

Module 3. Sponsorship and Sales

Imagine the following scenario:

Alaina McTavish currently works as a Senior Account Executive for a professional rugby team. Alaina has worked for the organization for two years and really enjoys working in sales. On this particular day, Alaina comes into work and is immediately called into a meeting with senior leadership.

As Alaina enters the meeting, she senses something is wrong. Margaret Grant, the organization's President, begins the meeting by telling Alaina that the organization's Vice-President of Marketing and Alaina's supervisor, Grant Durbin, has resigned his position to accept employment with another organization. Margaret tells Alaina that the organization would like to consider her for the position, and informs her that senior leadership feels the sales and service aspect of the organization has gotten stale. Accordingly, they ask Alaina to prepare a plan for reinvigorating the sales operation and to be prepared to meet in 72 hours.

As Alaina leaves the meeting, she is both anxious and excited. She reminds herself that she has really tried to prove herself to senior leadership and genuinely believes in the organization, its importance in the community, and has felt for some time that the sales operation has become static. Alaina feels that there are many sponsorship opportunities that are not being utilized, such as having sponsored in-game promotions. Alaina also recalls previous conversations she had with Grant about the need to integrate sponsorship into the organization's social media accounts, but Grant was resistant to the idea, believing that the organization's sponsors had no interest in social and digital media.

As Alaina begins to prepare her presentation for senior leadership, she builds a list of current sponsors that are being under-utilized and also identifies a target list of potential sponsors. For each sponsor, Alaina identifies potential activation opportunities and she also outlines how each sponsor can benefit from increased awareness, public perception, and media attention from entering into sponsorship agreements with the organization. Alaina also outlines how social media can be integrated into sponsorship agreements, by identifying campaigns where sponsors can be featured in social media content. She is particularly excited about an idea to have a local medical center sponsor a Snapchat campaign called *Eyes on the Community*, which will involve athletes from the team going to various places in the community and documenting their visit through Snapchat stories.

Alaina is a strong advocate of sales being a relational process and she outlines ways in which the organization's Account Executives can strengthen their relationships with



season-ticket holders, sponsors, and the community and region to increase ticket sales. Alaina feels confident she can persuade senior leadership to see that the best method to increase sales is to focus on relationships rather than sales messages.

Alaina puts the finishing touches on her presentation, runs through a practice presentation and goes to bed feeling confident about her ideas and her chances for obtaining the Vice-President position. As the day of the presentation occurs, Alaina walks into the conference room confident, poised, and ready to give the organization's sales operation a fresh approach.



Unit 3.1 Managing the Sponsor Relationship

Sponsorship is a vital element in sports marketing as corporate sponsors represent a crucial revenue source for sports organizations. Sponsorships are part of the sports organization's larger marketing mix and often more integrated than other elements in the organization's marketing strategy (Mullin, Hardy, & Sutton, 2014). In large part, sports sponsorships are about association. That is, a corporate sponsor benefits from being associated with the sports organization and its audience. Sports organizations fulfill these expectations through featuring the sponsor in diverse ways along with providing the sponsor with access and privileges (e.g., luxury boxes). From the sponsor's point of view, they are trying to achieve marketing goals through association with the sports organization. Therefore, it is important that sports organization's deliver on the sponsor's expectations. One key way that sports organizations hold up their end of the bargain is through activation, which involves an experiential aspect of the sponsor relationship. Activations take a variety of forms from naming rights at a venue, to sponsorship of an in-game promotion, or being featured in one of the organization's social media campaigns.

The sponsorship partnership is a key relationship that sports organizations must successfully manage, which requires sports organizations to be transparent and honest with sponsors. In other words, sports organizations must be careful about over-promising what they can deliver, as if these expectations are not met, it can strain, if not terminate the relationship. Additionally, as with any partnership, sports organizations must be mindful of actions by the sponsor that could negatively affect the sports organization and initiate a public relations issue. Thus, while sponsorships are important, they may need to be vetted to make sure that there is an overlap in values and that partnership with a sponsor will not alienate other audiences the organization is trying to reach. Certainly, there are risks that need to be managed, but sponsorships can be a significant revenue source for sports organizations and, if managed appropriately, are mutually beneficial for the sports organization and the corporate sponsor.

3.1.1 Defining Sponsorship

Sponsorship can take many forms, from visibility at a venue, to sponsoring a giveaway for fans, to sponsoring a YouTube video segment where a sports organization features weekly interviews with players. One useful definition of sponsorship is "the acquisition of rights to affiliate or directly associate with a product, person, organization, team, league or event for the purpose of deriving benefits related to that association" (Mullin et al., 2014, p. 231). Thus, sponsorships are about relationships, as corporations seek to achieve their marketing objectives through their relationship with the sports organization. Sports sponsorships are highly desirable as well because of the benefits they can provide for the sponsor. Mullin et al. (2014) identified some of these benefits as:



- *Increasing Awareness* – through partnership and association with the sports organization, a sponsor can increase their visibility and recognition with the audiences it is trying to reach.
- *Influencing Public Perception* – in affiliating with sports organizations, sponsors can enhance how the public feels or thinks about the organization. Certainly, this is dependent on the perception that the public has of the sports organization, but when there is a positive public view of the sports organization, these feelings can be transferred to the sponsor.
- *Establishing Associations with Particular Market Segments* – a sponsor may have a specific group they are trying to reach (e.g., 19-30-year-old males who have yearly incomes of \$50,000 or more) and sports organizations can leverage their audiences to help sponsors reach a particular group.
- *Becoming Involved in the Community* – in connecting with a sports organization, a sponsor can get in front of the community. For example, a sponsor might work with a sports organization to build a baseball field for a local community.
- *Building Goodwill* – through partnerships with sports organizations, and particularly through community work, sponsors can achieve goodwill, which helps elevate their public perception.
- *Achieving Sales Objectives* – certainly, sponsors are looking to maximize their return-on-investment with sports sponsorships, and through positive associations, increased public perception, and increased goodwill, these sales objectives can be attained. Additionally, sponsors can also benefit from exclusive sponsorships wherein industry competitors are not allowed in the venue, and thus, fans and others visiting the games are only exposed to the sponsor, which can then facilitate them thinking about a sponsor when they need to make a purchase.

Within sports, sponsorship opportunities are diverse and are unique to each organization. Thus, an English Premier League (EPL) franchise may have different sponsorship opportunities than a minor-league hockey team in the United States. Whereas sports organizations should make sure to tailor sponsorship agreements to their unique situation, some common elements are common to many sports sponsorship agreements. Mullin et al. (2014), outline these:

The right to use a visual image (graphic, logo, trademark, etc.) to signify the sponsor's relationship with the sports organization, and the right to an exclusive association within a specific product or service area. Also, the right of entitlement to an event, venue, or facility, and the right to use certain phrases or terms to denote their relationship with the sports organization (e.g., official sponsor). Other common elements are the right of service, or exclusive use of the sponsor's product at the venue, the right to use promotional

activities to further the sponsor relationship, and the rights to media assets of the sports organization

As this list indicates, sports sponsorships are varied and the way a sports organization approaches sponsorships is likely to be diverse as well. Keep in mind that sponsors will have different needs and resources and therefore, one sponsor may be a more suitable candidate to be an *official partner* whereas another sponsor may be better featured via in-game promotional campaigns. Additionally, sports organizations must ensure that they are careful about what sponsors are promised, as if two sponsors are promised an *official partner* designation, it could lead to conflict. Thus, communication between sports marketing professionals and other staff involved in this area is vital to prevent misunderstandings and strained relationships.

3.1.2 Sponsorship and the Marketing Mix

Sponsorships provide diverse opportunities for sports organizations to execute their marketing and sponsorships can be integrated across multiple areas in the marketing mix: (a) product; (b) price; (c) promotions; (d) place; and (e) public relations, and these areas are often included in sports sponsorship contracts (Mullin et al., 2014). Keep in mind that sports sponsorships also enable the corporation to achieve their marketing goals and this illustrates the relational component that is inherent in these partnerships. For example, a corporate sponsor is often given what is termed hospitality opportunities (Mullin et al., 2014), by being given exclusive access to an event (e.g., luxury box), tickets to an event, and/or special access, which the corporate sponsor can use to build relationships with its clients. For instance, an insurance company, as part of their sponsorship agreement with a sports organization entice prospective clients by bringing them to the sponsor's luxury box at the venue, and perhaps by getting special access to players and/or coaches before or after a game. Another way that sponsorships can function in the marketing mix is by sponsors featuring the sports organization in their marketing and promotional content. For example, a sponsor may run a campaign that allows a group of fans to win access to an event at the sports organization's venue, or to a special sports event such as The World Cup or the Super Bowl. In exchange for these kinds of promotions, sponsors may be granted exclusivity. For instance, a sponsor may be promised that their competitor's products will not be featured or sold at the sports organization's venue, and also may be given access to data of information the sports organization receives in conjunction with the campaign.

Sponsorships, then, play an integrative role in helping sports organizations execute their marketing efforts. To better help you understand this concept and apply it to your own organization, complete the following table with each area of the marketing mix and list ideas on how sponsorships could be utilized in each of these areas:

Table 1: Sponsorships and the Marketing Mix

Sponsorships and the Marketing Mix		
Marketing Mix Area	Ideas for Sponsor Integration	Potential Sponsor Targets
Product		
Price		
Promotions		
Place		
Public Relations		

Source: prepared by the author.

3.1.3 Sponsor Activation

Activations are an essential part of the sponsor relationship and allow the sports organization to *bring to life* the association with the sponsor (Mullin et al., 2014). It is through activations that corporate sponsors can leverage, or maximize their affiliation with a sports organization, and thus, creativity is an important element here. Activations can take a variety of forms, and are closely associated with return-on-investment (ROI) because sponsors typically pay additional money to the sports organization for the activation. Mullin et al. (2014) identified the following as some of the potential areas for sports organizations to consider for activation:

- *On-site Activations* such as a game or station that fans can visit that carries the sponsor's logo. One potential application here would be a booth at a venue where fans can view an experience using Virtual Reality technology. A sponsor could be associated with this experience, keeping their image in the mind of fans.
- *Public Relations*. Here, a sports organization could engage a sponsor in a community relations initiative, such as furnishing new equipment for a school, and the positive feelings and associations with the campaign would be associated with the sports organization and its sponsor.
- *Internet and Social Media (including mobile)*. Social media and mobile technology are important areas for activation. For example, a sports organization could have a corporation sponsor an area of the sports organization's mobile app, or could integrate the sponsor into a social media campaign, such as a tweet that announces the starting lineups for each game. Remember that mobile is a dominant cultural function, and activation efforts must be focused on mobile and social media as these areas are where so many people focus their attention.
- *Tickets*. A potential application here is for a sports organization to offer tickets in exchange for a person being exposed to a sponsor in some way. For example, a

sports organization could run a promotion where fans who come take a test drive from a car dealership will receive free tickets to a game.

- *VIP Access.* Here, sports organizations provide exclusivity to a sponsor. This might include access to a certain part of the venue that is normally off limits to the public, and/or potential meetups with coaches and players, along with exclusive seating areas for games and other venue events. This benefit can then be used by sponsors in their relationships with its clients.
- *Media.* Through media, sports organizations can enhance the brand recognition and awareness of sponsors. This could include pitching a story to media members about something the organization and its sponsor have done, as well as using the organization's own media platforms (e.g., magazine, newsletter, website) to feature the sponsor.

These areas are not distinct, and often activation efforts overlap. For example, a sports organization might feature a sponsor on its website, and social media platforms, along with featuring the sponsor in various ways at the venue. Whereas activations offer a variety of benefits to sports organizations, it is imperative that activations promised to sponsors are realistic. That is, sports organizations should not offer an activation to a sponsor on which they cannot deliver. Additionally, sports organizations must be mindful of reactions by fans and others to activations. For example, if fans are promised something such as free tickets, but then have to wait in onerous lines to obtain the tickets, or engage in what might be perceived as overly intrusive marketing, the return on activation efforts is likely to be insignificant (Mullin et al., 2014). Thus, sports organizations need to tailor activations to their audiences, capabilities, and resources.

3.1.4 Ethical Issues in Sport Sponsorships

Ethics is a key consideration in sports marketing, and sponsorships are no exception. Sports organizations must be mindful of ethical issues that can surface in their sponsorship agreements. Whereas sponsorship dollars are important, sports organizations must be sure to assess risk. For example, certain industries such as professional sports gambling may negatively affect at-risk populations, and thus, sports organizations would want to consider how a sponsorship relationship might impact its relationship with other audiences. They also may want to consider how this sponsorship might be covered in the media, as negative media coverage could trigger a public relations incident. Sports organizations must also be aware of other ethical issues such as labor practices and discrimination that could affect the sponsor relationship. For instance, if a sponsor is being investigated for discriminatory hiring practices, this could affect how people view the sports organization and could lead to resistance and pushback from both audiences and the media. Sports organizations must remember that association is central to the sponsorship relationship. Sponsors are looking to benefit from the association with

the sports organization, and people can view the sports organization in particular ways based on who they are associating with through sponsorships. Thus, sports organizations must be active in assessing risk and taking appropriate steps to protect its brand equity and positioning. While there may be short-term turbulence for severing a sponsor relationship, in the long-term, such action may help preserve the sports organization's reputation.

Unit 3.2 Sports Sales and Engaging Fans

Sponsors are an important relationship that sports organizations must manage, but individuals are another important focus area in sports sales. Whereas corporate sponsors contribute significant financial resources to the sports organization, individual fans are often the ones who create the energy, atmosphere, and culture associated with a sports organization. Consequently, sports organizations must find meaningful ways to engage fans to both attract new fans and maintain the fan base the organization currently possesses. Additionally, sponsorships in large part take place because corporations are trying to reach the sports organization's audience, and if the sport organization cannot provide the audience, then sponsorship relationships suffer. There are a variety of approaches that sports organizations can and do take with sales and marketing to fans. For example, sports organizations might feature a ticket sale as part of an in-game promotion, create a YouTube video focusing on the venue atmosphere to encourage fans to come out for games, and account executives may cold-call individuals in efforts to persuade them to purchase tickets. Like many functional areas, sports organizations need to tailor their approaches to the audience they are trying to reach, which likely involves treating sales as a relational process, rather than one that is solely focused on marketing. Certainly, getting people to purchase is the end-goal, but results will be hard to achieve if the sports organization does not convey some relational qualities, such as empathy and listening during the process. Moreover, sports organizations need to be mindful of evolving technology and cultural shifts, and as appropriate, implement these into their sales approaches. For instance, given the cultural dominance of mobile technology, sports organizations must be looking at how they can implement mobile into their sales approaches.

As sports organizations take a relational approach to sales, they will see results. However, just as with other functional areas, the sales operations must be evaluated and assessed. In these efforts, analytics play a very important role in helping sports organizations ensure that they are maximizing their marketing and sales efforts. Are fans responding to a particular campaign more than another? If so, what are the demographics of the people responding to the campaign? Sports organizations can then use that information to tailor messages that enhance relevancy which help the sports organization attain its goals. Remember that sports are an industry in flux, and while sports organizations should not be rush to judgement, there does need to be a commitment to adapting and evolving as audience preferences and cultural trends shift.

3.2.1 Sports Marketing and Sales

Sales is a central part of sports marketing and is the means through which a sports organization generates revenue. McCormack (1996) suggested that the sales process



consisted of the following elements: (a) identifying customers; (b) getting through to them; (c) increasing their awareness and interest in the organization's product or service; and (d) persuading them to act on that interest (p. 7). Mullin et al. (2014) observed that sales is a form of customer performance as the customer undergoes or acts through a purchase. Within sport, Mullin et al. (2014) identified four factors that identify why customers do not perform, or make the purchase:

- *Quality* – quality is often directly related to the performance of the organization. If the organization is experiencing competitive success, quality is often seen as being high. Conversely, if the organization is in a performance downturn, the perception is that the organization has low quality, and sales may be difficult.
- *Quantity* – here, flexibility is important. If sports organizations are not offering the right quantity to a purchaser, the sale can be inhibited. As Mullin et al. (2014) note, this factor has led to flexible ticket pricing plans.
- *Time* – is the sports organization targeting people who have time to consume the product? Time is a precious commodity for many people, and regardless of how much investment a person has, if they don't have time to consume the product, they cannot. This area is one to watch, as more sports programming is aired via streaming, making it more convenient for the customer, how might this trend affect ticket sales?
- *Cost* – similar to time, if a person cannot afford a product, this is a significant inhibitor to consumption. Here, sports organizations may need to provide flexibility in pricing, and/or use creative ways to communicate the pricing to particular groups.

Whereas sales are greatly affected by the relationship between people within and without the organization, organizational culture also plays a significant role in sales processes for sports organizations. Mullin et al. (2014) characterized the following elements as important structures for sports sales:

- *Reporting structure* – there should be clear reporting structures within the sales operation.
- *Relationships between departments* – sports organizations must have strong relationship within its organization. Thus, sales personnel need to have positive relationships with ticketing, marketing, and public relations personnel, as the actions of one unit affects another and each functional area needs the other to be successful.
- *Organizational philosophy on materials* – sports organizations must have a clear philosophy to produce materials such as brochures, in-game announcements, and Internet and social media content that promotes a consistent message.

- *Development process* – sports organizations must have a plan in place to develop sales talent, which includes mentoring and coaching from senior employees. Sports organizations that invest in their sales personnel will have more a more stable environment within which these individuals can thrive.

Thus, sales processes need to identify both internal and external opportunities and challenges. Sales professionals should be constantly evaluating barriers with customers and identifying solutions to those barriers (e.g., flexible price plans and ticket plans). Additionally, this same assessment should also occur within the organization to ensure that structures conducive to mentoring and growth are present in the sales operations.

3.2.2 Sales Approaches in Sport

Sales is a multi-faceted process. That is, it must be tailored and adapted to the person the organization is trying to reach. For example, many younger people are resistant to telemarketing calls, whereas older individuals are more accustomed to this form of contact. Consequently, a sport organization may determine that a sales approach focused on social media is a better way to engage younger individuals, while they may rely on traditional sales methods such as telephone calls with older audiences. Sports organizations that try and use a *one size fits all* approach to sales are likely to see subpar results. Mullin et al. (2014) identified the following approaches for sports sales:

- *Telemarketing* – while telemarketing is often considered to consist of only outbound calling, this can also involve responding to phone calls and other forms of contact initiated by a prospective customer. Sports organizations can also opt to outsource telemarketing, and while that may be more efficient, it does bring risk of comprising authenticity.
- *Direct Mail* – organizations can use direct mail to target specific audiences based on demographic or interest-based characteristics, and direct mail, while perhaps fading away as a marketing strategy, may hold some value for sports organizations as it is cost-effective and measurable, provided a call to action is listed in the mailing piece.
- *E-mail Marketing* – e-mail is a viable way for sports organizations to perform sales, and sports organizations have a variety of information associated with actual and potential customers that can be used to tailor messages. E-mail also provides valuable data such as open rates and click-throughs or conversions that can help asses return-on-investment.
- *Personal Selling* – sports organizations can use personal contact to sale and while perhaps face-to-face interaction is becoming diminished in culture, this form of contact illustrates the relational process in sales. Here sales professionals can spend time with actual or potential customers and learn things that they may not

learn from other sources (e.g., e-mail marketing) that can be used in the sales process.

- *Relationship Marketing* – somewhat related to personal selling is the concept of relationship marketing, or the notion that for marketing to be effective there must be a relational element to it. Here, sports sales professionals are looking for ways to integrate customers into the organization. Gronroos (1990) observed the following elements must be present for relationship marketing to be successful: (a) the customer has an ongoing desire for service; (b) the customer of the service controls the service supplier; and (c) alternative service suppliers are available. The more sports organizations work at building relationships with customer, the more successful their sales will be.
- *Benefit Selling* – with benefit selling, customers are provided with benefits to their purchase that are designed to counteract barriers. Here, sports organizations can look for ways to promote flexibility (as with ticketing and dates) to help a customer see benefits.

Each of these approaches has advantages, and keeping in mind that sports organizations need to tailor their approaches to their unique situations, organizations who integrate data, relationship marketing, and benefit selling into personal selling approaches often achieve highly successful results (Mullin et al., 2014).

3.2.3 Managing Relationships between Sponsors and Fans

Sales is a relational process and as sports organizations must manage individual relationships with sponsors and fans, they must also facilitate relationships between these two entities. Remember that one of the reasons corporations engage in sports sponsorships is to reach the audience of the sports organization and see the positive perception of the sports organization transfer to it. Additionally, sports organizations must work to entice and engage fans to be interested in the sponsor without being perceived as being too aggressive or intrusive. Planning is a vital step that can help sports organizations manage these relationships. Some questions that sports sales and marketing personnel can ask in the planning phase include:

- What intersections exist between sponsors and fans?
- What needs and wants of fans match with sponsors line of business?
- What messaging will be most effective to facilitate relationships between fans and sponsors?
- What potential barriers or threats exist to relationships between fans and sponsors?
- To what extent can the sports organization's social and digital media resources be used to facilitate the fan-sponsor relationship?

Whereas planning is central, so is listening and evaluation. Sports organizations need to obtain feedback from both fans and sponsors to identify areas of strength and areas of improvement. This step is vital as sports organizations may have a different perception of relationship strength. Additionally, evaluating efforts to facilitate these relationships is important endeavors as well. Using metrics to assess what messaging and campaigns are most effective will help sports organizations ensure they are using the most relevant means possible to connect sponsors and fans.

3.2.4 Analytics and Technology in Sports Sales and Marketing

As with many areas of sport, analytics and technology are playing a major role in sports sales and marketing. One of the chief concern in sports sales and marketing is return-on-investment, and analytics help assess that variable. For example, many sports organizations use customer relationship management (CRM) software programs, and these programs often have a variety of data analytic tools that can be used to evaluate the effectiveness of sales and marketing efforts. Additionally, for media and social media efforts here, sports organizations can obtain data on how many people saw a message and how many acted on it (e.g., clicking through to purchase a ticket or team merchandise). Certainly, for metrics and analytics to be useful, they must be associated with goals. Thus, sports organizations need to define goals for their sales and marketing efforts, so there is a baseline against which performance can be measured. In formulating goals, sports organizations should ensure that goals are both (a) reasonable and (b) measurable. While lofty goals can be a good endeavor, setting unrealistic expectations only sets the organization up for failure and can significantly impact morale and employee retention. If goals are vague, then employees have little idea of what they are supposed to be accomplishing and it will be difficult to make any meaningful comparisons.

Data analytics are an important part of the sales and marketing process, but sports organizations must also ensure they are staying up to date on changing technological trends, and as applicable, incorporate these into their sales and marketing efforts. For instance, sports organizations must be aware of changing preferences for media consumption, as many people now prefer mobile devices for viewing entertainment, and sports organizations need to be creating messages for these platforms. Additionally, the emergence of technology like virtual reality can be used as a marketing tool to create fan experiences and provide activation opportunities for sponsors. Sports sales and marketing is most successful when sports organizations are willing to adapt to change and respond to changing consumer preferences. Staying static and being unwilling to change will only hinder the success of sales and marketing for the organization as fans and other consumers will buy from the organization that is meeting their needs.



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