

A SPORTS SPONSORSHIP STRATEGIC MODEL

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Sponsorship refers to “provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives” (Meenaghan, 1983). Sports sponsorship makes it possible to link the aspiration and passion of a target audience to specific sports (Arun, 2004). In general, sponsorship holds a unique position in the marketing mix because it is effective in building brand awareness, providing differentiated marketing platforms, facilitating direct business benefits and opportunities (Miloch, Kimberly S. and Keith W. Lambert, 2006). The number of companies sponsoring events has increased over the past decade. According to the most recently published research available, the people responsible for marketing within brand owner organizations are driving the adoption of sports sponsorship as a brand communication and marketing platform, principally to create awareness and shift brand and corporate perceptions.

A common reason for failure of sports sponsorship however, is lack of focus and a lack of measurable objectives(Smythe, 2007). The existence of a robust sponsorship strategy is therefore a key element in protecting the sponsor and sports agent against this type of failure. Increasingly, strategy development is becoming a complex process, given that sports sponsorship is an associative marketing platform involving more than one party’s interests (Harvey, Bill, Stu Gray and Gerald Despain ,2006) Balancing the conflicting needs and requirements of all parties concerned can quite literally take on massive proportions. For example, the Olympic Games are dependent on a complex web of rights holders (at International Olympic Committee and national organizing committee levels), sponsors (national and global), participants (teams and individuals) and partners (media, technology and others). Other properties may be a mixture of sports and entertainment, such as extreme sports, where the sponsorship strategy needs to take account of the attitudes, values, and beliefs of wider market and customer segments.

However, in today’s competitive environment, brand owners are focusing more closely on sales as a way of measuring their return on investment and it is likely that this will start to dominate sponsorship strategies in the future(Farrelly Francis J. and Stephen A. Greyser ,2007).The

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sponsorship strategic process can be broken down into six steps that apply to the majority of sports sponsorships:

- **Step 1: Existing activity review** – for example, a qualitative and quantitative review of the current or past sports properties
- **Step 2: Sponsorship policy and strategy** – this should contain measurable objectives, audience segmentation, brand fit as well as how the sponsorship property will integrate with other brand communication and marketing activities.
- **Step 3: Negotiation** – there are four predictable outcomes at this stage of the sponsorship process: no deal, renewal, renewal with new conditions or a new sponsorship program with either the existing sports rights holder or a new rights holder.
- **Step 4: Activation of the sponsorship program** – this is dependent on a number of factors, including the creative quotient of the sponsorship programme, the resources available to activate the intellectual property rights (IPR) acquired by the sponsor and the partners involved in the program.
- **Step 5: Return on investment (ROI)** – traditionally, ROI has been based largely on media value, such as advertising media equivalency, (AME) but the tools available to sponsors are now much more sophisticated and provide a more accurate way of measuring sponsorship.
- **Step 6: 360° review of sponsorship programme** – this looks at whether the sponsorship property has performed its objectives in relation to the following audiences:
 - Brand owner
 - Sports rights holder
 - Fans and consumers
 - Other stakeholders.

CONCLUSION

An important critical success factor for selling sponsorship is that the starting point of the sales process must be from the perspective of the brand owner – the potential sponsor (). All too often, excellent sponsorship opportunities fail to attract consideration because they have not been presented in a relevant way with the sponsorship property being used as part of a solution that will appeal (above all others) to the potential sponsor.

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