Bike racing sponsorships as a means to meet a corporation's marketing and promotional objectives

Patty Sue Peoples

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BIKE RACING SPONSORSHIPS AS A MEANS TO MEET
A CORPORATION'S MARKETING AND PROMOTIONAL OBJECTIVES

A Thesis
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
in
Interdisciplinary Studies

by
Patty Sue Peoples
June 1995
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Approved by:

Dr. Mary Smith, Chair, Marketing
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Dr. Kevin Lamude, Communications
Fortune 500 companies are interested in utilizing sport sponsorship as a means to meet the company’s marketing and promotional objectives. The academic research to support sport sponsorship is favorable but limited.

This thesis studied the profiles of Fortune 500 companies that both sponsored sports (Sponsors) and did not sponsor sports (Non-Sponsors). Both sets of companies are willing to sponsor sports as long as the sponsorship meets the corporations’ marketing objectives of promoting the company’s corporate image, increasing public awareness of the company and enhancing community relations. The sponsorship must also meet the corporations’ promotional objectives which consist of displaying company posters and banners at the event, receiving national television coverage and being the title sponsor.

For the sport of bike racing specifically, both Non-Sponsors and Sponsors are interested in sponsoring this sport. They prefer to sponsor a women’s bike racing team, a one day event, a female athlete or the United States Cycling Federation.

Sport sponsorship is a growing field and additional research will help to prove that sport sponsorship is a cost-effective means to meet a company’s marketing and promotional objectives.
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CHAPTER ONE

INTRODUCTION

This chapter describes the need for research in the area of sports sponsorships, as well as why a study should be conducted concerning the current practices of bike racing sponsorships. The study’s scope, limitations and definitions of terms are also presented. The chapter concludes with a general preview of the thesis’ content and its overall goals.

Statement of Problem

Since 1984, this author has been actively involved in the sport of bike racing. Having achieved the status of a World-Class athlete by being named to the United States National Women’s Cycling Team in 1985, I was able to witness the significance of sponsorships for women’s bike racing as well as the problems associated with the sponsorships. Currently, sponsorships play a primary role in the existence of the bike racing since sponsorships are the sport’s lifeline. For women, sponsorships’ importance heightened when women’s bike racing became an Olympic sport 10 years ago in 1984.

When any sport, especially a low-profile sport like bike racing, attains Olympic status, it immediately receives media attention, which in turn, opens the door to marketing and communication opportunities. However, how to best
capitalize on the various opportunities appears to be a frontier. Virtually all major teams, athletes and bike racing events are sponsored. Therefore, someone besides the athlete, team or event is paying the expenses.

As a member of the elite circle of cycling athletes, I experienced the full spectrum of "hit and miss" marketing and communication opportunities due to the "trial and error" method practiced by many sponsors. This inconsistency of success led this author to question why more companies, particularly Fortune 500 companies, do not take advantage of bike racing sponsorships as an opportunity for attaining marketing communication objectives. This general lack of objective setting associated with bike racing sponsorships led this author to believe that a thorough study of bike racing sponsorships might result in more corporations capitalizing on sponsorship opportunities.

This study attempts to tap into the reasons for a lack of bike racing sponsorships. In order to conduct such a study, a survey instrument was designed to disguise this purpose because respondents would be more likely to complete the survey if it contained questions about sports sponsorships in general.

A review of the literature on bike racing sponsorships is almost non-existant. This is quite understandable since the sport of women’s cycling has only been in the forefront as a marketing and communication arena within the past ten years. The very limited studies on cycling are generally associated with men’s cycling and usually appear in studies on event sponsorships, sports marketing or sponsorships.
However, the academic research available on sports marketing and sponsorships is also very limited but is growing.

Corporate sponsorships as a promotional practice has developed largely as a result of trial and error, and companies have had to learn from their own successes and mistakes (Kuzma, Shanklin and McCally, 1993, p. 28). Only in recent years have academicians and consultants turned their attention to studying corporate sponsorships in a systematic way and publishing their results in a public way (Ibid.). Without more research, companies will continue to "hit and miss." Those that have a hit are most likely not going to share their success with their competitors.

This thesis sought to answer questions about sports sponsorships in general and bike racing sponsorships particularly:

1. What is the typical profile of Fortune 500 companies that are involved in sports sponsorships?
2. What is the typical profile of Fortune 500 companies that are involved in bike racing sponsorships?
3. What factors influence Fortune 500 companies to be involved in sports sponsorships?
4. What factors influence Fortune 500 companies to be involved in bike racing sponsorships?

Scope and Limitations

This study was limited to the Fortune 500 companies as of April, 1994. Questions concerning their sponsorship involvement were limited to the past five years. The years'
limitation was set because women's cycling has only been an Olympic sport since 1984. The limitation on the companies was set because Fortune 500 companies generally have enough capital to become potential title or co-title sponsors.

Time and money were also limitations. The surveys were sent only once with a self addressed stamped envelope and a turn around time of one month. Because of limited financial resources, follow-up phone calls were not made.

Definition of Terms

For purposes of this thesis, sponsorship was defined as buying and exploiting an association with an event, a team or an individual for specific marketing (communication) purposes (Otker, 1988, p. 77). In this definition the element of "exploitation" of an association (i.e., the potentiation of it by using other marketing and communications activities) is very important, as well as the term "for specific purposes," as this implies clear objectives which the sponsorship is suppose to accomplish (Ibid.).

Buying refers to an exchange of cash for certain privileges to capitalize on the activities associated with the event, team or individual. Exploitation refers to utilizing the various components of marketing and communication mixes to attain the objectives associated with the sponsored event, team or individual.

An event will be either a one day bike race, a multi-day bike race which is referred to as a stage race or a
series of bike races. A team is two or more bike racers who have the same title sponsor and who work together in a bike race in hopes that a member from their team wins the race. An individual is a bike racer who has specific sponsors contracted with him/her regardless of whether or not he/she is associated with a team sponsor.

Marketing is referred to as the set of activities whereby businesses and other organizations create transfer of value (i.e., exchanges) between themselves and their customers (Promotion Management and Marketing Communications, Shimp, p. 7), whereas communication is the process whereby commonness of thought is established and meaning is shared between individuals or between organizations and individuals (Ibid.).

The two terms combined, marketing communications, is a more encompassing term that includes communications via any and all of the marketing mix elements which refer to a company’s a) product(s), b) pricing of the product(s), c) distribution of the product(s) and d) promoting of the product(s) (Ibid.).

An understanding of the terms is vital to formulating and attaining clear objectives for both the sponsor and the event, team or individual being sponsored.

**Thesis Preview**

The thesis examined the current and/or prior practices of the companies’ involvement with sport sponsorships and bike racing sponsorships. A review of the practices were
examined from a marketing communications viewpoint. Topics covered were objectives for sponsorships, types of sponsorships, decision making for sponsorship proposals, development of the sponsorships, implementing the sponsorships, budget for sponsorships, and measurement of the sponsorships.

Chapter two discusses the findings from the literature review on research available on sport sponsorships and bike racing sponsorships. Chapter three describes the research design and methodology. Chapter four presents the results of the surveys. And finally, chapter five discusses the surveys' findings as well as its limitations and recommendations for future research.
CHAPTER TWO

REVIEW OF THE LITERATURE

Preview

This chapter first presents a brief history of sports sponsorships. Next, the types and analysis of available literature are discussed. Last, the academic research literature is examined and summarized.

History

Sports event marketing was pioneered back in the 1920’s when companies like Standard Oil and Firestone were involved in auto racing. Philip Morris launched the Virginia Slims tennis tournament in the late 60’s. Next came the running boom in the 70’s with Manufacturers Hanover’s sponsorship of marathons and other running events. "But it wasn’t until the mid-1980’s that this phenomenon (sports event marketing) really took off in a big way" (Rosen, 1990, p. 54).

From 1985 to 1990, sports event marketing grew from barely a $300 million industry to a $1.4 billion industry. According to Andrews, "That’s four times the growth rate of conventional advertising and greater than any other kind of sales promotion activity" (Ibid). Moreover, Gardner and Shuman (1987) report that "the number of companies sponsoring events has more than doubled, from 900 companies
in 1980 to 2,500 companies in 1985. Also, the number of special events marketing companies are proliferating, approximately 70 in 1984 compared to only 20 in 1983, and more than 200 corporations report they now (1984) have positions such as 'director of special events'" (pp. 11-12).

Why this sudden boom? "Originally, the key attractions were visibility and prestige. But as time went on, the motives became more sophisticated. By picking the right sports, by picking the right events, companies are now targeting specific geographic areas, specific demographic segments, and specific ethnic markets" (Rosen, 1990, p. 54).

Several factors (Gardner and Shuman, 1987) suggest sponsorship will continue to grow in importance:

1. They help sponsors cut through the clutter of more traditional advertising channels.
2. Sponsorships help companies cope with changing media viewing habits.
3. Sponsorships help companies relate to both consumer and nonconsumer publics. (p. 12).

However, as sponsorship continues to grow there is one area of major concern that is not growing and that is - The quantification of information on sponsorships. According to Garner and Shuman (1987), "Findings indicate corporations, channel members and private individuals believe sponsorship work, but very little hard data is collected to assess the effectiveness of particular sponsorships" (p. 17). As recently as January 3, 1994, Schlossberg (1994) stated in his bi-monthly "On Sports Marketing" column that "Quantification is sports marketing’s incomplete pass; the
area in which it has struck out the most" (p. 24). This thesis was developed in response to the lack of quantitative research techniques, such as surveys, to explore the reasons for engaging in sports sponsorship activities.

Types and Analysis of The Literature

Literature pertaining to sports sponsorships from an academic viewpoint is quite limited. Currently there exists only one journal, Sport Marketing Quarterly, that targets the academician as a publishing vehicle as well as serves the practicing professional sport marketer.

The fact that the Sport Marketing Quarterly (SMQ) has only been in publication since September of 1992 supports this author’s assertion that the topic of sport sponsorship needs to be researched more thoroughly. According to its publisher, Andrew C. Ostrow (1992), the journal "is the first publication of its kind that bridges the gap between knowledge conveyed in the sport marketing classroom and the realities of employment as a sport marketing professional" (1992, inside cover).

The first annual Sports Marketing Conference, hosted by the American Marketing Association (AMA) was held just fours years ago in November, 1990. Coinciding with this historic sports marketing event was special AMA projects editor Howard Schlossberg’s column "On Sports Marketing," which appears in every other issue of Marketing News. His column covers a wide range of topics from "the value of
putting on a fantasy baseball camp as a sales-force motivator to the lack of promotional opportunities for Grambling head football coach Eddie Robinson" (p. 6).

Schlossberg believes "sports marketing will flourish because people will continue to fanatically reach out to embrace the teams and athletes they adore and identify with, as opposed to the political, economic, and workplace leaders (or non-leaders) who turn them off" (p. 6).

Other publications that periodically approach the topic of sport sponsorship, from an academic angle, were primarily from European or International journals such as The International Journal of Advertising and European Research. An academic study on sponsorship in general was found in the Journal of Advertising.

To this author's knowledge there are no academic studies pertaining specifically to the subject of Bike Racing Sponsorship. One news article by Shipman (1992) addressed the sponsorship of bike racing in the Tour de France, the "super bowl" of cycling. According to Alan Rushton, a former bike racing competitor and managing director of Sport for Television, a UK company that organizes televised cycle races, "Cycling is environmentally friendly, and has above the national average of AB (top social group) viewers. It also has a high profile among 16 - 35 year-olds" (p. 76). However, big time sponsors are generally not renewing after three year contracts. One theory, according to Barrie Gill, chairman of the European Sponsorship Consultants' Association, is that "effective
sponsorship raises brand and product awareness so rapidly that resources can then be transferred to advertising or other forms of marketing when the initial contract runs out. The average life of a European sponsorship is three years, Gill says, because it can actually do its job in three years" (1992, p. 78).

Other news stories, pertaining to corporate sponsorship of the Olympics, can be found in consumer publications each Olympic year. They are generally informative but not necessarily research based, but we must thank the Olympics for opening the door to a better understanding of sport sponsorship. According to Jim Andrews, the editor of Special Events Report, "The 1984 Olympics was the turning point (for sport sponsorship). After that success, sports event marketing came into its own; all kinds of companies started to get involved" (Rosen, 1990, p. 54).

Analysis of Academic Research Literature

According to Gardner and Shuman (1987) "Sponsorship is being used to support corporate objectives (e.g. enhance company image) or marketing objectives (e.g. increase brand awareness), and are usually not made through traditional media-buying channels. Because sponsorship can effectively reach specific target groups with well-defined messages, they are powerful tools for establishing meaningful communications links with distributors and potential consumers" (p. 11).
Other authors, (Kuzma, Shanklin and McCally, 1993) assert that "Corporate sponsorship as a promotional practice has developed largely as a result of trial and error, and companies have had to learn from their own successes and mistakes" (p. 28). They also found that while total corporate spending for promotion and advertising has been declining in "real-dollar terms," spending for sponsorship (65%-86% on Athletic Competition) has been increasing.

The study's participants consisted of Fortune 1000 firms, sponsors of the 1990 U.S. Olympic Festival and sponsors of the 1991 International Special Olympics. How each participant ranked various corporate objectives in evaluating possible sponsorships was dependant upon whether or not the corporation viewed the sponsorship as commercial or philanthropic. If the sponsorship was viewed as commercial, then the marketing and advertising departments were concerned with the sponsorship's ability to "increase awareness of the company, whereas if the sponsorship was viewed as philanthropic, then the public relations and communication departments were more concerned that the sponsorship demonstrated community responsibility" (pp. 29-30). However, before a corporation even considers a sponsorship for commercial or philanthropic reasons, it first wants to know if "the event's audience is consistent with coveted market niches" (p. 30). Even though sponsors for the Olympic Festival and International Special Olympics stated their number one corporate objective was to "demonstrate community responsibility," the broad expanse of
events puts commercial objectives first. In conclusion, Kuzman, Shanklin and McCally (1993) stated, "The number one principle in selling sponsorships to companies is exhibiting a close match between corporate objectives and event characteristics" (p. 32).

With sport sponsorship growing rapidly, Irwin and Asimakopoulos (1990) proposed a comprehensive evaluation model for sport sponsorships proposal evaluation. Their model is a six step approach patterned after a typical management by objective decision-making process:

Step 1: Review of the corporate marketing plan and objectives;
Step 2: Identification and prioritization of specific sport sponsorship objective (corporate and product/brand-related);
Step 3: Identification of evaluation criteria and assignment of relative weighing based on the aforementioned prioritization of sponsorship objectives;
Step 4: Screening and selection of sponsorship proposals;
Step 5: Implementation of selected sport sponsorship; and

In Garner and Shuman's (1987) study, 47% of their corporate respondents did not measure their sponsorship, while only 17% used audience response research.

However, for those companies that have assessed the value of sponsoring an event through market research, the number one justification for a sponsor to re-sponsor an event was "If the event organizer followed through on the promises it made to them [corporations] as a sponsor" (Schlossberg, 1992, p. 13). Additional reasons why sponsors renew a sponsorship contract are as follows:
1) Sponsors were pleased with the amount of the sponsorship fee and its value; 
2) The amount of media exposure generated by the event itself; 
3) The amount of the media exposure directly related to the sponsor; and 
4) The way a sponsor was treated (p. 14).

Abratt, Clayton and Pitt (1987) conducted a study on "Corporate Objectives in Sport Sponsorship" that involved a sample of 45 sponsors who received media exposure in South Africa between November of 1984 and March of 1985. Their results showed that the "most important reasons for sponsoring sports include potential TV coverage, promoting the corporate image and the potential of spectators as customers" (p. 299).

They identified five main methods by which sport may be sponsored:

1) Sponsorship of a sport in general; 
2) Sponsorship of a sport in particular; 
3) Sponsorship of a competition within a sport; 
4) Sponsorship of a team within a competition; and 
5) Sponsorship of an individual sportsman (p. 301).

They also found that sponsorship of a sport in general is usually for philanthropic motives, whereas sponsoring a sport in particular could be either philanthropic or commercial driven. In sponsoring a competition, the business hopes to build public awareness of the brand name. Sponsorship of a team can be risky if the team does poorly and thus does not receive much media exposure. However, if the sponsorship is of a local team or perhaps a company team, it will be viewed as goodwill or increasing moral of the company’s employees. Sponsoring of an individual can be
for a variety of reasons from building brand awareness to increasing public relations.

But why sponsor sports over the arts, education or local community events? In sponsoring a sport the sponsor has the benefit of reaching two potential markets: the spectator and the participants. Also, since the objective of sport is to win, sport was found to be "the only widely admired and valued area of human activity which is solely based on success at the expense of others" (Abratt, Clayton and Pitt, 1987, p. 304).

In addition, most sports challenge the elements of distance and time. Those competing are trying to set a record of some sort, be it the fastest, quickest or jumping the longest. There is also the element of risk in many sports, such as gymnastics, skiing, bike racing, ice skating and any contact sports. This risk factor adds to the excitement and anticipation by both the spectator and participant which makes for news and thus warrants media coverage.

In the United Kingdom, the major international sporting events such as Wimbledon (tennis) and The British Open (golf) consistently score high in the television and radio ratings. Receiving television coverage is very cost-effective since the sport’s sponsor does not pay for the time.

The alignment with a sport also fits in nicely with a corporation’s concern about image. Sports make for a popular sponsorship target because generally, most sports,
have a good image. They are perceived as "healthy, character-building activities, important in the development of an individual in our competitive society" (Abratt, Clayton and Pitt, 1987, p. 304).

If a corporation is fortunate to sponsor a team or individual who is viewed as a world-wide hero, it too will be viewed as a hero. Again, heroes are continually covered in the media which helps the corporation. "Sports sponsorship is being used as a method of communicating the message of the sponsor to its target market. How it is used depends upon the type of sponsorship undertaken" (p. 305).

Since corporations function in a multitude of environments, (business, task and public) there must be interaction between these environments and the corporations. One way to make this interaction easier is via a favorable image. "It is for this reason that companies engage in sport sponsorship which has no relationship to their business. Broad corporate objectives have as their basis, therefore, developing a favorable public relations image of the firm, increasing public awareness of the company and its products and building goodwill among the company’s customers" (Abratt, Clayton and Pitt 1987, p. 305).

Findings from Abratt, Clayton and Pitt’s study revealed the following (top three responses and least important response):

1) Important promotion activities in sponsorship:
   - TV coverage (100%), Other media coverage (89%), Posters
and banners at the sport (80%), Selling or Sampling at event (20%).

2) Positions of those with responsibility for sports sponsorship promotion:
   Marketing Manager (60%), Public Relations Officer (40%), Outside agency (20%), Sales Manager (7%).

3) Persons of influence in sports sponsorship:
   Marketing Manager (69%), C.E.O. (40%), Advertising Manager (20%), Sales Manager (7%)

4) Department in which sponsorship forms part:
   Advertising (40%), Promotions (33%), Public Relations (26%), (Separate) Sponsorship (13%)

5) Reasons for being involved in sports sponsorship:
   Potential TV coverage (Mean=3.0), Promoting Corporate Image (Mean=3.5), Potential Media Coverage (Mean=4.0), C.E.O's. Personal Interest (Mean=12.7)

In conclusion, Abratt, Clayton and Pitt stated, "It is clear that a corporate policy on sponsorship - whatever the type - is essential to enable the company to achieve its objectives. The measure of success of this corporate policy, i.e. the company’s marketing communications programme, is the degree to which these objectives have been satisfied. However, the need for continued research by the companies wishing to enter the world of sponsorship is evident. This research relates to: determining what objectives can be achieved through sponsorship; determining whether these objective are compatible with the companies' marketing objective; considering all the alternative methods of sponsorship to determine which is the best for the company; having entered into a sponsorship, evaluating the sponsorship to determine whether it was appropriate and whether it was successful" (Abratt, Clayton and Pitt, 1987, p. 311).

In looking at how the sport sponsorship fits into the promotional mix Abratt and Grobler (1989) found that "sport
sponsorships need to be supported with promotions, additional advertising, incentive programmes, sampling, publicity and community involvement. The initial sponsorship fee is just the beginning" (p. 351). Successful sponsors are involved in the promotion versus just paying the sponsorship fee and letting the event, team, or individual take care of itself. First the corporation needs to define its objectives, and then decide how to use the promotional mix to meet those objectives. The sponsorships that do not work are those with "insufficient thought behind them. Without the support of a full marketing package, impact of sponsorship falls flat on its face. Companies need to put more effort into using the sponsorship as a promotional tool before and after as well as during the event" (p. 353). In other words, the company needs to market the sponsorship.

Abratt, Clayton and Pitt, (1987) found that TV exposure and other media coverage were at the top of the list for reasons why corporations sponsor sports. Not only did the sponsor receive cost-effective exposure but also was able to reach its target audience during leisure time. Thus Abratt and Grobler (1989) found that "sports sponsorship can offer cost-effective exposure, associate a company or product name with a specific event, and provide companies with high visibility activities, particularly if the event is national or international in scope" (p. 352).

Witcher, Craigen, Culligan and Harvey (1991) also found in their study that TV exposure was high on the list of.
important objectives for sport sponsorship. The highest was promotion of corporate image (68%) followed by promotion of brand awareness (65%), while TV exposure was third with 58%. They also found that for sponsorship of professional sports the public relations department (38%) was responsible for handling the sponsorship, versus the marketing department (35%). In terms of using any type of method to evaluate the effectiveness of the sponsorship, 66% responded they use some method.

In Tom Otker's (1988) study he found that "Exploitation of a sponsorship is vital for its effectiveness; size, synergy, originality, timely planning, integration and commitment are key words" (p. 85). He also found that for a sponsorship to be effective there "must be a long-term view... a sponsorship well selected and exploited is nearly always effective. Without these two characteristics it is nearly always extravagant and ineffective" (p. 85).

Meenaghan (1991) found, "the acknowledged industry norm is that expenditure at least equal to the direct sponsorship costs is necessary for adequate exploitation" (p. 37). Meenaghan believes that sport sponsorship will continue to grow due partly to "increased commercialization of sports, the growth of new media, such as cable and satellite television, and the increasing sophistication of corporate sponsors" (p. 39).

Viewing sport sponsorship from a marketing communications mix perspective, Meenaghan (1991) states that "sponsorship must be viewed as an element of marketing
communications within the broader context of the marketing mix of the traditional '4Ps'" (p. 39). He thinks commercial sponsorship "fits quite naturally alongside advertising, public relations, personal selling and sales promotion in that its basic function lies in achieving marketing communications objectives" (p. 39). He also found that "within the marketing communications mix, commercial sponsorship can be regarded as a highly cost-effective medium to achieve awareness and image related objectives at both the corporate and brand level" (p. 41).

The success of the sponsorship is largely dependent on how it is implemented. Once again, exploitation is necessary. "A critical factor is that the sponsorship be implemented as part of a marketing campaign and thus integrated with other elements of marketing communications" (p. 43).

Meenaghan (1991) devised a method for evaluating sport sponsorships. He suggests that measurement should be performed at several key stages:

1) At the outset measurement is required to determine the company's present position in terms of awareness and image with the target audience.

2) Interim tracking may be necessary if the sponsorship is of longer term in order to detect movement on the chosen dimensions of awareness, image and market attitude.

3) Final evaluation must take place when the sponsorship is completed to determine performance levels against the stated objectives (p. 44).

Moreover, Meenaghan presents five main methods for measuring sponsorship effectiveness:
1) Measuring the level of media coverage/exposure gained.
2) Measuring the communications effectiveness of sponsorship involvement.
3) Measuring the sales effectiveness of sponsorship.
4) Monitoring guest feedback, and
5) Cost-benefit analysis (pp. 44-46).

Summary

The lack of research on the subject of sport sponsorship, especially in the United States, shows the need for more research on this topic. However, the literature reviewed supports the assertion that sponsorship can be very effective if certain general guidelines are followed. First and foremost is setting objectives for the sponsorship. Second is exploiting the sponsorship and third is measuring the sponsorship. Common factors that seem to influence corporations' involvement in sport sponsorship are: the sponsorship's ability to secure TV exposure, its effectiveness on corporate image and awareness as well as the sponsorship's effectiveness on brand awareness and image.

The literature also supported the need for effective measuring of sponsorships, which appears to be lacking in a significant number of corporations involved in sponsorships.

Sport sponsorship is a growing cost-effective element in the marketing communication mix. However, continuous research is needed in order to better understand and utilize sport sponsorships.
CHAPTER THREE

SURVEY RESEARCH METHODOLOGY

Preview

This chapter discusses the research design based on the literature search, and both the selection and design of the questionnaire surveys. Also included in this chapter is a description of the sampling method, the response rate and finally the method of data analysis.

Research Design

Two self-administered questionnaires were mailed to Fortune 500 companies listed in Fortune magazine, April, 1994. This data collection method was chosen for two reasons. First, Fortune 500 companies are scattered throughout the United States. Second, those completing the four-page or six-page questionnaires could do so at their convenience over a one month period.

Questionnaire Design

Two color-coded questionnaires were developed to address the thesis objectives. The surveys’ questions were established from both the literature review and from this author’s knowledge of bike racing sponsorship.
Each Fortune 500 company received both questionnaires along with a cover letter describing the two questionnaires:
1) If a corporation had NEVER been involved in sport sponsorship (Non-Sponsors) they were instructed to complete the WHITE SURVEY. 2) If a corporation was currently or had ever been involved in sport sponsorship (Sponsors) within the past five years, they were instructed to complete the YELLOW SURVEY.

The Non-Sponsor’s four-page survey consisted of eight questions: six closed-end questions and two Likert scaled questions. The first question was designed to obtain information on why the corporation was not involved in sport sponsorship. The next two questions asked if their corporation were to sponsor a sport, which sport(s) would they sponsor. The remaining closed-end questions 5, 6 and 8 were designed to identify the organization’s decision makers concerning sponsorship and their company’s interest in additional information on the subject of sport sponsorship.

The two Likert scaled questions, 4 and 7, were designed to measure which marketing and promotional objectives would be important to the corporation if they were to be involved in sport sponsorship.

The Sponsor’s six-page survey consisted of thirteen questions: eleven closed-end questions and two Likert scaled questions. The first four closed-end questions were designed to obtain information regarding which sports they currently or ever sponsored in the past five years. Questions 6, 7, 8 and 9 concerned the corporation’s sport sponsorship decision makers and the process their company
used in obtaining sport sponsorship. Questions 10 and 13
determined how much and from which department’s budget were
sport sponsorship monies drawn. The final closed-end
question, number 10, was designed to determine if the
corporations had a method for measuring the effectiveness of
the sport sponsorship.

The two Likert scaled questions, 5 and 11, were
designed to measure which marketing and promotional
objectives were important to the corporation’s involvement
in sport sponsorship.

Both surveys used nominal and interval scales of
measurement. In the Non-Sponsor survey, the nominal scales
of measurement were used in questions 1, 2, 3, 6 and 8. The
interval scales of measurement were in questions 4 and 7.

In the Sponsor survey the nominal scales of measurement
were used in questions 1, 2, 3, 4, 6, 7, 8, 9, 10, 12 and
13. The interval scales of measurement were used in
questions 5 and 11.

A description of the questionnaires by objectives
follows.

Objectives Of The Study: Non-Sponsors

<table>
<thead>
<tr>
<th>Question Item #</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1) To assess the profile of Fortune 500 companies not involved in sport sponsorships.</td>
<td></td>
</tr>
<tr>
<td>a) Why are they not involved?</td>
<td>1</td>
</tr>
<tr>
<td>b) If they did sponsor sports, which sports would they sponsor?</td>
<td>2, 3</td>
</tr>
<tr>
<td>c) If they did sponsor sports, what would be their marketing/promotional objectives?</td>
<td>4, 7</td>
</tr>
<tr>
<td>d) Who are their company’s decision makers for sport sponsorships and would their organization like more information on the subject?</td>
<td>5, 6, 8</td>
</tr>
</tbody>
</table>
Objectives Of The Study: Sponsors

1) To assess the profile of Fortune 500 companies involved in sport sponsorships.

   a) What sports have they sponsored in the past five years?  
      1, 2, 3, 4
   b) What are their marketing and promotional objectives?  
      5, 11
   c) Who are the decision makers and what is their company’s process for obtaining sponsorships?  
      6, 7, 8, 9
   d) Where are the sponsorships budgeted and how much is budgeted?  
      10, 13
   e) Do they measure the effectiveness of the sponsorships?  
      12

2) What factors influence Fortune 500 companies to be involved in sport sponsorships?

   a) What are their marketing and promotional objectives?  
      5, 11
   b) Who are the decision makers and what is their company’s process for obtaining sponsorships?  
      6, 7, 8, 9
   c) Where are the sponsorships budgeted and how much is budgeted?  
      10, 13

3) What factors influence Fortune 500 companies to be involved in bike racing sponsorships?

   a) What kind of bike sponsorships are the companies interested in sponsoring?  
      4
   b) Why are they not involved in bike sponsorships?  
      3
   c) What are their marketing and promotional objectives?  
      5, 11
   d) Who are the decision makers and what is their company’s process for obtaining sponsorships?  
      6, 7, 8, 9
   e) Where are the sponsorships budgeted and how much is budgeted?  
      10, 13

Sampling Method and Response

The questionnaires were mailed April 26, 1994, to all Fortune 500 companies listed in the April 18, 1994, issue of Fortune magazine. The Fortune 500 companies were chosen because they have the financial resources to take advantage...
of sport sponsorships. Even though a significant amount of bike racing sponsors are not Fortune 500 companies, those that are sponsors, are associated with the more "professional" or high-profile teams. Thus, their impact on the sport of bike racing is very significant. If the sport of bike racing is to grow, then it is necessary to secure more Fortune 500 companies as sponsors.

The 500 companies are located throughout 41 of the 52 states with California leading the race as the state with the most Fortune 500 company headquarters, 48.

Each company was sent a cover letter and both color coded surveys along with a pre-addressed stamped envelope. They were asked to complete and return one of the two surveys by May 31, 1994. One-hundred and twelve of the 500 surveys were returned for a 22 percent response rate. Of those 112 returns, 50 were from Sponsors, 41 were from Non-Sponsors and 21 did not complete the survey due to "company policy on responding to surveys."

**Data Analysis**

Data from the surveys was coded then analyzed utilizing a Macintosh version of the statistical package for the social science (SPSS). This statistical program provided all the relevant statistical information needed regarding: means, standard deviation and frequency distributions.
This chapter presents the results from the "Executive Opinion Surveys" that were mailed in May, 1994 to all Fortune 500 companies listed in the April, 1994 issue of Fortune magazine.

RESULTS

The completed questionnaires were coded and the data was analyzed with the SPSS program on the Macintosh computer. The questionnaires are shown in Appendix A and B.

Non-Sponsor Survey Findings

Description of the Sample

Data from 41 completed surveys were analyzed. Of that total, 69% (n = 28) had different titles describing their position with the company, while 5% (n = 2) listed their title as Director of Communications. Another 5% (n = 2) listed their title as Director of Public Affairs and another 5% (n = 2) listed their title as Manager of Human Resources. The final 16% (n = 7) failed to list their title.
Fifty-one and a half percent (n = 17) stated that they have held their position for 4 years or less, while 19.5% of the 41 respondents failed to answer this question.

The respondents also indicated that they have been with their company from 1 to 55 years. The majority, 51.4%, (n = 18) of those that answered this question have been with the company for 14 years or less, and 14.6% (n = 6) failed to answer the question.

Profile

The Reason Their Company Is Not Involved In Sports Sponsorships

The majority (46.3%, n = 19) checked "other" as their reason for not being involved in sports sponsorship. As shown in Table 1, 39% (n = 7), of those 46.3%, said they were not involved in sport sponsorship because their product was not a consumer product, 28% (n = 5) stated that sport sponsorship didn’t fit their company’s objectives or guidelines and 19% (n = 4) said their company’s policy is donations, not sponsorship. The remaining 14% (n = 3) each had a different response. However, the next largest percentage (31.7%, n = 13) checked "company policy doesn’t allow for sponsorship of any kind" as their reason for not sponsoring sports, while 22% (n = 9) checked "doesn’t fit into our budget."
Table 1: Respondents' reasons for not being involved in Sports Sponsorship*

<table>
<thead>
<tr>
<th>Reason</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product not consumer product</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>Doesn’t fit company’s objective/guidelines</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Policy is donations not sponsorship</td>
<td>4</td>
<td>19</td>
</tr>
<tr>
<td>Independent reasons</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Policy doesn’t allow sponsorship of any kind</td>
<td>13</td>
<td>31.7</td>
</tr>
<tr>
<td>Doesn’t fit into budget</td>
<td>9</td>
<td>22</td>
</tr>
</tbody>
</table>

* Respondents could choose more than one response.

If Their Company Did Sponsor Sports, Which Sports Would They Sponsor

As shown in Table 2, "Running" and "Walkathons" (17%, n = 7) tied for the sport most likely to be sponsored if their company were to sponsor a sport. "Bike Racing" (14.1%, n = 6), "Golf" (12.2%, n = 5) and "Aerobics" (9.8%, n = 4) rounded out the top five sports most likely to be sponsored.

"Men's and women's bike racing teams" (26.8%, n = 11) were equally chosen, as were "male or female bike racers" (24.4%, n = 10) as potential sponsorship candidates if their company were to sponsor a bike racing team or individual bike racer. However, "one day races" were most likely to be sponsored (26.8%, n = 11) versus "stage races" (17.1%, n = 7) or "race series" (14.6%, n = 6). If given a choice between sponsor the USCF or the USPRO organizations 14.6% (n = 6) chose to sponsor the "United States Cycling Federation (USCF)," while 9.8% (n = 4) chose to sponsor the "United States Professional Bike Racing Association (USPRO)."
Table 2: Which Sports Would Their Corporation Sponsor If They Were To Sponsor Sports*

<table>
<thead>
<tr>
<th>Sports</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Running</td>
<td>7</td>
<td>17.0</td>
</tr>
<tr>
<td>Walkathons</td>
<td>7</td>
<td>17.0</td>
</tr>
<tr>
<td>Bike Racing</td>
<td>6</td>
<td>14.1</td>
</tr>
<tr>
<td>Women's Team</td>
<td>11</td>
<td>26.8</td>
</tr>
<tr>
<td>Men's Team</td>
<td>11</td>
<td>26.8</td>
</tr>
<tr>
<td>One Day Races</td>
<td>11</td>
<td>26.8</td>
</tr>
<tr>
<td>Stage Races</td>
<td>7</td>
<td>17.1</td>
</tr>
<tr>
<td>Race Series</td>
<td>6</td>
<td>14.6</td>
</tr>
<tr>
<td>Female Athlete</td>
<td>10</td>
<td>24.4</td>
</tr>
<tr>
<td>Male Athlete</td>
<td>10</td>
<td>24.4</td>
</tr>
<tr>
<td>United States Cycling...</td>
<td>6</td>
<td>14.6</td>
</tr>
<tr>
<td>United States Professional...</td>
<td>4</td>
<td>9.8</td>
</tr>
<tr>
<td>Golf</td>
<td>4</td>
<td>12.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100</td>
<td>345.6</td>
</tr>
</tbody>
</table>

* Total exceeds 100 percent because the respondents could choose more than one response.

Marketing and Promotional Objectives For Sport Sponsorship

Marketing Objectives

Marketing objectives were measured using a 5-point Likert scale (5 = very important; 1 = not important).

As shown in Table 3, the top five marketing objectives chosen were: "to promote the company’s corporate image" (mean = 3.269, s.d. = 1.589), "to increase public awareness of the company" (mean = 3.115, s.d. = 1.479), "to enhance community relations" (mean = 3.077, s.d. = 1.383), "to reward or benefit employees" (mean = 3.077, s.d. = 1.598) and "to promote public relations with customers and potential customers" (mean = 2.640, s.d. = 1.350).

Table 3: Top 5 Marketing Objectives For Sport Sponsorship

<table>
<thead>
<tr>
<th>Objective</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote Corporate Image</td>
<td>3.269</td>
<td>1.589</td>
</tr>
<tr>
<td>Increase Public Awareness of Company</td>
<td>3.115</td>
<td>1.479</td>
</tr>
<tr>
<td>Enhance Community Relations</td>
<td>3.077</td>
<td>1.383</td>
</tr>
<tr>
<td>Reward or Benefit Employees</td>
<td>3.077</td>
<td>1.598</td>
</tr>
<tr>
<td>Promote P.R. with Customers</td>
<td>2.640</td>
<td>1.350</td>
</tr>
</tbody>
</table>
Promotional Objectives

Promotional objectives were measured using a 5-point Likert scale (5 = very important; 1 = not important).

As shown in Table 4, the top five promotional objectives chosen were: "company posters and banners at event" (mean = 2.680, s.d. = 1.412), "name of company/product on athlete's jersey and/or clothing" (mean = 2.560, s.d. = 1.520), "receiving national television coverage" (mean = 2.440, s.d. = 1.557), "advertising brochure of event, team or individual" (mean = 2.417, s.d. = 1.412) and "name of company/product as the name of the team or event" (mean = 2.320, s.d. = 1.520).

<table>
<thead>
<tr>
<th>Promotional Objective</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posters and Banners at Event</td>
<td>2.680</td>
<td>1.412</td>
</tr>
<tr>
<td>Name on Athlete's Jersey/Clothing</td>
<td>2.560</td>
<td>1.520</td>
</tr>
<tr>
<td>National Television Coverage</td>
<td>2.440</td>
<td>1.557</td>
</tr>
<tr>
<td>Advertising Brochure (event/team/indv)</td>
<td>2.417</td>
<td>1.412</td>
</tr>
<tr>
<td>Title Sponsorship</td>
<td>2.320</td>
<td>1.520</td>
</tr>
</tbody>
</table>

Who Are The Sponsorship Decision Makers And Would Their Company Like More Information On The Subject Of Sport Sponsorship?

As shown in Table 5, the top response was "others" (36.6%, n = 15), followed by "C.E.O." (34.1%, n = 14), and "Marketing Manager" (19.5%, n = 8). Of the "other" responses, only two responses matched, Community Relations and Human Resource Managers each with 5.5% (n = 2). The remaining 11 (30.6%) responses in the "other" category covered a number of varied responses.
Table 5: Top 3 Sponsorship Decision Makers

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>15</td>
<td>36.6</td>
</tr>
<tr>
<td>Community Relations</td>
<td>2</td>
<td>5.5</td>
</tr>
<tr>
<td>Human Resource Managers</td>
<td>2</td>
<td>5.5</td>
</tr>
<tr>
<td>Independent Response</td>
<td>11</td>
<td>30.6</td>
</tr>
<tr>
<td>C.E.O.</td>
<td>14</td>
<td>34.1</td>
</tr>
<tr>
<td>Marketing Manager</td>
<td>8</td>
<td>19.5</td>
</tr>
</tbody>
</table>

Who Has The MOST Influence On Sponsorship Decisions?

As shown in Table 6, the top response was the "C.E.O." (26.8%, n = 11), followed by "others" (22%, n = 9) and "marketing manager" (9.8%, n = 4). All but one of the "others" had checked "others" for the previous question, "Who is involved in the Sponsorship Promotional Decision Making?"

Table 6: Those MOST Influential With Sport Sponsorships

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.E.O.</td>
<td>11</td>
<td>26.8</td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>Marketing Manager</td>
<td>4</td>
<td>9.8</td>
</tr>
</tbody>
</table>

Sponsor Survey Findings

Description Of The Sample

Data from 50 completed surveys were analyzed. Fifty-four percent (n = 27) had different titles describing their position with the company, while 10% (n = 5) listed their title as "Marketing Manager." Eight percent (n = 4) listed their title as "Public Relations Manager," 8% (n = 4) listed their title as "Director of Corporate Communications," 4% (n = 2) listed their title as "Manager of Community Resources"
and 4% (n = 2) listed their title as "Director of Human Resources." The final 4% (n = 2) failed to list their title.

Seventy percent (n = 35) have held their position for 5 years or less, and of those 70%, 32% (n = 11) have held their current position for only 1 year.

Respondents indicated that they have been with their companies from 1 to 30 years. The majority, 52%, (n = 26) have been with their company for 10 years or less.

Profile

Sports Their Company Has Sponsored In The Past 5 Years

As shown in Table 7, "golf" (50%, n = 25), "running" (48%, n = 24), "basketball" (40%, n = 20), "baseball" (38%, n = 19) and "walkathons" (36%, n = 18) are the top five sports, out of a possible 18 sports, that have been sponsored in the past five years. However, "bike racing/riding" (34%, n = 17) finished a respectable sixth.

Table 7: Top 6 Sports Sponsored Within The Past 5 Years*

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golf</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Running</td>
<td>24</td>
<td>48</td>
</tr>
<tr>
<td>Basketball</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Baseball</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td>Walkathons</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Bike racing/riding</td>
<td>17</td>
<td>34</td>
</tr>
</tbody>
</table>

* Respondents could choose more than one response.

As shown in Table 8, when asked if their company is currently involved in a bike related sponsorship, 20% (n = 10) answered yes, 16% (n = 8) answered that they had been involved in a bike related sponsorship in the past, while
58% (n = 29) responded that they have never sponsored a bike related event.

Table 8: Their Company’s Current Involvement with Bike Sponsorship

<table>
<thead>
<tr>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>29</td>
<td>58</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

Why Their Company Is Not Involved In A Bike Related Sponsorship

Forty-four percent (n=22) responded they are not currently involved in a bike sponsorship because it "didn’t/doesn’t meet our sponsorship objectives."

What Kind Of Bike Sponsorship Would Their Company Be Interested In Sponsoring

Table 9 shows 20% (n = 10) of the respondents were interested in sponsoring a "women’s bike racing team," while only 18% (n = 9) were interested in sponsoring a "men’s bike racing team."

Thirty-six percent (n = 18) were interested in sponsoring a "one day race," compared to 20% (n = 10) being interested in sponsoring a "stage race" and 20% (n = 10) interested in sponsoring a "race series."

Fourteen percent (n = 7) of the respondents were interested in sponsoring "female bike racers" compared to 12% (n = 6) being interested in sponsoring "male bike racers."

Sixteen percent (n = 8) of the companies stated they would sponsor the "United States Cycling Federation," while
10% (n = 5) said they would sponsor the "United States Professional Bike Racing Association."

Table 9: Respondents Interest In Bike Sponsorships

<table>
<thead>
<tr>
<th>Category</th>
<th>N*</th>
<th>%*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women's Team</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Men's Team</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>One Day Race</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Stage Race</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Race Series</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Female Athlete</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Male Athlete</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>United States Cycling Federation</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>United States Professional Bike Racing Assoc.</td>
<td>5</td>
<td>10</td>
</tr>
</tbody>
</table>

* Respondents could select more than one response.

Marketing and Promotional Objectives For Sport Sponsorship

Table 10 shows the top five marketing objectives selected by the respondents as related to sport sponsorship were as follows: 1) "to promote a company's corporate image" (mean = 3.813, s.d. = 1.214), 2) "to increase public awareness of the company" (mean = 3.542, s.d. = 1.336), 3) "to enhance community relations" (mean = 3.489, s.d. = 1.365), 4) "to promote brand awareness" (mean = 3.468, s.d. = 1.640) and 5) "to increase sales" (mean = 3.340, s.d. = 1.619).

Table 10: Top 5 Marketing Objectives For Sport Sponsorship

<table>
<thead>
<tr>
<th>Objective</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote Corporate Image</td>
<td>3.813</td>
<td>1.214</td>
</tr>
<tr>
<td>Increase Public Awareness of Company</td>
<td>3.542</td>
<td>1.336</td>
</tr>
<tr>
<td>Enhance Community Relations</td>
<td>3.489</td>
<td>1.365</td>
</tr>
<tr>
<td>Promote Brand Awareness</td>
<td>3.468</td>
<td>1.640</td>
</tr>
<tr>
<td>Increase Sales</td>
<td>3.340</td>
<td>1.619</td>
</tr>
</tbody>
</table>
Promotional Objectives

Table 11 shows the top five promotional objectives selected by the respondents as related to sports sponsorship as follows: 1) "posters and banners at event" (mean = 3.723, s.d. = 1.246), 2) "receiving national television coverage" (mean = 3.384, s.d. = 1.438), 3) "name of company/product as the name of the team or event" (mean = 3.191, s.d. = 1.439), 4) "name of company/product on athlete’s jersey and/or clothing" (mean = 3.191, s.d. = 1.329) and 5) "receiving Newspaper coverage" (mean = 3.152, s.d. = 1.210).

<table>
<thead>
<tr>
<th>Promotion Objective</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posters and Banners at Event</td>
<td>3.723</td>
<td>1.246</td>
</tr>
<tr>
<td>National Television Coverage</td>
<td>3.384</td>
<td>1.438</td>
</tr>
<tr>
<td>Title Sponsorship</td>
<td>3.191</td>
<td>1.439</td>
</tr>
<tr>
<td>Name on Athlete’s Jersey/Clothing</td>
<td>3.191</td>
<td>1.329</td>
</tr>
<tr>
<td>Newspaper Coverage</td>
<td>3.152</td>
<td>1.210</td>
</tr>
</tbody>
</table>

The Sponsorship Decision Makers And The Process For Obtaining Sport Sponsorship

The "Marketing Manager" was selected by 52% (n = 26) of the respondents as the person most involved in their company’s decision making process regarding sport sponsorship, followed by the "C.E.O" and the "Sales Manager," each with 36% (n = 18).

The "Marketing Manager" was selected by 38% (n = 19) of the respondents as the person who has the MOST influence within the company regarding whether or not to sponsor sports, followed by the "C.E.O" (20%, n = 10) and the "Public Relations Director" (10%, n = 5).
"Outside solicitation from event managers" (28%, n = 14), "outside solicitation from Sports Marketing Agencies" (26%, n = 13) and "in-house sponsorship departments" (20%, n = 10) were the top three procedures companies utilized for the purpose of obtaining sport sponsorship.

When the companies were asked if they consulted a sponsorship consultant when deciding on being involved in sport sponsorship, 82% (n = 41) of the respondents answered "no."

The bulk of the budget for sport sponsorship comes from the company's "Marketing" department (38%, n = 19) followed by the "Public Relations" department (26%, n = 13) and the "Advertising" department (24%, n = 12).

The amount of money allotted for sport sponsorship was less than 10% for 74% (n = 37) of the respondents' overall marketing, advertising or promotional budget. Fourteen percent (n = 7) allot 11% to 25% of their overall marketing, advertising or promotional budget to sport sponsorship, while 12% (n = 6) failed to answer the question.

Measure Effectiveness of the Sport Sponsorship

Corporations generally engage in programmatic evaluations. They employ a variety of effectiveness measures, such as surveys, focus-groups, and re-call. However, when asked if their organization had a method for determining the effectiveness of a sponsorship, 52% (n = 26) of the respondents replied "no."

Chapter five will discuss the above surveys' findings.
CHAPTER FIVE

DISCUSSION OF SURVEYS' FINDINGS

Preview

This chapter presents a discussion of the surveys' results. First, the similarities and the differences between the Sponsors and Non-Sponsors are discussed. Second is a discussion on the factors that influence bike sponsorships. Third are the research limitations and fourth are recommendations for future research.

Similarities Between Sponsors and Non-Sponsors

The majority of the respondents for both the Sponsors (54%, n = 27) and the Non-Sponsors (69%, n = 28) had different titles describing their positions with the company despite all 500 surveys mailed being addressed to the attention of Sponsorship. This high percentage (54% "Sponsors" and 69% "Non-Sponsors") is significant because it shows that Sponsorships are being handled by a variety of departments. This discrepancy in titles makes it extremely difficult in preparing a sponsorship proposal since the person drafting the proposal will not know which departments' needs to address.

The only two titles that both the Non-Sponsors and Sponsors shared in common, as far as each receiving more than one response, were Director of Communications and
Director of Human Resources. Even then, the percentages for each title were small. Among the Sponsors, 8% (n = 4) listed their title as Director of Corporate Communications and 4% (n = 2) listed their title as Director of Human Resources. Among the Non-Sponsors, 5% (n = 2) listed their title as Director of Communications and 5% (n = 2) listed their title as Director of Human Resources.

Another similarity between the Sponsors and Non-Sponsors were their marketing objectives. Each had the same top three responses: promote corporate image, increase public awareness of the company and enhance community relations. Knowing that the top three marketing objectives are the same helps to limit the number of objectives that must be addressed in the sponsorship proposal. This knowledge would also help to alleviate the problem of not knowing which department will handle the sponsorship proposal. It also makes it easier to approach a Non-Sponsor about sponsorship because data from a Sponsor’s success at meeting the company’s marketing objectives can be gathered and presented to the Non-Sponsor. The Non-Sponsor and Sponsor survey results also showed similarities in two of the top three promotional objectives. Both were interested in displaying posters and banners at the event and receiving national television exposure. Once again, the success of meeting these two promotional objectives for a Sponsor’s sponsorship could be measured and presented to Non-Sponsors or other Sponsors when soliciting additional sponsors.

Similarities continued among the Non-Sponsors and Sponsors in the category of sponsorship decision makers.
Both the C.E.O. and the Marketing Manager are involved in the sponsorship decision making process.

Differences Between Sponsors and Non-Sponsors

The only major difference between the Sponsors and Non-Sponsors is which sport(s) to sponsor. The majority of the Non-Sponsors are interested in sponsoring "running," "walkathons," and "bike racing/riding." However, the sports that have been sponsored the most in the past five years have been "golf," "running," and "basketball." Among the sponsored sports, "bike racing/riding" finished sixth out of a possible 18 sports. These rankings are good for the sport of bike racing/riding since an interest in the sport is already established among the Sponsors and Non-Sponsors. However, one might have more success securing a bike sponsorship from Non-Sponsors since bike racing/riding is ranked third among the sports they would be interested in sponsoring.

Influential Factors for Bike Sponsorships

Listed below are the primary factors that influence a company’s involvement in bike sponsorships:

1. If one can show that a bike related sponsorship meets a corporation’s marketing and promotional objectives, then the company would consider sponsoring the sport of bike racing/riding.
2. When discussing what type of sponsorship, the companies are most interested in sponsoring either a women’s bike racing team, a one day event, a female athlete or the United States Cycling Federation.

3. The marketing objectives the bike related sponsorship should focus on are: 1) promoting the company’s corporate image, 2) increasing the public awareness of the company and 3) enhancing the community’s relations with the company.

4. The promotional objectives the respondents were most interested in meeting were having the company’s posters and banners on site, receiving national television coverage and being the title sponsor.

5. The Marketing Manager, the C.E.O. and the Sales Manager are generally involved in the sport sponsorship decision making. Therefore, one should submit proposals to one or more of these people.

6. The budgets from which the sponsorship will most likely be funded are marketing, public relations or advertising. Thus, one should be familiar with these three budget areas.

RESEARCH LIMITATIONS

One of the major limitations was using one mass mailing to the Fortune 500 companies. I would recommend follow up phone calls to those companies that do not respond to the mailed survey.
Also, the surveys were addressed to the attention of Sponsorship. Knowing now that the Marketing Manager and C.E.O. have the most influence concerning sport sponsorship I would direct the surveys to their attention noting in the cover letter that both the Marketing Manager and the C.E.O. were sent the surveys.

The response rate of 20% may also be increased if, in future research, a copy of the findings were mailed to all respondents.

FUTURE RESEARCH

Future research could include a different audience such as current and previous Olympic sponsors versus Fortune 500 companies. If future research focused on corporations that have been involved in Sport Sponsorship the response rate would increase since the subject matter is familiar to them. Information on Olympic sponsors, past and present, is available through the United States Olympic Committee.

For the sport of bike racing specifically, one could survey all the title sponsors of teams, athletes, events and the United States Cycling Federation since 1984. This information is available through the United States Cycling Federation. The reason for choosing 1984 is because this is the year that the United States won the most Gold medals in bike racing in Olympic history. It is also the first Olympic year that women were permitted to compete in the sport of bike racing. The survey should also be designed to include less open-ended responses such as "other" by

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including more choices derived from the "other" responses from this research.

In general, the study of sport sponsorship is an area where additional research is needed in order to better understand how to successfully implement sport sponsorship as a cost-effective innovative avenue for meeting the marketing and promotional objectives of corporations.
APPENDIX A

EXECUTIVE OPINION SURVEY (Non-Sponsors)

Name of Organization: __________________________

Name and Position of Respondent: __________________________

Telephone Number of Respondent: __________________________

Years with Company: __________________________

Years in Current Position: __________________________

DIRECTIONS: PLEASE PLACE A CHECK MARK BY THE ITEMS THAT BEST CHARACTERIZE YOUR RESPONSE.

1) Which of the following responses describes why your organization does not currently participate in Sport Sponsorship? Please CHECK ALL responses that apply.

a) ___ No reason, just not interested.
b) ___ Doesn’t fit into our budget.
c) ___ Company policy doesn’t allow for sponsorship of any kind.
d) ___ Other (Please Specify): __________________________

2) If your organization were to become involved in Sport Sponsorship, which sports might your organization be interested in sponsoring? Please CHECK ALL responses that apply.

a) ___ Running
b) ___ Bike Racing
c) ___ Triathlons
d) ___ Soccer
e) ___ Gymnastics
f) ___ Figure Skating
g) ___ Skiing
h) ___ Track and Field
i) ___ Basketball
j) ___ Football
k) ___ Gymnastics
l) ___ Ice Hockey
m) ___ Golf
n) ___ Boxing
o) ___ Aerobics
p) ___ Walkathon
q) ___ Others: (Please specify): __________________________

3) If your organization were to sponsor the sport of Bike Racing, which of the following types of teams, events or athletes would you be interested in sponsoring? Please CHECK ALL responses that apply.
a) Bike Racing Team:
   1) Women’s Team
   2) Men’s Team
   3) Both
b) Bike Racing Event:
   1) One Day Race
   2) Stage Race
   3) Race Series
   4) All
c) Individual Athlete:
   1) Female Bike Racer
   2) Male Bike Racer
   3) Both
d) Bike Racing Organization:
   1) United States Cycling Federation (USCF)
   2) United States Professional Bike Racing Association (USPRO)
e) Other: Please explain

4) Following are some marketing objectives often associated with Sport Sponsorship. On a scale of 1-5, with 1 being not important to 5 being very important, please indicate how important to you would each of the following objectives be by circling the number that best represents the items importance to your organization:

<table>
<thead>
<tr>
<th>Objective</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>a) To promote the company’s corporate image</td>
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<td>b) To promote brand awareness</td>
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<td>c) To increase sales</td>
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<td>d) To increase public awareness of the company</td>
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<td>e) To alter public perception of the company</td>
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<td>f) To build goodwill among opinion-formers</td>
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<td>g) To aid in staff relations</td>
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<td>h) To identify with a particular market segment</td>
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<td>i) To enhance community relations</td>
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<td>j) To facilitate prospecting for the sales</td>
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<td>k) To reward or benefit employees</td>
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<td>l) To increase Television exposure</td>
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<td>n) To increase Magazine exposure</td>
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<td>o) To increase Radio exposure</td>
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<td>p) To reach new consumers/customers</td>
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<td>q) To promote public relations with customers and potential customers</td>
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<tr>
<td>r) To bind Sports natural link with sponsors product/service</td>
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<td>s) To be more cost-effective</td>
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<td>t) To meet C.E.O.’s personal interest/hobby</td>
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</tbody>
</table>

Note: The numbers 1-5 represent the importance on a scale of 1 (not important) to 5 (very important).
5) Who in your organization would be involved in a sponsorship promotion decision. Please CHECK ALL positions that might apply to your organization.

a) __ C.E.O.  
b) __ Marketing manager  
c) __ Sales manager  
d) __ Advertising manager  
e) __ Public Relations Director  
f) __ Outside agency  
g) __ Sports Marketing Director  
h) __ Other (please specify): ______________

6) Who in your organization would you say has the MOST influence on sponsorship related decisions? Please CHECK the person with the MOST influence for sponsorship approval:

a) __ C.E.O.  
b) __ Marketing Manager  
c) __ Sales Manager  
d) __ Advertising Manager  
e) __ Public Relations Director  
f) __ Outside Agency  
g) __ Sports Marketing Director  
h) __ Others (please specify): ______________

7) Below is a list of promotional activities often associated with Sport Sponsorship. Please rate from 1-5 how important to your organization would be the following activities, with 1 indicating not important, while 5 indicates very important. Please CIRCLE the number that best emphasis the promotional activities importance to you:

1 = not important  
2 = somewhat important  
3 = important  
4 = quite important  
5 = very important

a) Advertising brochure of event, team or individual  
1 2 3 4 5
b) Company posters and banners at event  
1 2 3 4 5
c) Display of product/service at event  
1 2 3 4 5
d) Name of company/product on athlete’s jersey and/or clothing  
1 2 3 4 5
e) Name of company/product on team vehicle  
1 2 3 4 5
f) Receiving National Television coverage  
1 2 3 4 5
g) Name of company/product as the name of the team or event, such as (Company/Product) Racing Team or (Company/Product) National Championships  
1 2 3 4 5
h) Receiving Magazine coverage  
1 2 3 4 5
i) Receiving Newspaper coverage  
1 2 3 4 5
j) Receiving Network Television coverage  
1 2 3 4 5
k) Receiving Sports Cable coverage  
1 2 3 4 5
l) Receiving Radio coverage  
1 2 3 4 5
m) Guest appearance of team or individual at trade shows and national or regional sales meetings
n) Coverage of team in official race programs
o) Other (please specify):

8) Would your organization be interested in utilizing a sponsorship consultant to find out more about the pros and cons of Sport Sponsorship?
   a) Yes
   b) NO

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.
PLEASE RETURN IN THE SELF ADDRESSED STAMPED ENVELOPE
APPENDIX B

EXECUTIVE OPINION SURVEY (Sponsors)

Name of Organization: _____________________________

Name and Position of Respondent: _____________________________

Telephone Number of Respondent: _____________________________

Years with Company: _____________________________

Years in Current Position: _____________________________

DIRECTIONS: PLEASE PLACE A CHECK MARK BY THE ITEMS THAT BEST CHARACTERIZE YOUR RESPONSE.

1) To the best of your knowledge, which sports has your organization sponsored in the last 5 years. Please Check ALL responses that apply.

a) __ Running
b) __ Bike Racing
c) __ Triathlons
d) __ Soccer
e) __ Gymnastics
f) __ Figure Skating
g) __ Skiing
h) __ Track and Field
i) __ Baseball
j) __ Football
k) __ Basketball
l) __ Ice Hockey
m) __ Golf
n) __ Boxing
o) __ Aerobics
p) __ Walkathon
q) __ Tennis
r) __ Bike Riding
s) __ Other: (Please Specify): _____________________________

2) Is your company CURRENTLY involved in a bike related sponsorship?

a) __ Yes
b) __ No, but we have been in the past
c) __ No, we have never been involved in sponsoring bike related events

3) If your company is no longer or never was involved in bike related sponsorships, please CHECK ALL reasons why your company does not sponsor bike related events.

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a) Too costly
b) Didn’t/Doesn’t meet our sponsorship objectives
c) Met our sponsorship objectives
d) Never sponsored a bike related event
d) Other (Please explain briefly): __________________________

4) If your company WERE to sponsor a Bike related event, what type of Bike Sponsorship MIGHT your company be interested in sponsoring? Please CHECK ALL responses that might apply to your company.

a) Bike Racing Team:
   1) Women’s Team
   2) Men’s Team
   3) Both
b) Bike Racing Event:
   1) One Day Race
   2) Stage Race
   3) Race Series
   4) All
c) Individual Athlete:
   1) Female Bike Racer
   2) Male Bike Racer
   3) Both
d) Bike Racing Organization:
   1) United States Cycling Federation (USCF)
   2) United States Professional Bike Racing Association (USPRO)
e) Other: Please explain __________________________

5) Following are some marketing objectives often associated with Sport Sponsorship. On a scale of 1-5, with 1 being not important, to 5 being very important, please indicate how important to you is each of the following objectives by circling the number that best represents the items importance to you.

1 = not important
2 = somewhat important
3 = important
4 = quite important
5 = very important

a) To promote to company’s corporate image 1 2 3 4 5
b) To promote brand awareness 1 2 3 4 5
c) To increase sales 1 2 3 4 5
d) To increase public awareness of the company 1 2 3 4 5
e) To alter public perception of the company 1 2 3 4 5
f) To build goodwill among opinion-formers 1 2 3 4 5
decision-makers

h) To aid in staff relations 1 2 3 4 5

i) To identify with a particular market segment 1 2 3 4 5

j) To enhance community relations 1 2 3 4 5

k) To facilitate prospecting for the sales force 1 2 3 4 5

l) To reward or benefit employees 1 2 3 4 5

m) To increase Television exposure 1 2 3 4 5

n) To increase Magazine exposure 1 2 3 4 5

o) To increase Newspaper exposure 1 2 3 4 5

p) To increase Radio exposure 1 2 3 4 5

q) To promote public relations with customers 1 2 3 4 5

r) To increase Television exposure 1 2 3 4 5

s) To increase Magazine exposure 1 2 3 4 5

t) To increase Radio exposure 1 2 3 4 5

u) To increase Newspaper exposure 1 2 3 4 5

v) To build Sports natural link with sponsors 1 2 3 4 5

w) To bind Services interest/hobby 1 2 3 4 5

x) To meet C.E.O.'s personal interest/hobby 1 2 3 4 5

y) OTHER: 1 2 3 4 5

6) Who in your organization would be involved in a sponsorship promotion decision? Please CHECK ALL positions that apply.

a) C.E.O.
b) Marketing manager
c) Sales manager
d) Advertising manager
e) Public Relations Director
f) Outside agency
g) Sports Marketing Director
h) Other (please specify):

7) Who in your organization would you say has the MOST influence on sponsorship related decisions? Please CHECK the person with the MOST influence for sponsorship approval:

a) C.E.O.
b) Marketing Manager
c) Sales Manager
d) Advertising Manager
e) Public Relations Director
f) Outside Agency
g) Sports Marketing Director
h) Other (please specify):

8) Which of the following procedures best describes the process of obtaining sponsorships for your organization. Please CHECK ALL procedures which apply to your organization.

a) By contacting sports marketing organizations
b) Outside solicitors:
   1) Individual Athletes
   2) Event Manager
   3) Team Manager
   4) Sports Marketing Agencies
c) In-house sponsorship department
d) Other (please specify): ______________________

9) Does your organization utilize sponsorship consultants?
   a) Yes
   b) No

10) From which account is the sponsorship budget drawn from in your organization? Please CHECK ALL responses that apply to your organization.
   a) Marketing
   b) Advertising
   c) Public Relations
   d) Promotions
   e) (separate) Sponsorship
   f) Other (please specify): ______________________

11) Below is a list of promotional activities often associated with Sport Sponsorship. On a scale of 1-5 with 1 being not important to 5 being very important, please rate how important to your organization is each of the following promotional activities by circling the number that best represents the items importance to your organization:

   1 = not important
   2 = somewhat important
   3 = important
   4 = quite important
   5 = very important

a) Advertising brochure of event, team or individual
b) Posters and banners at event
c) Display of product/service at event
d) Name of company/product on athlete's jersey and/or clothing
e) Name of company/product on team vehicle
f) Receiving National Television coverage
g) Name of Company/Product as the name of the team or event; such as (Company/Product) Racing Team or (Company/Product) National Championships
h) Receiving Magazine coverage
i) Receiving Newspaper coverage
j) Receiving Television coverage
k) Receiving Sports Cable coverage
l) Receiving Radio coverage
m) Guest appearance of team or individual at trade shows and national or regional sales meetings
n) Coverage of team in official race programs
o) Other (please specify): ______________________
12) Does your organization have a method for determining the effectiveness of the sponsorship?
   a) _No
   b) _Yes (explain briefly): ____________________________

13) What percentage of your overall marketing, advertising or promotional budget does your organization allot to Sport Sponsorship?
   a) _10% or less
   b) _11% to 25%
   c) _26% to 50%
   d) _51% to 75%
   e) _76% or more

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.
PLEASE RETURN IN THE SELF ADDRESSED STAMPED ENVELOPE.
REFERENCES


