

# Important Objectives and Important Considerations in Objective Setting for Sport Sponsorship by Indian Companies

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## Abstract

We now commonly see that sports sponsorship is used by companies as part of their marketing efforts. The question that comes to mind is: why should the companies be interested in sponsorship? One view is that if sports sponsorship is done properly, it can provide good opportunities for distinct marketing and competitive advantages, and also showing support for the event. It is also considered as one of the communication vehicles available, which is capable of helping to form a long-term relationship with the consumers. Brand building is another objective for using sports sponsorship. It is natural that different companies will not have similar objectives for sports sponsorship. Academic research in a number of countries has tried to understand the various reasons and objectives for sports sponsorship. However, in India, academic research on sports sponsorship is hard to come by. Therefore, for this paper, various objectives for sports sponsorship and related aspects were primarily identified on the basis of review of available literature from other countries. A questionnaire was designed containing Likert-type statements about sport sponsorship management while setting the objectives as well as importance attached to various identified objectives. Responses received from 248 respondents were analyzed and described using means and standard deviation. Statements about 'strengthening/altering the company image as an objective' and 'likely benefits to be derived from sponsorship' have been found to be more important. The statements on 'monetary profit due to sponsorship' and 'utility of objective setting to measure sponsorship effectiveness' are surprisingly lower down the order. Sponsorship objectives which turned out to be most important belong to

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three categories namely, media coverage, objectives related to product/service/brand, and general corporate objectives.

**Keywords:** Sports sponsorship, objective setting, Indian companies.

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## Introduction

For a sponsorship contract to be successful from a corporate perspective, it is important to integrate the sponsorship with other parts of the communications mix, marketing mix and broader corporate objectives (Farelly et al, 1997). Setting clear objectives for the sponsorship programme can help in this integration process, provide focus to activities related to managing the sponsorship, and form the basis for evaluation of the sponsorship's success. Chadwick & Thwaites (2004) also feel that sponsorship objectives are important because they can serve as a basis for evaluating sponsorship effectiveness, can provide a focal point for managing and leveraging associated activities, and ensure integration between elements of the communication mix, marketing mix and broader corporate objectives. In this context, an attempt has been made in this paper to find out the importance attached, by companies sponsoring sports in India, to selected statements about sport sponsorship management while setting the objectives as well as importance attached to various identified sport sponsorship objectives.

## Objectives

Thus the objectives of this paper are:

1. To find out the importance attached by companies sponsoring sports in India, to selected statements about sport sponsorship management while setting the objectives; and
2. To understand the importance attached by companies sponsoring sports in India, to various identified sport sponsorship objectives.

## Review of Literature

Several objectives have been identified by different authors and researchers in the existing literature. Meenaghan (1983), in his pioneering study on sport sponsorship, divides sponsorship objectives in relation to target markets into corporate objectives and brand objectives, such as broad corporate objectives, product related objectives, sales objectives, media coverage, guest hospitality and personal objectives.

Irwin and Asimakopoulos (1992) summarise broad sponsorship objectives as either corporate or product/brand-related. Corporate Objectives include, increase public awareness of the company and its services, enhance company image, alter public perception, increase community involvement, build business/trade relations and goodwill, and enhance staff/employees' relations and motivation. Product/Brand-related Objectives include, increase in target market awareness, identify/build image within

target market (positioning), increase sales and market share, and block/pre-empt competition.

Sandler and Shani (1993) identify three broad categories of sponsorship objective, namely, broad corporate objectives (image based), marketing objectives (brand promotion, sales increase) and media objectives (cost effectiveness, reaching target markets). According to Schmader and Jackson (1997), a company can benefit from sponsorship in many ways, such as enhancing image/shaping consumer attitudes, driving sales, and creating positive publicity/heightening visibility. Pope (1998) and Dolphin (2003) observed that media objectives, corporate objectives, marketing objectives and personal objectives are four broad categories of sponsorship objectives that have been commonly acknowledged and accepted in the literature on sport marketing.

No Indian research studies could be found to know about objectives kept in mind by Indian companies while deciding about sport sponsorship. Gupta, Naik and Arora (2013) are also of the opinion that sponsorships have not been subjected to extensive research in an emerging economy like India, till date, which is considered virgin in terms of sponsorship research. However, from a newspaper article, by Prabhakar (2012), a number of objectives could be identified. These included: use as a sales tool, to establish an emotional connect with customers, to support advertising, and greater brand visibility.

On the basis of the literature review, certain statements related to sport sponsorship management while setting the objectives, were identified and incorporated in the questionnaire to know about the opinions of respondents (Table 1). The possible objectives were clubbed into five groups, namely, General Corporate Objectives, Objectives related to product/service/brand, Sales related Objectives, Media Coverage Objectives, and Guest hospitality Objectives (Table 3).

## **Methodology**

As indicated above, the study has been conducted with the help of a questionnaire. The questionnaire primarily contained a number of Likert-type statements about sport sponsorship management while setting the objectives as well as importance attached to various objectives identified on the basis of literature review. Five-point Likert scale was used with 1 denoting 'Not important' and 5 denoting 'Very important' in case of statements about sport sponsorship management while setting the objectives, and 1 denoting 'Very less' and 5 denoting 'To a large extent' in case of the importance attached to various sport sponsorship objectives while deciding about sponsorship.

The study is based on a sample of 248 companies from all over the country who responded to the questionnaire. Responses received from 248 respondents have been analysed and described using means and standard deviation. The data obtained by Likert-scales is ordinal in nature. Statistical texts are clear that for ordinal data one should employ the median or mode as the measure of central tendency (Clegg, 2010). However, that would not have served our purpose. We wanted to rank various statements in terms of importance attached to them by respondents. This would have been possible only by calculating the means and then arranging in descending order. Also, as per Sekaran and Bougie (2012), Likert scales are generally treated as interval scales. Therefore, arithmetic

mean and standard deviation have been used as measures of central tendency and dispersion respectively.

Table 1 Importance attached to statements about Sport Sponsorship Management while setting the objectives

Statements		Importance (Mean)	S.D.
Strengthening / altering the company image as an objective	OBJ6	4.27	0.69
Likely benefits to be derived from sponsorship	OBJ14	4.25	0.58
Creating competitive advantages	OBJ13	3.99	0.80
Performance review of previous sponsorship efforts	OBJ15	3.87	0.74
Non-monetary gains due to sports sponsorship	OBJ3	3.85	0.45
Balance between sports sponsorship and other non-sports sponsorships	OBJ16	3.79	0.75
Congruence of sponsorship with the overall corporate plan	OBJ8	3.75	0.92
Setting clear and measureable objectives for sponsorship	OBJ1	3.71	0.73
Alliance building with business/channel partners	OBJ11	3.42	0.96
Monetary profit due to sponsorship	OBJ2	3.40	0.73
Utility of objective setting to measure sponsorship effectiveness.	OBJ9	3.34	0.98
Senior Management / CEO's involvement in the sponsorship effort	OBJ7	2.90	0.99
Assessment of sponsorship by competitors	OBJ10	2.71	0.98
Social responsibility objectives of sports sponsorship	OBJ4	2.56	0.84
Philanthropic aspect of sports sponsorship	OBJ5	2.08	0.85
Countering ambush marketing by competitors	OBJ12	1.86	0.83

### Analysis and Discussion

In this section the data analysis has been presented in the form of tables and observations on the data have been discussed on the basis of which conclusions will be drawn.

#### *Importance of the statements about sport sponsorship management related with setting of objectives*

Table 1 shows the importance attached by the respondents to the statements about sport sponsorship management related with setting of objectives. Sixteen Likert-type items have been shown in the table. For each statement, the mean score closer to 5 means that most of the respondents thought that statement to be “very important”, whereas, a mean

score closer to 1 means that most of the respondents considered the statement to be “not important”.

From the above table, we can see that two statements about Strengthening / altering the company image as an objective (OBJ6) and Likely benefits to be derived from sponsorship (OBJ14) had the highest means (>4.0). The statements on Monetary profit due to sponsorship (OBJ2) and Utility of objective setting to measure sponsorship effectiveness (OBJ9) are surprisingly lower down the order. The statements with lowest means (<3.0) included aspects like Senior Management / CEO’s involvement in the sponsorship effort (OBJ7), Assessment of sponsorship by competitors (OBJ10), Social responsibility objectives of sports sponsorship (OBJ4), Philanthropic aspect of sports sponsorship (OBJ5) and Countering ambush marketing by competitors (OBJ12).

The standard deviation can be used as a measure of consistency. As a rough guide, 5-point Likert scale response distributions with sigma less than 1 could be called consistent and with sigma more than 1, inconsistent (Sclove, 2001). In Table 1 we can see that all values of S.D. are less than 1; which means that response distribution is consistent.

Table 2 shows the statements about sport sponsorship management considered to be most important while setting the objectives (mean >3.50).

Table 2 The statements about Sport Sponsorship Management while setting the objectives, considered to be most important

Statements		Importance (Mean)	S.D.
Strengthening / altering the company image as an objective	OBJ6	4.27	0.69
Likely benefits to be derived from sponsorship	OBJ14	4.25	0.58
Creating competitive advantages	OBJ13	3.99	0.80
Performance review of previous sponsorship efforts	OBJ15	3.87	0.74
Non-monetary gains due to sports sponsorship	OBJ3	3.85	0.45
Balance between sports sponsorship and other non-sports sponsorships	OBJ16	3.79	0.75
Congruence of sponsorship with the overall corporate plan	OBJ8	3.75	0.92
Setting clear and measureable objectives for sponsorship	OBJ1	3.71	0.73

From Table 2, we can see that the respondents, on an average, considered Strengthening / altering the company image as an objective, Likely benefits to be derived from sponsorship, Creating competitive advantages, Performance review of previous sponsorship efforts, Non-monetary gains due to sports sponsorship, Balance between sports sponsorship and other non-sports sponsorships, Congruence of sponsorship with the overall corporate plan, and Setting clear and measureable objectives for sponsorship, as relatively more important.

*Sport sponsorship objectives considered important in deciding about sponsorship*

Table 3 The extent to which the various sport sponsorship objectives are considered important in deciding about sponsorship

The extent to which the following objectives are considered important in deciding about sponsorship		Importance (Mean)	S.D.
General Corporate Objectives		Category Mean (3.38)	Average S.D. (0.79)
Promoting corporate image	IMP1	4.61	0.56
To build/strengthen goodwill	IMP4	4.50	0.69
Improving public perception of the company	IMP3	4.32	0.64
Improving public awareness about the company	IMP2	4.27	0.72
Gain advantage over competitors	IMP9	3.90	0.88
Associate company with the success of a team/event	IMP11	3.64	1.01
To target specific corporate associates	IMP10	3.17	0.99
Expressing community involvement	IMP5	2.65	0.91
To strengthen staff relations	IMP7	2.09	0.74
To impress/reassure shareholders	IMP6	2.08	0.80
To improve company image among prospective employees	IMP8	1.98	0.76
Objectives related to product/service/brand		Category Mean (3.56)	Average S.D. (0.85)
To strengthen brand preference	IMP20	4.41	0.64
Image building within the target market	IMP16	4.36	0.59
Increase awareness within the target market	IMP17	4.33	0.65
To provide support to product/service advertising	IMP19	4.27	0.78
To increase market share	IMP18	3.62	0.90
To reach out to new market segments	IMP13	3.51	1.08
To exploit the fit/relevance between the event and product/service/brand	IMP12	3.48	1.06
To coincide with launch of new product/brand/service	IMP14	2.04	1.08
Sampling at/during the event	IMP15	2.04	0.86
Sales related Objectives		Category Mean (3.41)	Average S.D. (0.94)
Stimulate sales in the long-run	IMP26	4.08	0.79
To gain new customers	IMP22	3.87	0.86
Stimulate sales in the short-run	IMP25	3.49	0.85
To facilitate the prospecting by sales people	IMP21	3.09	0.97
To support the sales promotion drive	IMP23	2.98	1.25
Strengthen relationship with existing customers	IMP24	2.96	0.95

Media Coverage Objectives		Category Mean (3.81)	Average S.D. (0.67)
Media coverage during the event	IMP28	4.65	0.53
To get as much media coverage as possible	IMP31	4.22	0.56
To get coverage in different media	IMP30	4.16	0.48
Media coverage before the event	IMP27	3.96	0.83
Media coverage after the event	IMP29	3.79	0.64
To counter any adverse media reports in the recent past	IMP32	2.10	0.96
Guest hospitality Objectives		Category Mean (2.30)	Average S.D. (0.75)
To entertain channel members/business partners/franchisees	IMP36	2.72	0.82
To entertain supplier/vendors	IMP35	2.46	0.76
To entertain staff members	IMP37	2.16	0.66
To entertain existing customers/clients	IMP33	2.09	0.78
To entertain potential customers/clients	IMP34	2.08	0.74

From Table 3, we can make the following observations:

- The category mean of each category of objectives shows that media coverage objectives scored the highest (3.81), followed by objectives related to product/service/brand (3.56), sales related objectives (3.41), general corporate objectives (3.38) and guest hospitality objectives (2.30) in that order.

- The General Corporate Objectives of Promoting corporate image (IMP1), To build/ strengthen goodwill (IMP4), Improving public perception of the company (IMP3), and Improving public awareness about the company (IMP2) scored > 4.0.

- In case of Objectives related to product/service/brand; To strengthen brand preference (IMP20), Image building within the target market (IMP16), Increase awareness within the target market (IMP17), and To provide support to product/service advertising (IMP 19) scored > 4.0.

- In case of Sales related Objectives, only Stimulate sales in the long-run (IMP26) managed to score > 4.0.

- Media Coverage Objectives of Media coverage during the event (IMP28), To get as much media coverage as possible (IMP31), and To get coverage in different media (IMP30) scored > 4.0.

- Even one Guest hospitality objective did not manage to cross a score of 3.0.

- Some of the lowest scores among all categories of objectives appeared for objectives like 'To entertain staff members' (IMP37), 'To counter any adverse media reports in the recent past' (IMP32), 'To strengthen staff relations' (IMP7), 'To entertain existing customers/ clients' (IMP33), 'To entertain potential customers/clients' (IMP34), 'To impress/reassure shareholders' (IMP6), 'To coincide with launch of new

product/brand/service (IMP14), 'Sampling at/during the event' (IMP15), and 'To improve company image among prospective employees' (IMP8).

Out of all the sport sponsorship objectives in Table 3 above, the most important (with mean score  $\geq 4.0$ ) have been presented in Table 4.

Table 4 The Sport Sponsorship Objectives considered to be most important (in order of importance)

Sport Sponsorship Objective		Mean	S.D.
Media coverage during the event	IMP28	4.65	0.53
Promoting corporate image	IMP1	4.61	0.56
To build/strengthen goodwill	IMP4	4.50	0.69
To strengthen brand preference	IMP20	4.41	0.64
Image building within the target market	IMP16	4.36	0.59
Increase awareness within the target market	IMP17	4.33	0.65
Improving public perception of the company	IMP3	4.32	0.64
Improving public awareness about the company	IMP2	4.27	0.72
To provide support to product/service advertising	IMP19	4.27	0.78
To get as much media coverage as possible	IMP31	4.22	0.56
To get coverage in different media	IMP30	4.16	0.48
Stimulate sales in the long-run	IMP26	4.08	0.79

Eleven out of the twelve objectives which turned out to be most important belong to three categories namely, media coverage objectives, objectives related to product/service/brand, and general corporate objectives. Thus, we can assume that the respondents generally gave more importance to objectives related to these three categories.

## Conclusion

We can conclude that Indian companies while deciding about sport sponsorship attach more importance to 'strengthening/altering the company image' and 'likely benefits to be derived from sponsorship'. 'Monetary profit due to sponsorship' and 'utility of objective setting to measure sponsorship effectiveness', are surprisingly given lower importance. On an average, senior management/CEO's involvement in the sponsorship, assessment of sponsorship by competitors, social responsibility and philanthropic aspect of sports sponsorship, and countering ambush marketing by competitors, are also considered to be less important.

Out of the various objectives of sport sponsorship included in the survey, the following were considered to be more important in the given order: Media coverage during the event, Promoting corporate image, To build/strengthen goodwill, To strengthen brand preference, Image building within the target market, Increase awareness within the target market, Improving public perception of the company, Improving public awareness about the company, To provide support to product/service advertising, To get as much media coverage as possible, To get coverage in different media, and Stimulate sales in the long-run. Objectives related to three categories namely, media coverage objectives, objectives

related to product/service/brand, and general corporate objectives, were given more importance.

Of course, all the companies cannot be expected to give same or high importance to various objectives. Further research can be conducted to know the reasons for low importance given to certain objectives.

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