

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 spectacles.

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.

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 and thus, it is important that sports organization's deliver on the sponsor's expectations. One key way that sports organizations hold 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 in 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 as well, 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 increasingly 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 could negatively affect at-risk populations, and thus, sports organizations would want to carefully consider how a sponsorship relationship might impact its relationship with other audiences, as well as how this sponsorship might be covered in the media, as negative media coverage could trigger a negative 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.