

## **SPORTS EVENT SPONSORSHIP**

By

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### **The idea of sport sponsorship**

The concept of sports event sponsorship still holds good in establishing effective and efficient advertising strategy in today's marketplace. In other words, sports sponsorship is one of the best ways to build a communication path toward consumers .it is important to investigate the potential effect of sports sponsorship on changes in value in terms of stock price by adding sponsors' brand equity, sponsorship fit and event characteristics.

Unfortunately, not every company that sponsors a major sports event enjoys significantly positive cumulative abnormal returns but the short-term financial performance can be enhanced by brand value. Product fit can be seen as a potential driver that enhances short-term financial performance. Brand equity and image fit between event and the sponsoring corporate play a key role in explaining the association between sponsorship and financial performance. The event characteristics such as event period, sports type and popularity of the sport may moderate in transferring sponsorship into increased financial outcome but some results show that there is no impact of those factors.

### **Some Implications**

Critical elements in the success of sports event marketing can be defined based on an empirical result. It is essential for corporate to assess their brand value and sponsorship fit in selecting the most appropriate sports event. This might be because choosing the right sports event paves way to better access to targeted audience. For example, exposure to professional tennis broadcasting and indirect advertising of an official sponsor may be expected to create favorable image toward sponsoring companies that provide prize money or some technical support. Fans may feel that sponsors are one of the main characters just as the players or sponsors who contribute to promote successful tournaments.

It is therefore not obvious that companies with strong brand power enjoy more benefits from sponsoring than poor branded companies. Of course, a company with weak brand power may have difficulty in sponsoring the big main sports events but if the condition is the same to each other, high brand equity is not always expected to lead to more improvement in a firm's value.

Practically, it is important to understand the full range of marketing initiatives involved in a sponsorship. Marketers should make every effort to establish a relationship with the sports event affiliated with the firms sponsored sport. Compared to big sports event, niche sport event organizers should also note that sponsorship at their respective events may possibly be devalued (Miloch and Lambert, 2006). For example, it is hard for antique furniture company to benefit from sports sponsorship. On the contrary, automobile company or transportation firm which give important value to speed and technology can create positive performance relatively to antique furniture company. Therefore, positive changes in firm's value can be attributed to good fit between sports event and sponsoring.

## **References**

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