasers of a product pass through a process which consists of five stages from initial awareness to committed loyalty. They are defined as follows:

(1) **Awareness**: an individual becomes aware of the existence of a particular product and acquires some limited knowledge of its attributes.

(2) **Interest**: more detailed knowledge of the product’s benefits is acquired. Interest and preference for it develop or a favourable attitude towards it emerges. A distinctive image of it evolves.

(3) **Desire**: an appraisal of the product’s merits is made. If it is perceived to meet an individual’s needs better than alternative offerings, then there is a desire or intent to purchase.

(4) **Purchase action**: this is the culmination of all that has gone before and the product is purchased or rejected.

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(5) **Reinforcement**: to reassure and confirm to purchasers that a wise decision was made, and to consolidate loyalty to the product.

The product adoption model emphasizes that a purchase decision is usually the culmination of a process that starts long before an actual purchase takes place, and continues long after an initial purchase is made. A company’s challenge is to design sponsorship benefits which will move potential customers from their present stage in the adoption process on to the next stage toward committed loyalty. The four main benefit categories available to businesses from sponsorship may be used to facilitate the product adoption process (Fig. 1). The broken, dotted and continuous lines in Fig. 1 indicate the stage in the adoption process at which each of the sponsorship benefits may be targeted. For example, the two solid lines emanating from hospitality opportunities indicate that this benefit may be targeted at two groups: to reinforce and consolidate links with existing customers and suppliers; and/or to nurture interest in the company and its products of those individuals who have been identified as strong, future prospects. The potential role in facilitating the product adoption process of each of the four categories of sponsorship benefits may be described and illustrated.

**Increased awareness**

Sponsors who seek awareness benefits are trying to move potential consumers on to the first stage of the adoption process (Fig. 1).
Thus, if a sponsor is a well-known company whose products already have high levels of awareness, then this benefit will not be sought, because sponsorship could only marginally increase awareness. Therefore, most major sponsors who have a high profile with their target markets use sponsorship to effect other stages of the product adoption process (Fig. 1). However, in cases where the awareness level is low, sponsorship can have an impact in expanding the number of potential consumers, which then provides a broader base at which to target communication strategies aimed at more advanced stages of the adoption process. For example, Fortis Inc. in New York, developed a medical insurance plan for the US Olympic Committee (USOC) to cover its elite core of athletes. This was useful to the company ‘because of the awareness that could be generated among our agents and group brokers, giving them the ability to promote the fact that Fortis is protecting Olympic-caliber athletes ... When an agent or broker calls on a client carrying the same program that USOC has it has an impact. It energized our brokers and helped get a new group insurance product off the ground’ (Schlossberg, 1992).

**Image enhancement**

Image is the sum of beliefs, ideas and impressions that a person has of a business or its products. It may be formally defined as the mental construct developed by an individual on the basis of a few selected impressions (Crompton and Lamb, 1986). Images are ordered totalities built from scraps of information, much of which may be inferred rather than directly observed or experienced, and these inferences may have only a tenuous and indirect relationship to fact.

Image benefits are most frequently sought by companies which are striving to create interest and a favourable attitude toward their products by ‘borrowing’ the image of a sports event and using it to enhance the product’s image with its target audience (Fig. 1). This is likely to be particularly effective when a relatively new product or one with low awareness is involved. Because few or no competing impressions of the product currently exist, the company hopes that by associating with a sport, the sport’s image attributes will be associated with its product. Sports do have distinctive images, for example: cricket is English, baseball is American; polo is upperclass, basketball has mass appeal; tennis is clean, motor racing is dirty and dangerous (Meenaghan, 1983). Consider the image enhancement that products have gained from the following linkages with sports.

- In England, Gillette, an American company, was in competition with Wilkinson, a British company which makes razor blades. Through its involvement with cricket, a traditional English sport, Gillette effectively erased its American image in the UK market (Meenaghan, 1983).
- Subaru’s sponsorship of the US ski team was intended to emphasize the snow and ice-handling capabilities of its four-wheel drive compact car (Brooks, 1990a).
- Timberland sponsored the Alaskan Iditerod. As manufacturers of rugged outdoor footwear, the choice of a sled race across harsh Alaskan conditions offered a strong association between brand image and the sports event (International Advertising Association, 1988).
- Tobacco advertising on television was banned in the US in 1971. By 1986, no fewer than 67 countries had legislation prohibiting or controlling advertising of tobacco products (Raemer, 1986). These actions caused tobacco companies to invest more heavily in sponsorship, since it offered an alternative means of
gaining media exposure for their products. Marlboro cigarettes elected to sponsor Formula 1 auto racing. The key factors in this decision were: the glamorous image associated with the sport in terms of the colour, personality, impact and excitement associated with the Grand Prix circuit; its ‘winning identity’ showing Marlboro as being ‘ahead of all the others’; and its provision of an internationally glamorous yet masculine platform for the brand on which to sell the product in its many markets worldwide (International Advertising Association, 1988).

- K-Mart Corporation became involved with professional golf to upgrade the department store chain’s stodgy, blue-collar image. Golf is an upscale sport and K-Mart felt the link would help reposition the stores to appeal to a higher economic sector of the population (Brooks, 1990a).

- The opportunity for people to witness Olympic athletes indulging in Evian water at the 1992 Albertville and Barcelona Olympic Games, was intended to reinforce the product’s fitness lifestyle positioning with existing and potential customers (Schlossberg, 1992).

The initial description of image noted that it may only tenuously be related to fact. A prime example of this is the remarkable adeptness of the cigarette companies at creating positive images for their products often through sports, even though when used as intended they will harm and perhaps kill the user. Their success is illustrated by De Parle (1989): ‘Quick speak the words ‘Virginia Slims’ and what do you see? A) Chris Evert or B) the cancer ward? If you answer A – and most people do – then Philip Morris has you right where it wants you’. Tennis champions are in peak physical condition and since endurance is important, their hearts and lungs are particularly strong and healthy. Fostering these connotations for smoking has been a crucial component of the Virginia Slims marketing strategy.

Image is not static. It is amended by information received from the environment. However, it is unlikely to change easily. Once people develop a set of beliefs and impressions about a product, it is difficult to change them. (Consider the probable success of the K-Mart strategy of associating with golf in the above example, in the light of these comments!) This relative permanency exists because once people have a certain image of a product, they tend to be selective perceivers of further data. Their perceptions are oriented towards seeing what they expect to see. Hence, it is likely to be difficult for sponsorship to be effective in changing image. Thus, in addition to impacting the interest stage of the adoption process by borrowing a sport’s image, many companies use image enhancement to reinforce existing product image, to give existing purchasers good feelings about purchasing it and encourage their loyalty towards it (Fig. 1). Cadillac, for example, has an established image and the company’s sponsorship objective is ‘to reinforce and enhance Cadillac’s image among the general public – to use our name as a metaphor for excellence: ‘The Cadillac of its class’ (Perelli and Levin, 1988).

**Product trial or sales opportunities**

Product trial or sales opportunities may be used to impact the desire, purchase action, or reinforcement stages of the adoption process (Fig. 1). Product trial opportunities are particularly valuable because moving people from the interest to the desire stage, which involves seriously evaluating a product’s merits to determine whether or not a purchase should be made, is a difficult communications task (Fig. 1). There are likely to be many products in which individuals may have an interest and are
favourably disposed towards but that they have never tried, especially products for which the cost of trial is high in terms of money, time, potential embarrassment, etc. Sponsorship, which frequently is the most effective method by which potential customers can assess the product's merits, offers a vehicle for encouraging trial. For example, Converse launched a new tennis shoe, the Converse Classic by sponsoring the Converse Classic Tennis Tournaments which comprised the largest US Tennis Association sanctioned series for local players. The series involved 3500 players from 37 US cities. The players represented the top level of tennis at the 'grass roots' level. All of them received a free pair of Classic shoes. Thus, the tournaments provided Converse with product trial opportunities for a new product with a targeted group of opinion leaders across the country. An executive commented, 'We decided to take the shoe to the consumer who is the toughest critic - the local player. 'We wanted to put shoes on the feet of players to see if we could create an implied endorsement from the enormous player pool. What these players wear is very important to their peers at the club level' (Moritz, 1980).

Similarly, BMW's main sponsorship goal was to increase the number of prospective buyers visiting their dealerships to evaluate the merits of BMW automobiles. They wanted to reach women who were successful in the business world and determined that triathlon sponsorship was one way to do this. Thus, BMW became a co-sponsor of the Dankin Women's Triathlon Series which comprised of seven triathlons held in different cities. Series participants received coupons that could be redeemed for the Dankin products, if they test drove a BMW. Approximately 25% of participants visited dealers (International Events Group, 1992a).

The makers of Ultra Fuel high-carbohydrate energy drink and Hydra Fuel fluid replacement drink sponsored 75 multisport and six cycling events, soon after the drinks were launched. A spokesman observed, 'We're not like Gatorade, with a big ad budget that allows us to go after everybody. Our objective is to get our drinks into the hands of premier athletes and the people who follow the sports in which they compete. Brand identity for the two drinks is not there right now. Fewer than 10 percent of triathletes and biathletes have tried the products. Our goal is to sample 50,000 people this year' (International Events Group, 1992b). At each event, the drinks are poured at all aid stations on the course and at a booth at the finish line.

An event may be used to identify prospects for product trial. In such cases, subsequent tailored packages can be developed to induce the trial. This approach was used by Bell Cellular Inc. which used its on-site sponsorship presence to generate targeted leads. These were followed up with tailored pitches. For example, the entry form to win a car, included questions on earnings and other key demographics (Lavelle, 1991). Similarly, Manufacturers Hanover Bank sponsored Corporate Challenge races in 12 US cities and in Oslo and Stockholm. The runners' release form asked entrants if they owned or rented their homes and if they would consider switching banks. This enabled the bank to target prospects with tailored follow-up actions (Bleakley, 1991).

Sometimes product trial means demonstrating the excellence of a product's technology to potential consumers rather than inducing them to test it personally. For example, for its role in sponsoring the winning yacht in an America's Cup race by contributing expertise and computing equipment, Data General Computers claimed kudos for 'our' win in subsequent advertising lauding its information networking system. Similarly, the sails were 'new generational' designed to utilize the high strength characteristics of Kevlar/Myler laminates (James, 1986).
Computer companies frequently seek to use this demonstration approach by offering in-kind assistance to sports events. This often means that when viewers see a score, statistic or graphic related to a sporting activity they are watching, they also see the name of the company whose computer provided the data. Consider the investment made by Olivetti (Long, 1993):

Olivetti has been providing a timing service to Formula One motor racing for 13 years. Olivetti says it has processed 2 million race times, more than 500,000 laps, and calculated 700,000 top speeds. The computer team comprises 15 engineers, 10 km of cable and a dozen 386 PCs which make up the timing systems. The race and lap timer, based on a photocell at the finish line, feeds one set of PCs, while the telemetric system (whereby a small transmitter on the car sends the team confidential data on how it is running via antennae embedded in the track) supplies another. Two further systems stationed at other points on the circuit provide top speeds and intermediate times for all of the drivers. In 1992, at the Imola Grand Prix in Italy, it introduced a new system which takes timings from 15 points on the track, providing TV companies with even more statistics to push at the viewer. All of this represents a major investment, but the payoff is Olivetti’s opportunity to demonstrate its technical excellence and have it recognized by name on millions of TV screens around the world.

An example of a situation in which sponsorship was used to direct purchase action (Fig. 1) was provided by G.I. Joes’ sponsorship of the Portland Trail Blazers National Basketball Association (NBA) team. G.I. Joes is an eleven-store general merchandise chain in Oregon (Stotlar, 1989): ‘Our biggest days are the traditional big-spending days like the day after Thanksgiving and the day after Christmas’ said G.I. Joes’ vice-president of marketing. ‘We have added three big shopping days, however, that our competition don’t have. They are the three days of the Portland Trail Blazers/G.I. Joes Scorecard Days. For each quarter that the Blazers outscored their opponent in this once-a-month promotion Blazer fans received a 5% discount off any regularly priced products in a G.I. Joes store. If the Blazers won all four quarters, the fans received a 20% discount (plus a bonus discount of 10% for a total of 30% off). Now a 30% discount is a nice discount, but in January and February newspapers are filled with ‘store clearance’ ads featuring higher discounts. Would a 30% discount tied to a Blazer victory create a shopping madness when normal store clearance discounts received yawns? The first full 30% discount arrival in February and its impact was gauged by measuring sales on the three corresponding days the previous years. Sales increased 208%.’

The most pervasive sport sponsors are beverage and food suppliers. For example, Coca-Cola is the official soft drink of the National Football League (NFL) and all 28 NFL teams, Major League Baseball (MLB) and 27 of the 28 major league clubs and stadiums, National Basketball Association (NBA) and 24 of its 27 teams, National Hockey League (NHL) and 19 of its 24 teams, Professional Golfers Association (PGA) tour and 40 of its 43 stops, National Collegiate Athletic Association (NCAA), United States Olympic Committee (USOC), and the list could be extended ad infinitum (International Events Group, 1993). Some of this type of sponsorship is intended to induce purchase action. For example, in 1991 The Pennsylvania State University announced a sponsorship agreement with Pepsi Cola which was projected to generate revenue of approximately $14 million for the University over the subsequent 10 year period. The agreement provided Pepsi with exclusive rights to sell its products at all Penn State football games and in vending machines and soda fountains on the University’s 22 campuses. On a smaller scale, Fratelli’s ice cream company sponsors events in order to have
exclusive rights to sell ice cream at them: ‘A quarter of a million people and the exclusive right to sell ice cream can translate into a lot of tangible benefit’ (Morse, 1989).

An alternative goal of beverage sponsorship may be to reinforce the favourable feelings that existing users have towards the drink’s taste (Fig. 1). When a beverage company or its distributors sponsor road races, the availability of complimentary beverages at the end is intended to remind runners of the drinks’ refreshing, recuperative effects and to consolidate their loyalty towards those beverages.

**Hospitality opportunities**

Hospitality opportunities may be used either to interest targeted individuals in a product or to strengthen bonds with existing customers and reinforce their commitment to the company and/or its products (Fig. 1). ‘Guest hospitality refers to those opportunities whereby the company can make face-to-face contact with select publics in a prestigious social context, thereby strengthening and personalizing relationships with decision makers, trade channels and business associates’ (Meenaghan, 1983). Hospitality is a key element in many companies’ relationship marketing strategies. Relationship marketing concerns attracting, developing and retaining customer relationships. Berry and Parasuraman (1991) state that its central tenet is,

the creation of ‘true customers’ – customers who are glad they selected a firm, who perceive they are receiving value and feel valued, and who are unlikely to defect to a competitor. They spend more money with the firm on a per-year basis and they stay with the firm for more years. They spread favorable word-of-mouth information about the firm and they may even be willing to pay a premium price for the benefits the service offers.

Establishing this kind of relationship requires the building of social bonds with customers, ‘staying in touch with them, learning about their wants and needs, customizing the relationships based on what is learned, and continually reselling the benefits of the relationship’ (Berry and Parasuraman, 1991). The objective of offering hospitality at a sports event to existing or prospective customers is not to conduct business, but rather to use a relaxed informal context outside the normal business environment to create a personal interactive chemistry which will be conducive to doing business later. The role of hospitality opportunities at the interest stage of the product adoption process (Fig. 1) in facilitating sales was well articulated by Bentick (1986) who observed:

An invitation to discuss trade is often counter-productive because the target audience is wary that acceptance of the invitation to discuss trade will be interpreted as a commitment to actually trade. Moreover, in the case of a meeting which has as its sole objective the investigation of opportunities for trade, embarrassment is the only result where one party wishes to trade but the other does not. This contrasts with a situation where any non-professional common interest – stamp collecting, social drinking or sporting event – is either the pretext for a meeting, the real object of which is to investigate opportunities for trade, or is the main attraction where trade is discussed only incidentally. In these cases both parties can avoid loss of dignity in the event that they are unable to reach agreement about prospects for trade, and can meet again in the future to discuss other projects without rancor.

Hospitality can be facilitated without sponsorship and this occurs at most major sports events through the scale of boxes, suites and similar options. For example, at the 1993 US Open Golf Tournament, 46 corporations paid a fee of $125 000 to have a hospitality tent set up for their use (Mihoces, 1993). However, guests are likely
to be more impressed and feel more important if they are invited to a sporting occasion for which their host is a sponsor. Hospitality linked with sponsorship enables a company to differentiate itself from other companies offering hospitality by inferring the added value of being seen to be part of the event. The uniqueness of the hospitality opportunity is becoming more important. One sports marketer observed: ‘The average trade manager now receives five invitations to National Association for Stock Car Auto Racing (NASCAR) events. Five years ago, he would only get one. Obviously, he will look for the best package, the one that takes care of his kids and spouse . . . People want to do more than just attend an event, it has to be made special’ (Special Events Report, 1990).

Most major sports events receive large revenues from selling space for hospitality, but there is a potential downside to this: ‘The fight for tickets needed by the hospitality operators reduces those available to true sports fans and pushes up the black-market price. The sight of row after row of identical hospitality marquees disfigures many major sports venues’ (Sleight, 1989). Further, if hospitality opportunities are offered which are not tied to sponsorship, companies that have paid the more expensive fee to be a sponsor, see their presence ambushed or diluted by hospitality buyers. All of these concerns suggest that the nature and capacity of the hospitality package is likely to form a key part of a sponsorship agreement.

It is possible that sponsorship may become sufficiently intrusive that it induces a backlash from the general public. For example, one cynic asked ‘who won at the L.A. Olympics? It is clear from this analysis that commercialism ran away with the Gold’ (Lawrence, 1986). This exemplifies the belief held by some that the primary function of the Games now is to facilitate the sale of products, rather than the prime function of the product sponsorship being to facilitate the Games. They argue that the emphasis of primary purpose has shifted. Consider the preliminary hospitality plans for major sponsors of the Atlanta Olympics: ‘Each sponsor will have access to as many as 400 hotel rooms, as many as 800 tickets for the opening and closing ceremonies, as many as 1,600 tickets for daily events, and a “Platinum VIP Hospitality Package” that includes four chauffeured sedans. Three “hospitality villages” are also scheduled to be built at three primary sporting venues so that sponsors can wine and dine guests’ (Ruffenhach, 1992).

The magnitude of investment in hospitality is illustrated by Alcan’s linkage with the British Open Golf Championship. Over a four-year period, the company invested over £1 million in providing hospitality at this event for over 1000 business associates whom Alcan flew over from the US in an attempt to enhance personal relationships (Meenaghan, 1983). The following examples illustrate the potential pay-off from improved bonding with key customers:

- The lavish entertainment facilities provided for Nabisco as title sponsor of the French Open tennis tournament, enabled the company successfully to court a major French grocery chain that had previously rejected its products (Lowenstein and Lancaster 1986).
- GTE which started sports sponsorship in 1985 with the Indianapolis 500 auto race and subsequently became involved with over 60 events, including five professional golf tournaments, stated that its main goal was to court customers: ‘We use these events to entertain key customers. At the events we throw parties specifically for our sales reps to take their accounts to . . . Snagging one $150 million customer is enough to pay
for an event many times over ... Our
events have brought about many posi-
tive changes in major customer relation-
ships’ (Penzer, 1990).
In addition to fostering closer links with
customers, hospitality opportunities can be
used to perform the same function with
other important publics. For example,
Mazda Motors of America invested $3 mil-
ion in sponsoring the Ladies Professional
Golf Association Championship at Bethesda,
Maryland. The area has a high percentage
of professional women who constitute a big
part of Mazda’s market. However, there was
another important target group. By holding
it in the Washington area, Mazda was in
position to entertain and lobby politicians
with its pro-am event that preceded the
championship (Potter, 1993).
Frequently, closer links with distributors
and retailers will also be fostered by involv-
ing these groups in the sponsorship with
tie-ins and guest hospitality rewards. For
example, GTE used its Sun Coast Classic golf
tournament as an incentive to increase the
number of potential customers entering its
retail phone-marts. The company offered
dealers who bought 50 of certain pieces, two
free tickets to the event. At the same time,
pre-tournament advertising and in-store ap-
pearances by several golf professionals were
used to help the dealers increase their sales
20% during the week-long event (Penzer,
1990).
Similarly, hospitality may be used as a
reward for the performance of sales staff or
for increased productivity by the work force
in general. Its potential for positively impact-
ing employee morale was expressed by a
Target executive: ‘I learned from our spon-
sorship of the Los Angeles Dodgers that if
you give employees T-shirts and tickets to a
ball game, they’ll follow you anywhere. In
Minneapolis we took the same approach,
enabling dozens of Target employees to
enjoy free or reduced-price basketball

CONCLUSION
Sports managers are most likely to succeed
in soliciting sponsorship partners if a mar-
teting approach is adopted, which means
that they look at their sponsorship oppor-
tunities through the eyes of the businesses
from which they seek to attract investment.
This approach is illustrated by the well-
known marketing aphorism, ‘To sell Jack
Jones what Jack Jones buys, you have to see
Jack Jones through Jack Jones’ eyes’. The
extent to which sports managers are able to
see their opportunities through the eyes of
potential sponsors, and tailor a proposal to
meet the needs of businesses, is likely to
determine their success.
Businesses want their sponsorship to in-
fluence their potential customers’ purchase
decisions positively. Customers go through a
series of stages in making purchase deci-
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and targeted to encourage customers and
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likely to be most excited about sponsoring
sports events that offer them product trial
or sales opportunities, since this most di-
rectly contributes to meeting their ultimate
goal which is to increase product sales.

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