Advances in the management of sport sponsorship: fact or fiction? Evidence from English professional soccer

Simon Chadwick
Programme Director MA Advertising and Marketing, Senior Teaching Fellow in Marketing, Leeds University Business School, UK

Des Thwaites
Senior Lecturer in Marketing, Leeds University Business School, UK

In a study of sport sponsorship undertaken by Thwaites (1995), corporations stated they were positive about their experiences, although some had failed to employ sponsorship management techniques. Comparing Thwaites’ earlier work with the findings of new research, this study identifies changes in sponsorship management practices during the intervening period. Based upon an empirical study of the sponsors of English professional soccer clubs, this study identifies the fact that sponsors are embracing more formal and professional approaches to managing sponsorship contracts. Given pressures facing sponsors, the paper nevertheless establishes a continuing need for them to employ formal management techniques if the full range of benefits derivable from sponsorship is to be realised. The paper concludes with recommendations for further research and the development of managerial practice.

Introduction

During the last decade, there have been dramatic increases in sponsorship activity on a global scale. Worldwide sponsorship expenditure for 2001 was estimated at $24.6 billion, with an annual expenditure increase of 9.6% for the same year (IEG, 2002). This international growth is mirrored by a similar growth in British sport. Mintel (2000) estimates the total value of British sport sponsorships rose from $573 million in 1999 to $614 million in 2000. In this context, Meenaghan (1998) highlighted that a more ‘hard-nosed’ corporate attitude had come to inform sponsorship decision making. Miles (2001) appeared to concur with this, confirming the proliferation of expenditure had forced corporations to address how to manage sponsorships more effectively. Indeed, such have been the improvements in managerial practice, that it is now held that sponsorship is a vehicle through which sponsoring corporations can achieve a multitude of objectives. Table 1 illustrates the range of these objectives.
Table 1: Sponsorship as a strategy vehicle

<table>
<thead>
<tr>
<th>Use of sponsorship to achieve</th>
<th>Features</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing communication</td>
<td>The use of sponsorship as a promotional strategy, possibly linked to advertising/public relations etc, with a view to increasing sales, raising brand awareness, promoting of image transfer.</td>
<td>Tripodi (2001) Meenaghan (1998)</td>
</tr>
<tr>
<td>objectives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationship marketing</td>
<td>The use of sponsorship as a strategy through which to build relationships with key customers including end-users, collaborative partners and the properties with which a sponsor is associated.</td>
<td>Cousens et al (2001) Farrelly and Quester (2003) Chadwick (2002)</td>
</tr>
<tr>
<td>objectives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource objectives</td>
<td>The allocation and use of key strategic resources, including human and financial resources, in order to build effective sports sponsorship relations through which a sponsoring organization can achieve competitive advantage.</td>
<td>Amis et al (1999) Fahy et al (2000)</td>
</tr>
</tbody>
</table>

Although confidence in the role and importance of sponsorship thus appears to be growing, IEG (1999) has expressed concerns that sponsorships are still failing because corporations do not recognise that these arrangements are complex and challenging to manage. Moreover, Mintel (2000) has stated that the failure to professionally manage sponsorships still poses a threat to their effectiveness. Irrespective of these warnings, Cornwell and Maignan (1998) highlighted a continuing failure amongst academic’s and practitioners to understand how sponsorships should be managed, whilst Hoek (1998) expressed concerns that sponsorship management practices remain underdeveloped.

Experts are therefore divided as to whether any progress has been made in respect of sponsorship management. In an attempt to clarify the current situation, this study aims to investigate whether a more professional approach to the management of sponsorship programmes is evident in English professional soccer. A study of management practice during 1993 (Thwaites, 1995) is used as the benchmark. Similar issues are addressed during the current study and form the basis for assessing the extent to which practices have changed.
This research concentrates on one type of sponsorship, the sponsorship of English soccer club shirts, although it reflects many of the broader challenges facing sponsorship managers, of both other football shirt and more general sporting properties.

Football shirt sponsorship is nevertheless a particularly interesting focus for analysis, especially given recent shirt sponsorship developments across Europe. The six main shirt sponsorship markets in Europe are growing at almost 7% per annum (Sport+Markt, 2002), whilst the four biggest shirt sponsorship deals in history have been agreed in recent years (T-Mobile and Bayern Munich; Fastweb/Tamoil and Juventus; Siemens Mobile and Real Madrid; Vodafone and Manchester United) (Amaya, 2003). One of the reasons for this growth is that sponsorships are proven to work. For example, in the case of Bayern Munich and Opel (the club’s shirt sponsor prior to T-Mobile), it has been shown that 70% of Germans, 20% of French, 19% of Spanish, and 9% of British people knew that Opel were the team’s sponsors (Sport+Markt, 2001).

But in spite of the encouraging signs, there is evidence that some corporations are concerned about the effectiveness of their sponsorship deals (Sport+Markt, 2002). As such, it would appear that sponsorship management is not just about leveraging value from highly priced deals, it also involves fundamental decisions relating to the formation, organisation, management and termination of shirt sponsorship contracts. It is therefore one of the aims of this study to highlight some of the generic considerations in respect of these considerations.

As a basis for the study, an adaptation of the five-stage management model, proposed by Arthur, et al (1998), has been employed. This not only provides a strong framework for examining the individual elements of a sponsorship, but also incorporates recent developments in the sponsorship management literature (shown in Table 2), many of which are discussed in reviews of the sponsorship literature undertaken by Cornwall and Maignan (1998) and Walliser (2003). The management model also reflects the same areas of analysis that Thwaites (1995) initially sought to examine. The model consists of the following stages:

1. Integrating the communications mix through objective setting.
2. Screening and selection.
3. Content of the sponsorship contract.
4. Execution of the sponsorship deal.
5. Evaluation of the sponsorship.

**Research methodology**

Using techniques advocated by Ghauri et al (1995), a sample of managers responsible for soccer club sponsorships was initially interviewed. They were asked to highlight key issues for practitioners relevant to the model being advocated by this study. Using their feedback, an initial questionnaire was developed and, following the guidelines provided by Mitchell (1998), pilot tested. A further questionnaire was subsequently developed reflecting respondent feedback from the pilot phase.
Table 2: Recent key themes in the sponsorship management literature

<table>
<thead>
<tr>
<th>Theme</th>
<th>Focus</th>
<th>Illustrative sources</th>
</tr>
</thead>
</table>

An important observation made during this process was that the questionnaire approach to gathering data has a number of limitations. Nevertheless, it was felt that the approach was appropriate given the geographical dispersion of the sample population. Further concerns relating to response rate were addressed by using techniques such as prior notification, assurance of confidentiality and altruistic appeal advocated by Watson (1965), Veiga (1974) and Jobber (1986). The final questionnaire consisted of a combination of multiple-choice, dichotomous and open-ended questions. Attitudinal data was collected using rating scales which enabled the quantification of essentially qualitative characteristics. Subsequent analysis of questionnaire responses was undertaken using SPSS.
One of the problems normally faced sponsorship researchers is identifying the person responsible for organising and managing sponsorship contracts. To negate the extent of these problems whilst seeking to prompt responses, a three-stage process was employed. Firstly, a letter of introduction was sent to the sponsors stating the aims of the research and the methods of data collection being used. Subsequently, a telephone call was made to each sponsor to confirm receipt of the letter, to explain the research in further detail and to access information about the person responsible for managing the club sponsorship. Using this approach, the contact names and addresses of 43 sponsoring organisations were obtained (one club did not have a sponsor during the period covered by the study). This led to the final stage where a questionnaire was dispatched to each of the named individuals, from which thirty seven useable replies were received yielding a response rate of 84% (compared to a 68% response rate gained from 44 sponsors in 1993).

Findings

The profile of respondents in both this and the 1993 study is notable for the predominance of automotive, brewing and electronics corporations involved. However, the intervening period has been characterised by an increase in the number of sponsors drawn from the information technology and telecommunications sectors. The growth of mobile phone and Internet use largely explains this, particularly given the match between the target customer demographics of these sectors and soccer spectators (Delpy and Bosetti, 1998).

A summary of the findings corresponding to each stage of the sponsorship model are shown in Table 3, with a more detailed discussion being presented below.

Stage 1: Integrating the communications mix through objective setting

Objective setting is an important element of the sponsorship process because it serves as a basis for evaluating sponsorship effectiveness, can provide a focal point for managing and leveraging associated activities and ensures integration between elements of the communication mix, marketing mix and broader corporate objectives. Despite this, only 51% of respondents to this study stated they set specific objectives for their soccer sponsorship contracts. This compares unfavourably with the 1993 findings where 66% of sponsors had set objectives.

The failure to set objectives could be explained as corporations naively equating the rising popularity of English soccer with the likelihood of sponsorship success. Rather than being viewed as a rational, strategic activity, the decision to sponsor may have become more of an opportunistic one. There is evidence to support this; amongst respondent corporations, 54% had not been involved in a soccer sponsorship before, and 80% had been involved in this form of sponsorship for less than three years.

Despite the limited provision of formal objectives, corporations suggested
Table 3: Comparison of key findings from 1993 and 2000 studies of English professional soccer shirt sponsorship

<table>
<thead>
<tr>
<th>Sponsorship stage</th>
<th>1993 study</th>
<th>2000 study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating the communications mix</td>
<td>Most frequently cited objectives: 1. Increase public awareness</td>
<td>Most frequently cited objectives: 1. Generate public awareness</td>
</tr>
<tr>
<td>through objective setting</td>
<td>2. Increase media attention</td>
<td>2. Generate media attention</td>
</tr>
<tr>
<td></td>
<td>3. Promote community involvement</td>
<td>3. Increase product awareness levels</td>
</tr>
<tr>
<td></td>
<td>4. Build business relationships and goodwill</td>
<td>4. Enhance corporate image</td>
</tr>
<tr>
<td></td>
<td>5. Provision of guest hospitality</td>
<td>5. Reinforce target market perceptions</td>
</tr>
<tr>
<td>Screening and selection</td>
<td>Decisions based on: 1. Profile of soccer club</td>
<td>Decisions based on: 1. Local proximity of soccer club</td>
</tr>
<tr>
<td></td>
<td>2. Local proximity</td>
<td>2. Profile and status of soccer club</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Existing relationship with soccer club</td>
</tr>
<tr>
<td></td>
<td>Selection decision made: 1. Reactively</td>
<td>Selection decision made: 1. Proactively</td>
</tr>
<tr>
<td></td>
<td>2. Proactively</td>
<td>2. Reactively</td>
</tr>
<tr>
<td>Content of the sponsorship contract</td>
<td>Most popular length of deal: 1. 2–3 years</td>
<td>Most popular length of deal: 1. 2–3 years</td>
</tr>
<tr>
<td></td>
<td>2. 1 year</td>
<td>2. 4 years or more</td>
</tr>
<tr>
<td></td>
<td>3. 4 years or more</td>
<td></td>
</tr>
<tr>
<td>Execution of the sponsorship deal</td>
<td>Most frequently cited additional budget allocated to execution of deal: 1.</td>
<td>Most frequently cited additional budget allocated to execution of deal: 1.</td>
</tr>
<tr>
<td></td>
<td>25% of contract value</td>
<td>2. Zero added</td>
</tr>
<tr>
<td></td>
<td>2. Zero added</td>
<td>3. Up to 50% added</td>
</tr>
<tr>
<td></td>
<td>3. Up to 50% added</td>
<td></td>
</tr>
<tr>
<td>Evaluation of the sponsorship deal</td>
<td>Most important evaluation considerations: 1. Use of post-sponsorship</td>
<td>Most important evaluation considerations: 1. Use of post-sponsorship</td>
</tr>
<tr>
<td></td>
<td>evaluation techniques</td>
<td>evaluation techniques</td>
</tr>
<tr>
<td></td>
<td>2. Use of pre- and post-sponsorship evaluation techniques</td>
<td>2. Use of pre- and post-sponsorship evaluation techniques</td>
</tr>
<tr>
<td></td>
<td>3. Use of media recognition as principal form of evaluation</td>
<td>3. Use of media recognition as principal form of evaluation</td>
</tr>
<tr>
<td>Critical success factors</td>
<td>Most frequently cited factors: 1. Clear rationale for sponsorship</td>
<td>Most frequently cited factors: 1. Good communication between sponsor and</td>
</tr>
<tr>
<td></td>
<td>involvement</td>
<td>club</td>
</tr>
<tr>
<td></td>
<td>2. Formulation of specific objectives</td>
<td>2. Full use of the sponsorship package</td>
</tr>
<tr>
<td></td>
<td>3. Use of professional management techniques</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Success of the club</td>
</tr>
</tbody>
</table>
soccer sponsorship had a role in the fulfilment of both corporate and brand objectives. Respondents identified a range of corporate, communications, public relations, existing product and new product objectives. At the corporate level, responses were consistent with the 1993 study: sponsorship was identified as a good medium for generating public awareness (94% of respondents) and media attention (93%). Further opportunities for enhancing the image of an organisation (88%) and for creating product or service display opportunities (72%) were also identified as important.

One of the features not identified in the 1993 study was sponsorship’s contribution to specific existing product and new product objectives. Responses to this study indicated that sponsorship is highly relevant to existing products, enabling corporations to increase awareness levels (93%), reinforce target market perceptions (86%) and increase sales leads (80%). Respondents also suggested sponsorship can enable the introduction of a new product (18%), allow corporations to enter a new market (23%), and increase product awareness (33%). However, there appeared to be some reluctance to use sponsorship in such cases suggesting that other forms of communication, including advertising, are more appropriate mechanisms for establishing new products.

As in 1993, soccer sponsorship continues to make a strong contribution to public relations objectives. Given the social and geographical roles that soccer clubs fulfil in England, objectives relating to community involvement are important (67% of respondents). Sponsorship objectives also appear to be an important part of business and trade relationships (77%). This mirrors a general growth in commercial activity surrounding soccer; suggesting sponsorships are being linked to corporate hospitality and business development opportunities. Similar to the initial study, the use of sponsorship as an employee motivator in corporations is also worthy of note (72%). There is also consistency between the two studies with regard to personal objectives being pursued which, in both cases, are largely absent. This represents an important development and suggests that the ‘hobby motive’ does not appear to have a significant impact on the selection decision.

The significance of soccer sponsorship is such that it also appeals to a broad range of constituencies. As in 1993, customers were ranked as the most important target confirming the importance of market-based sponsorship objectives identified above. In addition, the local geographic and trade impact of sponsorships show that local and business communities are also perceived as being significant audiences. The internal audience continues to be a major target, confirming that sponsorship impacts upon the motivation of the workforce, while the emergence of global television markets as major target audiences has also become important (it was absent from the findings of the first study).

**Stage 2: Screening and selection of properties**

The popularity of soccer in England is enough to justify sponsors getting involved with clubs, although respondent corporations provided more specific reasons for selecting particular clubs. Most notably, 71% of respondents
stated that local proximity was the primary motivation. Almost half of respondents (44%) additionally identified club status as an important part of the selection decision. This is an obvious point to make but confirms an observation made in the 1993 study, whereby sponsors equate on-field success with sponsorship success. There is evidence, nevertheless, that even where the status of a club is central to the selection decision, some other link between sponsor and club is likely to underpin their relationship. This may be historical or industry-based, or be a synergistic link between sponsor and club brands.

Given the objectives that soccer sponsorships can help a corporation to achieve, approaches to property selection appear to be contradictory. Rather than being proactive (39% of respondents) in seeking to secure sponsorship contracts, 61% of corporations stated they had been reactive. That is, responding to, rather than initiating, contact directly with a club or with an agent representing a club. It is likely that the financial pressure facing English soccer clubs has forced them to be more proactive in seeking sponsors. In such cases, the onus for agreeing a deal is inevitably on clubs and their agents to persuade sponsors that they are attractive vehicles for their marketing communications activities. In such cases, sponsors are likely to set objectives and address leverage issues after an approach rather than as part of a proactive sponsorship strategy.

Although the extent to which soccer sponsorships are planned is therefore questionable, evidence on whether or not sponsors renew their deals is interesting. Of the sponsors questioned, 64% stated they had renewed their contracts with a club, the remaining 36% identifying that they had not renewed with this particular club, although some had been involved previously with other clubs. That so many sponsors have chosen to renew their contracts underscores the value of soccer as a sponsorship vehicle.

**Stage 3: Content of the sponsorship contract**

A five year contract implies that a corporation has made a commitment to a particular club in the belief that an enduring relationship will help deliver a stream of benefits. Whilst a one or two year contract could indicate that a corporation is unsure about the benefits a soccer sponsorship deal can bring, or that the involvement is opportunistic and based on the popularity of a particular team or on the sport generally.

The most popular length for a soccer sponsorship in 1993 was two to three years (70% of responses). In the current study, this had fallen to 56%. For both studies, 22% of respondents indicated they had signed an agreement for only one year. A notable change identified by this study was the increased number of respondents who signed sponsorship contracts for greater than four years in length (22%).

In this context, the most appropriate length for a soccer sponsorship contract continues to be a difficult figure to establish. The established norm of three years suggests most sponsors are neither tentative nor opportunistic in their use of sponsorship. It also suggests that sponsorship is little more than a tactical communications tool rather than a strategic one. Yet, despite the
reluctance of most sponsors to make an enduring commitment, a growth in
the number of long-term contracts indicates that sponsors are becoming more
willing to build relationships with clubs.

In the 1993 study, it was suggested one-year sponsorships were likely to
have been experimental in nature. Given the popularity of soccer in the
intervening period, one might have expected more opportunism and exper-
imentation. That this did not happen may be due to the perception that soccer
sponsorship inevitably delivers tangible benefits and need not be seen as a
vehicle demanding experimentation. The alternative, opportunistic, view may
equally be relevant; the lure and popularity of soccer is such that sponsor’s
believe a two or three year deal provides ample opportunities for generating an
acceptable return from their involvement.

To maximise sponsor recognition and to facilitate effective leveraging of an
agreement, most contracts typically contain references to related activities. A
major attraction of soccer sponsorship is the ability to display a corporate/
brand name or symbol on the team shirts. This was the main form of soccer
sponsorship in 1993 and remains the case today. Stadium naming rights
(which are outside the specific scope of this study) were rare in 1993 but have
developed during the last few years. In addition, all respondents identified
match day programme advertising, a corporate logo appearing on club
literature, the provision of corporate hospitality facilities and perimeter
advertising at soccer stadiums as being the most important additional ele-
ments in a sponsorship agreement. Reflecting recent technological develop-
ments, respondents also stated they would expect to see sponsor identification
on club web sites. Although player endorsement of the sponsor’s product or
service appeared to be an important contractual obligation to some corpora-
tions (47%), a majority of respondents did not see this being part of an
agreement.

The results indicate that most corporations have benchmarks for their
contracts, detailing specific activities beyond the shirt sponsorship. In one
respect this ensures those corporations that become involved in soccer
sponsorship should reasonably expect to support their arrangement by using
a range of other media. However, the absence of creativity is stark, illustrated
by the failure of sponsors to utilise club web sites as a further element of
communication. In a number of cases (25% of respondents), sponsors had
failed to secure either name or logo placement on club web sites. Even in cases
where sponsors stated they were mentioned on these sites, there were few
examples of ‘live’ links to sponsor web sites.

The limited role of players in club sponsorship deals, particularly in relation
to product endorsement has been influenced by the growth of ‘player power’
which has seen leading players negotiating their own personal endorsement
contracts. This is a contentious issue, and the extent to which individual
players thus become involved in club sponsorships may reflect their contrac-
tual obligations and commitments elsewhere, and their general ‘marketability’
to other sponsors.
**Stage 4: Execution of the sponsorship deal**

As in 1993, sponsors generally recognised they must engage in additional activities to leverage and enhance the effectiveness of a sponsorship. The significant changes have been the emergence of sponsor web sites where relationships with soccer clubs are highlighted, and sponsor links with sports broadcasters. The latter is worthy of note due to the recent growth in television coverage of English soccer over the last ten years. This has generated new opportunities for corporations to sponsor television programmes, features within these programmes and television competitions related to their shirt sponsorships. Although this form of sponsorship is ultimately regulated by broadcasting authorities in England, it constitutes an increasingly attractive form of leverage, and one that is actively encouraged by commercial broadcasters.

The perceived importance of additional leveraging has been matched by changes in the allocation of dedicated budgets since the first study. In 1993, concern was expressed about the number of corporations failing to allocate additional funds to support their sponsorships (43% of respondents). This compares with this study where only 24% of respondents indicated they devoted no extra funding. There was a marginal increase (from 50% of respondents in 1993 to 58% in this study) in the number of sponsors allocating up to an additional 25% of the value of the sponsorship contract to their leveraging activities.

In this regard, Thwaites’ (1995) observation that sponsors were under the misapprehension that purchasing sponsorship rights was the depth of their commitment continues to endure. Although the failure to spend on leveraging activities could be dismissed as the failure to commit to a deal, it may equally reflect the upfront cost of securing high profile properties which corporations subsequently find expensive to support with additional activities.

Despite some references in the literature to ‘dollar for dollar’ funding (Meenaghan, 1991), no respondents to this study claimed they were spending as much again on leverage as on the initial cost of their sponsorship contract. A small number of corporations (3%) spent an additional 50% of the value of their sponsorship, whilst a slightly higher percentage (15%) spent between 26% and 50% of the contract value.

**Stage 5: Evaluation of the sponsorship**

Given the relatively small number of respondents who set specific objectives, it is both surprising and contradictory that all sponsors appear to evaluate the success of their sponsorships. This is at odds with the 1993 study that reported the employment of evaluation techniques was limited. Where clubs in this study have set objectives, one would expect the form and timing of evaluation to reflect the nature of the objectives. In cases where sponsors have not set objectives, the role of evaluation is questionable: if there is nothing to measure, how can/do you measure it?

It is arguable some sponsors, particularly those involved in their first sponsorships (54% of respondents), may be unsure about how to manage
their contracts or may be unaware of the benefits sponsorship can bring. Whilst not therefore setting formal or quantifiable objectives, they nevertheless engage in some form of evaluation. Another explanation could be that corporations enter into sponsorship contracts with a notion of what sponsorship can achieve but without the perceived need to overly prescribe their objectives. They are consequently flexible in the way they identify and measure the effectiveness of their sponsorships.

Two approaches to evaluation are generally employed: post-sponsorship (44% of respondents) and pre- and post-sponsorship (55%). In general, the sponsors of more successful clubs appear to take a more formal and structured approached to evaluation, the use of pre- and post-evaluation methods being widely employed. Sponsors of smaller and less successful clubs alternatively fail to use either post-sponsorship evaluation techniques (58% of respondents) or pre- and post-evaluation techniques (42% of respondents).

In the 1993 study, some concerns were expressed about the range of evaluation techniques being used. The predominant use of media coverage/exposure methods was criticised because it was felt these measures merely represented ‘opportunities to see’ and did not measure anything tangible. Comparisons to the cost of rate card advertising were also deemed to be spurious. Despite this, measurement of media coverage and exposure remains the most popular evaluation technique amongst sponsors (93% of respondents). Given widespread failure to set sponsorship objectives, the use of such a technique is predictable, as it is relatively cheap and easy to undertake. Although the huge proliferation in media coverage of soccer effectively makes tracking all references difficult, most sponsors can be assured their name and logo will receive high profile coverage.

**Factors critical to the success of the sponsorship.**

Although not a feature of Arthur’s model (1998), the 1993 study asked sponsors to identify factors critical to the success of their sponsorships. Current responses display a strong degree of consistency with the original factors. In particular, the perceived importance of good communication between sponsor and property, a professional approach to the sponsorship allied to the formulation of clear objectives, and full use of the sponsorship package continue to be important. These findings are consistent with the focus of this study, most notably relating to contract content and to leveraging activities. One apparent contradiction is that between the widespread absence of objective-setting amongst sponsors and their view that it represents a factor critical to the success of shirt sponsorships. Perhaps this suggests that clear objectives are an ideal rather than a reality. Other critical success factors identified were the high profile of the club and on-field success.

**Discussion**

Despite a degree of concentration of sponsors from specific industrial sectors, soccer sponsorship appears to have an enduring appeal for a range of
organisations. There is also a consensus amongst corporations about the advantages that soccer sponsorship can bring. Indeed, when asked about the continuation of their contracts, many confirmed their intention to renew at the end of current arrangements.

Therein lays a problem: in their desire to be associated with soccer, many of the surveyed corporations have failed to approach their sponsorships in a systematic and professional manner, most notably with regard to objective setting, despite the criticism of unprofessional management practices made in the first study. Whilst a sponsorship might appear attractive in the short-term, it still needs to be set in the context of a broader marketing communications mix, and the longer-term development of a brand or product strategy. It should not be ad hoc and unhinged from strategy, and may indeed be employed as a strategy in itself. In both cases, this dictates that sponsorship programmes should be professionally managed and properly budgeted. This should involve sponsors employing a range of measures such as the allocation of dedicated staff, the formulation of rigorous evaluation measures, and the systematic and sustained use of appropriate leveraging techniques. As a development of this study, it would also be especially interesting to know why sponsors do not consistently set objectives and, where objectives are absent, on what basis sponsorships are managed and evaluated.

Given the popularity of soccer in England, the argument that corporations are succumbing to fashion is a powerful one. Despite this, the desire of many sponsors to continue their involvement beyond an initial contract creates real opportunities for developing partnership approaches to sponsorship. If the relationship is likely to become a longer-term one, it is possible that a strategic basis for the arrangement can be established. In this case, sponsorship as a form of relationship marketing or network strategy may be increasingly employed. Sponsorship managers would therefore be likely to face challenges they have hitherto not been exposed to: in particular, the selection and management of partnerships, alliances and other forms of collaborative relationship. Rather than simply engaging in a one-off, marketing communications transaction, the emphasis would thus fall on managing activities such as partner compatibility, joint decision making and the development of communications channels.

Worryingly, it appears that too many corporations are reactive in the way they develop sponsorship links with soccer clubs. This approach to property selection is fraught with problems and betrays an absence of strategic thought on their part. As a result, some corporations have poor sponsorship experiences because they over-pay and under-manage their contracts, and often fall victim to sometimes opportunistic soccer clubs. A small number of corporations have nevertheless been commendably proactive in the way they have sought properties, indicating that they are clear about their reasons for seeking a sponsorship deal. One danger inherent in this approach is that corporations are proactive for the wrong reasons: soccer shirt sponsorship may seem like a good idea, but some corporations never really develop a clear argument to justify why. In this situation, sponsorship managers can find themselves having to justify and rationalise an involvement post-sponsorship without having a justifiable case to support it. This is bad practice and can potentially
undermine the corporate view of sponsorship, particularly if it is seen to be financially wasteful.

The strategic context of sponsorship is an area of the literature that remains largely unexplored and an interesting extension of this study would involve establishing the links between corporate, marketing or communications strategies and soccer club sponsorships. The growing number of electronics sponsor’s, and the opportunities for developing technical competence which this enables is one area where research could take place. Another is how the link between the target segments of the sponsoring corporation and the football club can be used to help build relations between the organisations involved in the relationship and their customers.

The popularity of soccer in England, added to the mix of proactive and reactive property selection means that corporations do not always think strategically and may take more of a short-term view of their sponsorships. Figures reported in the study indicate a substantial majority of contracts between sponsors and soccer clubs are for three years or less. In one respect, this is both sensible and logical: the enduring relevance of sponsorship cannot be assumed, and short-term contracts provide an opportunity to re-appraise both the relevance of sponsorship to a corporation and the value of alternative forms of communication.

However, the strategic rationale for soccer sponsorship within such a period is questionable. At the very least, it suggests the short-term success of a club is the most important driver for sponsorship decisions. The current, potentially transient, popularity of soccer would appear to be an even less satisfactory reason for committing to a contract of three years or less. For sponsoring corporations, the development of longer-term relationships is an opportunity missed which is ironic when some have adopted corporate relationship marketing or network strategies.

The view that shirt sponsorship can be seen as a component of relationship marketing is an interesting proposition. This reconciles concerns about contract durability and sponsorship strategy, whilst providing opportunities for corporations to build more effective sponsorships with clubs. For corporations keen to leverage the benefits of their sponsorships, this is an interesting development warranting closer attention. Initiatives that enable the development of relations between sponsors, clubs, supporters and customers-such as membership clubs, affinity and loyalty scheme’s, joint promotional activities, cross selling-clearly have some potential in this respect.

Evidence from this study indicates a degree of both uniformity and continuity across soccer club sponsorship contracts in that sponsor’s incorporate a range of activities including perimeter advertising and match day programme advertising. One difference is the growth of the internet and the consequent introduction of sponsor names and web site links onto soccer club web sites. This is an element of sponsorship contracts that is not always satisfactorily dealt with and which therefore raises a number of issues (Beech et al, 2000). At its most fundamental, there are unanswered questions about how sponsor and club web sites can be used to help leverage the full value of a sponsorship contract, and what part this can play in enhancing the strategic
value of a shirt sponsorship relationship. This raises a whole series of issues, amongst which legal rights and responsibilities appear to be significant.

What a contract currently entitles a sponsor to do is unclear; many sponsor and club websites make little but a cursory mention of their relationship, a number fail to have clickable links, and some fail even to mention their relationship at all. This is an opportunity missed, particularly in developing a partnership or relationship marketing approach to sponsorship. An exploration of how corporations communicate a sponsorship through their own websites, and how they use the sites of clubs to communicate with customers and supporters would therefore enhance our understanding of how websites can best be used to help leverage sponsorship contracts.

The proliferation of sponsoring corporations from the electronics sector has led to soccer being used as a platform for developing technology, and as a focus for accessing target markets. The former is particularly significant given that sponsors have sought to use their sponsorship contracts to enhance and promote activities including text messaging services and internet access. The impact of such activities extends beyond traditionally established contract content, requiring clubs and sponsors to have a much closer, ‘hands-on’ relationship. In future, this is something about which sponsorship managers will have to mindful. If we are to understand what sponsorship is intended to achieve and how it works, the broader social and technological contexts, allied to the strategic and tactical foundations, of contracts must be considered. In some of the recently signed high value shirt sponsorship contracts (such as Vodafone and Manchester United), sponsoring corporations appear to increasingly recognise this; the sponsorship relationship is as much about the development of competence and network influence as it is about the more traditional benefits such as increased sales.

This also impacts upon the activities that sponsors engage in to leverage the full value of their sponsorship contracts. For example, a sponsorship being used to develop technological or broadcasting competence implies that additional expenditure beyond that devoted to activities such as signage will need to be allocated. Yet there is still no consensus about which activities constitute the most appropriate forms of leverage, and to what extent leverage budgets should exceed the value of a contract.

With growing media coverage of soccer, changes in direct marketing techniques, the growing importance of public relations, and the emergence of the internet, the need to understand the effectiveness of each technique is evident. In turn, the allocation of budgets to specific forms of leverage also warrants further attention, and implies that certain activities will attract a greater level of funding. Research in each of these areas would aid our understanding of how leveraging works, how much should be spent on this type of activity and what it achieves. This is important because current research fails to indicate which form of leverage are the most effective, especially in specific circumstances. If managers are to select the most appropriate form of leverage for their sponsorship programme, an understanding of the impact different forms have would enable better informed decisions to be made.

Despite being seen as a ‘vexed question’ in the first study, the practice of
evaluation continues to be so. The findings from this study are not promising, although it is unclear why sponsorship evaluation is proving to be difficult. The established arguments about measurement problems and how the effects of sponsorship can be isolated from other forms of communication are accepted. Yet there may be further issues for both practitioners and academics to consider. Given that evaluation techniques link back to the objectives initially set, one could cast doubts upon the nature of these objectives. The literature often postulates a one-way relationship: evaluation measures the achievement of objectives. However, the failure to successfully evaluate actually implies more of a two-way relationship in which sponsorship managers think about the tools of evaluation available to them before setting their objectives. This seems logical in that, if you cannot measure the impact of something, then how can you realistically set out to achieve it? Hence, if a sponsorship manager intends to use, say, media recognition as the principle form of evaluation, determining the media that will be used, how and where it works, and upon whom it has an influence, will be key drivers of the objectives that are initially set for the sponsorship programme.

An alternative explanation for the failure to evaluate could be that it is not cost-effective. If the likely benefits associated with a particular sponsorship are outweighed by the costs of measuring their achievement, it would appear to be sensible not evaluate. Commercially, this is understandable but, if it were to be the case, would be a worry. It would diminish the role of sponsorship and set the analysis of sponsorship management practices back. This is speculative because it is unsubstantiated by a literature that typically concerns itself with the practical problems of measurement. A more constructive contribution to the sponsorship literature could therefore be made by research addressing why sponsors do not evaluate their sponsorships and the impact this can have upon sponsorship as a form of marketing communication.

Despite concerns about sport sponsorship, it remains a popular form of marketing communication. Although the purpose of the study was not to examine the turnover of sponsors in the period between the first and this study, it is clear that many corporations have been keen to get involved. If it is seen to be simultaneously serving the needs of the sponsor and the property, then sponsorships will continue to be popular. It is a high profile vehicle for achieving sponsor’s communications objectives, and it provides a valuable source of revenue for many clubs at a time when there is increasing pressure on revenue streams and operating costs. Nevertheless, it needs to be acknowledged as such and must be seen as both a strategic tool and a tactical device.

Moreover, just as other forms of communication are carefully planned and evaluated, so too must sponsorship. Although the appeal of placing a corporate logo or name on the team shirt of a world famous soccer player is seductive, the management reality of the arrangement ultimately has to be far more considered and professional. At one level, the supporters who associate with a particular team may not necessarily transfer that association to the sponsoring brand. Moreover, the supporters of rival teams may actively seek to avoid a brand simply because its association with a sporting rival. Add to this, the effects of the team playing badly for the duration of a sponsorship contract, or the impact of player disciplinary problems, and it becomes clear...
that sponsorship managers can not simply leave a contract to work by itself. A strategic vision of how to manage the relationship will be important, but managers will equally have to be flexible and pragmatic in the short-term, able to manage the opportunities and crises that are an inevitable part of sport.

Conclusions
The implications of this study are potentially far reaching and specific issues managers may wish to address are presented in Table 4.

Table 4: Practitioner implications of research findings

<table>
<thead>
<tr>
<th><strong>Integrating the communications mix through objective setting</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship continues to be an important component of the marketing communications mix and how the activity is integrated into this mix is an important consideration for managers. This however denies the wider strategic role sponsorship can fulfil, indicating that organizations have still to employ it as a form of relationship, resource or network strategy. How different approaches to sponsorship can be utilised presents an ongoing challenge for managers, particularly in terms of how partnerships and alliances with properties can be built and maintained. A further issue concerns the nature of the objectives set by sponsors, most of which are normally not tangibly stated. This implies that objectives should be seen in value-adding terms, especially in respect of the relationships and associations it enables organizations to establish. Moreover, for objectives such as those pertaining to awareness levels, both cognitive and behavioural measures must be employed to establish whether objectives have been achieved.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Screening and selection</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>It is commonly held by sponsors that working with organizations located in the same geographic area is likely to result in more effective sponsorship programmes. This implies a degree of locality dependence on the part of sponsors, but nevertheless presents clear opportunities for building and maintaining relationships with key local stakeholders such as supporters, employees and suppliers. The importance of a sponsee’s profile and status is a further dimension of this and demands that sponsors need to have a clear notion of what ‘profile and status’ actually means. Screening and selection of properties should therefore be based upon an assessment of compatibility, including the extent to which, for example, partners share a brand vision, similar organization cultures or marketing orientations. The identified importance of existing relationships also suggests established formal and informal relationships represent the foundations upon which sponsorship programmes are built. This again highlights the significance managers should attribute to relationship and network management strategies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Content of the sponsorship contract</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsors appear to recognise the value in agreeing longer term deals with sponsees which implies there may be a tendency towards the adoption of a more strategic view of sponsorship. The findings of the study indicate sponsors need to have a view of the optimum length of a sponsorship contract. If the period covered by the deal is too long, dealing with a problematic partner, or generating value from a sponsorship once objectives have been achieved, may prove difficult. If a contract is too short, objectives may not be realised and sponsoring organizations may lose out to rival bidders for the rights to sponsor a property. As such, sponsoring organizations should adopt a planned and proactive approach to determining and agreeing the terms and length of a contract, and be aware of the implications differing contract lengths may have for them. A footnote to this process is that sponsors also need to be clear about the rights a contract provides. Given the potential of, for example,</td>
</tr>
</tbody>
</table>
ambushing by a rival, the exclusivity built into a deal and the protection measures a property agrees to implement in such cases, will be vital components of a written agreement.

### Execution of the sponsorship deal

The general sponsorship literature, as well as the findings of this study, confirms the importance of additional expenditure to execute a deal. In both studies carried out by researchers in this area, the benchmark for this spending is 25% of contract value. At this stage, it has not been proven this is the optimum level of spending and practitioners will therefore need to determine what is appropriate to their activities. Whether this is likely to be as high as £1 spent on execution for every £1 of contract value remains open to question. One implication of the findings from this stage of the sponsorship model is that sponsors currently failing to allocate additional funds to their sponsorship programmes are therefore unlikely to be realising the full benefit of their deals. In spending to execute a deal, how sponsorship is integrated into the broader communications mix is a first consideration. In turn, the way in which it works in conjunction with other communication tools, such as advertising and direct marketing, needs to be understood by sponsorship managers. A significant feature of many previous sponsorship programmes has been the absence of innovativeness in the way this is done. Understanding how to create innovative sponsorships which add value to the experiences of sponsors, sponsees and customers is essential if programmes are to be successfully differentiated from the communications activities of rival organizations.

### Evaluation of the sponsorship deal

Even though some sponsors may disagree that evaluation is unnecessary (because the costs of measurement actually outweigh the benefits attributable to a programme), consensus is that it is imperative. At the very least, establishing the effect of sponsorship is important in order to maintain the credibility of it. Despite being seen as difficult to undertake, evidence from the study suggests sponsors need to approach the activity more formally and more systematically. Understanding where a sponsor starts (through pre-programme evaluation) and what the impact has been (post-programme evaluation) seem to be particular challenges. Whilst the extent of evaluation techniques utilising media recognition is to be commended, this should serve only as a starting point rather than the cutting edge. Media recognition is too often a blunt and unsophisticated way of assessing the effects of sponsorship, proving that a programme is visible rather than, for example, showing how behaviour has changed. A recommendation from this research is it serves a useful purpose but should form part of a wider range of tools and techniques for evaluating sponsorship.

### Critical success factors

The role communication plays in establishing, building, maintaining and dissolving a relationship is fundamental to the success of sponsorship programmes. It forms the basis for aligning expectations, the joint management of activities and decision making about whether to renew a contract or dissolve a relationship. In order to facilitate a successful relationship, regular contact between sponsor and sponsee, the mutual disclosure of information and openness in their dealings with one another should help to build a strong commitment creating opportunities for ‘win-win’ outcomes. A second critical success factor, the full use of the sponsorship package, implies sponsorship of a highly attractive property is in itself no guarantee of programme success. Sponsorship does not work by itself and managers have to make it work by supporting it with complementary activities which create a virtuous circle reinforcing the central objectives of a sponsorship. Understanding what success is and how it influences the effectiveness of a sponsorship is a third consideration for those involved in managing sponsorships. Clearly success is a relative concept and most organizations are unlikely to have either the access or the resources to secure rights to the most visibly successful properties. As such, the success of a property may alternatively be seen in terms of, for example, how it promotes image transfer or how it enables relationships with local communities to be built. In terms of football this means organizations do not need to sponsor
Manchester United or Real Madrid for their sponsorship programmes to be perceived as successful. A counterpoint to this, which has thus far received little attention from academics or practitioners, is the extent to which the failure (or relegation) of a club impacts upon notions of success in sponsorship. This is an issue intending sponsors should address prior to engaging in the activity.

The contents of the table do not just represent challenges for British domestic sponsorship managers. Rather, they constitute an agenda according to which all mainland European organisations should seek to manage their sponsorship programmes. Walsh (2004) has recently stated that concerns remain across Europe about the effectiveness of sponsorship, noting how advances in management practices have failed to match a growth in opportunities. If sponsors are to secure the benefits of shirt sponsorship programmes in a total European market now estimated to be worth 320 million Euros, developing managerial practice would therefore appear to be a priority.

The management of sport sponsorship programs in the period since 1993 has undoubtedly become ‘more considered and professional’; the inflated cost of rights fees has forced corporations to do so. This may be an unnecessarily cynical view as evidence from this study indicates that corporations are screening and selecting properties more carefully, detailing the content of contracts more specifically, and are prepared to spend on leveraging activities to support their sponsorships. But concerns remain, primarily relating to objective setting and evaluating. At the very least, corporations must recognise that the two are linked. Yet the ultimate success of a sponsorship can only be assessed if there is the foundation and the tools to do so.

The continuing failure to think strategically about sponsorship is also notable. A sponsorship is not a quick-fix to a promotional, marketing or strategic problem. Rather, it is increasingly argued it is a fundamental component of an integrated marketing communications mix. It is also becoming an important element of a relationship marketing, network and resource strategy for some corporations, implying that a commitment to building long-term relationships has to supersede current attitudes that emphasise short-term contracts.

In this context, the environment within which sponsorship exists should thus become the driver of developments in practice. Although sponsorship is now more professionally managed, the market for sports sponsorship properties has changed over the last decade and will continue to change. As a result, one would expect to see a commensurate change in the practice of sponsorship management over the coming years.

References
Amaya, G. (2003), Siemens Mobile y Real Madrid; la pareja mas popular en La Liga, Expansion, 18 February, pp. 16–18.


The authors would like to thank Victoria Wynn for her assistance in gathering and analysing data.

Simon Chadwick holds a BA MA PGCE GradIPM DPM MCIM MAcMa and specialises in advertising and marketing.

Des Thwaites holds a BSc MBA PhD ACIB MI Mgt MCIM and specialises in marketing and sports management.