

Sports Sponsorship As A Tool For Customer Engagement

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Abstract

This paper reports the findings from a series of semi-structured interviews with Sponsorship Managers in major UK-based sports sponsors. The key theme explored is the use of sponsorship leverage strategies as a means of deepening engagement with both existing and potential customers. Therefore, this study draws on literature from the field of customer engagement, relating this to sponsorship objectives, in order to assess the extent to which sponsors are actively seeking to engage customers through their sponsorship activities. Customer engagement and building an affinity with brands are cited as objectives now being pursued by sponsors. The findings suggest that sponsorship is increasingly being used by brands as a springboard for wider marketing communications activity, including social media and event-based customer experiences. Sponsorship success is not guaranteed simply by buying the rights to associate with a sporting property, but rather, is maximised when creatively activated to engage customers interactively, as opposed to the one-way communication medium of advertising. The evidence provided highlights examples of good practice among sponsors in a growing area of interest. Therefore, a wider ranging study of the use of event-based experiences and social media as sponsorship leverage strategies is proposed as an area for future research.

Track: Sports Marketing

The 21st century has seen the rapid growth in popularity of relationship marketing techniques, focussing the minds of brand managers not only on customer acquisition, but more importantly on customer engagement and retention (Bee and Kahle, 2006). Sports sponsorship has become an established element of the integrated marketing communications mix (Cornwell and Maignan, 1998) and is frequently used to achieve a range of both corporate and product/brand objectives (Verity, 2002). As a live marketing communications tool, sponsorship both impacts upon and is affected by the competitive environment in which sponsors operate. Therefore, through the use of interviews with Sponsorship Managers, this exploratory study examines the use of sponsorship as a tool for customer engagement.

Building brands through customer engagement

Relationship marketing has achieved much academic and practitioner attention as brands understand the value of customer loyalty and retention (Helgesen, 2006; Too, Souchon and Thirkell, 2001). Using the consumer-based brand equity framework put forward by Keller (2008), brands should strive to move customers beyond salience and brand imagery to what he terms resonance, or customer engagement. Brand loyalty requires customers to have an emotional engagement with the brand, which comes from experiencing the brand in a unique way, thus adding value to the customer (Smith and Wheeler, 2002).

In a cluttered brandscape, if a brand is to truly nurture that brand resonance, it is important to move beyond simply satisfying customers to engaging them on a much deeper, relational level. One way to achieve such an objective is to ‘delight’ customers with unexpected extras within the consumption experience. Not only can this aid customer retention, but delighted and loyal customers are more likely to advocate brands to others through word-of-mouth, thus assisting in attracting new customers to the brand (Bowden, 2009; Michael, 2007). However, the communication of brand values is compromised by the growing resistance of consumers to traditional mass marketing communications (Whelan and Wohlfeil, 2006). Therefore, is it possible that sponsorship may be used as a source of competitive advantage by brands wishing to go beyond one-way communication to build relationships with consumers?

Sponsorship Objectives and Motivations

Hartland, Skinner and Griffiths (2005) proposed a typology of sponsorship objectives, under the headings of corporate, marketing, media, personal and relational. Brand awareness (Verity, 2002) and brand image (Parker, 1991) have long been considered the most commonly pursued sponsorship objectives. Within a relationship-building context, corporate hospitality has formed an integral part of much sponsorship activation, although there is now an increasing focus on broadening this to using sponsorship as a way of building brand loyalty through creating customer experiences (Donlan, 2009).

Sponsorship can create a ‘hook’ for other communications tools and as such it relates to audiences differently from advertising, by targeting consumers through activities in which they have an inherent interest (Sleight, 1989). The ability of sponsorship to touch consumers (Intel, 2006) and thus impact upon them more powerfully than other communications

techniques, facilitates its use to build relationships (Dolphin, 2003). As such, while awareness remains an important objective for many sponsors, the power of sponsorship through its experiential qualities extends to developing deeper customer engagement.

In contrasting the effects of sponsorship with those of advertising, Hoek *et al* (1997) applied Ehrenberg's (1974) ATR model, which implies that advertising is used primarily as a reinforcement tool for existing customers, rather than driving new customer acquisition. Therefore, sponsorship may have an important role to play in reinforcing purchase decisions, thus shifting the focus to customer retention and targeting existing rather than new customers (Hoek *et al*, 1997). Little academic interest has been devoted to assessing the role of sponsorship in building brand loyalty. Levin, Beasley and Gamble (2004) found evidence of increased brand loyalty towards NASCAR sponsors among fans of the sport; however such arguments are often explained by perceptions of fans that supporting sponsors will help preserve the future of their favourite sport, rather than being the result of a commitment by sponsors to creating engaging customer experiences.

The evolution of sponsorship from its roots in corporate philanthropy and patronage to a commercial communications tool has reached what Skildum-Reid (2003) calls "last generation sponsorship," where the focus is on nurturing connections and relationships with customers. The power of sponsorship lies in its ability to reach customers in a personally and emotionally relevant environment (Skildum-Reid, 2003), thus supporting its use as a tool for customer engagement. Many of the other corporate and marketing objectives such as image benefits can be achieved indirectly through increasing engagement with customers. However, sponsorship success is not guaranteed and buying the rights to a sponsorship should be seen as the starting point (Rines, 2002); it is in the leveraging of the sponsorship association where brands can go beyond visibility and true engagement can occur.

Sponsorship Leverage

Sponsorship has been referred to by Meenaghan (1991:8) as a "mute, non-verbal medium," therefore the concept of sponsorship leverage, or sponsorship-linked marketing (Cornwell, 1995) is important in allowing sponsors to exploit the link with the sponsored property. The inability of many sponsors to achieve a competitive advantage has been blamed on their failure to support their sponsorships with appropriate advertising, PR and other promotional activities (Erdogan and Kitchen, 1998). With a growing focus on brand objectives going deeper than mere awareness, the use of signage as a sole sponsorship communications vehicle is ineffective, particularly in the growing clutter of the sports sponsorship environment (Skildum-Reid, 2003).

Davies and Tsiantas (2008) present the Optimal Leveraging Activity (OLA) model, which suggests that the nature of sponsorship leverage should be dictated by the level of consumer involvement in brand purchase. The model recommends a relationship-oriented approach for high involvement brands, targeting customer retention through customer contact and PR activities. One way that brands can use sponsorship to engage consumers on a behavioural level is through the creation of sponsorship-linked events (Whelan and Wohlfeil, 2006); this

strategy was employed to good effect by Vodafone New Zealand through the creation of brand experiences around its rugby sponsorship (Cliffe and Motion, 2005). Therefore, this study will explore, through the use of interviews with Sponsorship Managers in major UK-based sports sponsors, the extent to which sponsorship is currently being used as a tool for fostering customer engagement.

Methodology

A series of telephone interviews was conducted with Sponsorship Managers (or equivalent) in a range of commercial organisations currently involved in sports sponsorship. The semi-structured interviews took place between May and August 2009 and addressed a range of sponsorship-related topics, including objectives, motivations and leverage strategies.

The decision was made to adopt a qualitative interview methodology in order to elicit detailed and context-specific information regarding the sponsorship activities of a range of commercial organisations. The interviews also permitted participants to elaborate on areas of relevant interest, allowing unexpected themes to emerge and develop without the confines of strict structure (Gratton and Jones, 2004). As an exploratory piece of research, it was felt that such a methodology was appropriate for the needs of this study. Equally, the very nature of sponsorship objectives and leverage means that no two sponsors are likely to offer the same responses, thus supporting the use of qualitative interviewing.

Respondents were chosen based upon availability and willingness to take part in the study. A large number of UK-based organisations actively engaged in sponsorship, across a range of industrial sectors, were approached to take part, of which nine agreed to be interviewed. All participants were granted anonymity as a condition of participation, therefore the identities of sponsors are protected.

Results and Discussion

The focus of sponsorship has increasingly shifted towards building loyalty through greater customer engagement (Santomier, 2008), and this view is supported by one sponsorship manager, who claimed:

“...we can drive very strong brand affinity with customers, both existing and new customers, and thereby reduce churn and drive acquisition...that’s...essentially in a nutshell what we use the sponsorship for.” (interviewee 1)

Similarly, the viewpoint was echoed in the suggestion that sponsorship is *“becoming a much more prolific, common channel, and the reason being is brands need to engage with their consumers...”* (interviewee 2)

The statement of ‘engaging customers’ as a motivation for sponsorship, however, requires activation of the link between sponsors and sporting properties to facilitate the direct interaction required for relationship building to occur. Traditionally a mainstay of sponsorship, hospitality remains an important leverage strategy for sponsors seeking to

facilitate relationship building in an exciting environment where customers will be receptive to corporate messages (Nicholls and Roslow, 1999):

“We take them to the [event] in terms of hospitality. They spend a significant time with our people talking about their business and that gives us a kind of an ‘in’, in a way to talk to that client in a different environment...” (interviewee 3)

Through the associated leverage activities, sponsorship can go beyond the traditional medium of signage, to engage customers throughout the event experience, rather than competing for attention with the sporting activity being consumed. While hospitality may be a suitable leverage strategy for business-to-business relationship building, the findings of this study also point to greater use of leverage strategies to foster customer engagement within the business-to-consumer sector.

The use of PR as a leverage strategy for high involvement products, as advocated by Davies and Tsiantas (2008) in the OLA model can create ‘talk’ around a brand. A mobile phone manufacturer involved in sports sponsorship is using its association with a high profile athlete to undertake product design collaboration. The sponsored athlete *“works closely with our design team to create some [product] accessories...”* (interviewee 4) Consumers can use mobile phones as an expression of their own personality, therefore such image-driven leverage strategies can stimulate conversation between brands and consumers. However, PR activities represent mediated consumption, as they are frequently communicated indirectly to consumers. As a result, sponsoring brands are seeking to engage consumers in this “talk” about their brand through new technologies and social media:

“In terms of our handsets, we can offer free content that other competitors couldn’t, so contents of [our sponsored athlete] playing, for example, or personal messages from [the athlete], photography, wallpapers, ringtones...” (interviewee 4)

Social networking sites are perceived by users as interactive environments (Vignardi and Rettie, 2009) and thus offer the possibility of real engagement with consumers through dialogue:

“We’re using social media. We’re using Twitter, Facebook etc...We are using Facebook to proactively talk to people about the program...” (interviewee 2)

While there is evidence of sponsors beginning to engage customers in brand conversations through new technologies, the potential, particularly of social networking sites, appears as yet largely unrealised. This, therefore, represents an interesting area for further investigation, particularly as technologies evolve and more sponsors become comfortable with engaging in two-way online communication, or dialogue.

Returning to the literature on customer engagement, brand resonance and engagement can be driven through delighting customers by offering them added “extras” (Bowden, 2009). In line with the OLA model, one such added extra may involve the creation of customer contact activities. Several sponsors are actively creating sponsorship-linked experiences for consumers, for example:

“We take the trophy around for fans to engage with” (interviewee 5)

Such leverage activities create brand touchpoints at which customers can be engaged in a relaxed environment. In line with the earlier proposition that brands are increasingly looking towards customer retention and affinity, one sponsoring brand leverages its range of sponsorship through offering VIP experiences at events (for example, VIP areas at events with free food/drink, player appearances, competitions; priority tickets for existing customers):

“...while logos on shirts and perimeter branding and signages are extremely important, for us to really drive that brand engagement and affinity and get into the hearts and minds of the fan base, we need to do a lot more than just badge...So we put on fantastic experiences, and great experiences lie at the heart of everything that we do....there’s a huge amount for...engaging people and keeping people with the brand because they feel valued and loved and rewarded for their loyalty..” (interviewee 1)

Therefore, it appears that sponsorship is increasingly being used by brands as a way of pursuing customer engagement through building relationships with existing customers. However, the use of unique event experiences as a leverage strategy can aid not only in building and rewarding the loyalty of existing customers *“but importantly it’ll also create a lot of brand envy amongst people not [currently purchasing the brand] so that will certainly drive additional acquisition for the brand.”* (interviewee 1)

Not only does sports sponsorship allow for communication in an atmosphere of excitement and enjoyment (Nicholls and Roslow, 1999), but the unique opportunities afforded for delighting customers through the provision of “added value” activities differentiate sponsorship from more static communications media. Sponsors seek image transfer (Smith, 2004) of the passion that fans have for sport to their brands and through creating sponsorship-led customer experiences, such associations can develop.

Conclusion

The evidence presented in this paper suggests that sports sponsorship is being employed, to differing degrees, by brands as a tool for fostering customer engagement. Examples illustrate the particularly important role played in aiding customer retention through the creation of brand experiences to deepen the relationship between consumers and sponsoring brands. Sponsorship success is not guaranteed merely by buying the right to associate with a sporting property, but is maximised when brands creatively activate their sponsorships into opportunities for real contact and engagement, with both existing and potential consumers.

The examples presented here represent a snapshot of good practice and further, wide-ranging research needs to be undertaken to explore the true extent and effectiveness of sponsorship within a relational paradigm. Of particular interest should be the growing use of event-based experiences and social media as sponsorship leverage activities to engage consumers.

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