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RESEARCH ARTICLE

SPORTS SPONSORSHIP AS A MARKETING STRATEGY-A CASE OF THE ZIMBABWE AN BANKING SECTOR

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ABSTRACT

The aim of the study was to explore how sports sponsorship impact on building company image. Benefits such as creating long lasting relationships with the stakeholders as well as the community and building company image are also discussed. Challenges of sports sponsoring are also considered such as inappropriate image conveyed by sports entities as well as ambush marketing. The last objective of the study assessed attitudes of spectators towards the sponsorship. In carrying out the study, the researcher used a descriptive research design with 150 respondents who were grouped as 70 management and 80 spectators chosen at a football match. Management were selected using judgmental sampling technique and spectators were selected using systematic sampling. Primary and secondary data were used. Conclusions were based on results from questionnaires and interviews. Findings of the research confirm that sponsorship objectives vary depending on the sponsored entity and these include enhancing brand image, increasing market share, sales growth and also to generate visibility and publicity. The results indicate that sports sponsorship can be used as a tool for building brand image of a company. The researcher recommends companies to use sports sponsorship as it has a positive impact on building company image as well as increasing sales and encouraging loyalty from customers thereby increasing purchasing intention. Companies are also recommended to select a sports entity that best suits their products and services.

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INTRODUCTION

The idea of sponsorship can be traced back as far as ancient Greece when wealthy citizens supported athletics and arts festivals in order to enhance social standing. The first modern use of sponsorship occurred about 100 years ago through the placement of advertisements in the official program of the 1896 Olympic Games. Two decades later, the soft drink giant, Coca-Cola set a precedent with its purchase of product sampling rights at the 1928 Olympics (Pope, 1998). Historically sports sponsorship was commonly used as an oriental marketing communication tool for many commercial organisations. The aims for sponsorship diverse but include among other things increasing public awareness, identifying the company with particular market segments, community involvement, enhancing employee morale and achieving the sales objectives of the company. The 2014 World Cup is being sponsored by Castle Lager as the main sponsor, Kia, Hyundai and in Zimbabwe; Powertel a telecommunications company is also participating. Companies can sponsor events such as the World Cup, Africa Cup and also local premier leagues. Sponsorship has a share of 67% of marketing strategies and has become an

effective and necessary tool for the marketer in capturing the maximum market share and targeting the huge market (Thwaites, 1998). The main purposes of the sponsorship is to capture or target the huge consumers and enhance the image of the corporation. Sponsorship shows the alliance and relationship of the organization with the sports event (Stipp, 1998). For this purpose companies adopt sponsorship to capture huge consumers, communicating the brand information and image, informing the consumers about the company and its offerings and building the long term relationship with the consumers (Simmons and Becker-Olsen, 2006).

Statement of the problem

Sports sponsorship is a marketing tool that is frequently being used by companies to reach a wide audience on a global scale and the reason for this is for companies to gain competitive advantage and to enhance brand image as well as to make higher profits. Through sports sponsorship specific target audience and potential customers are reached as it is an effective method to use. The Zimbabwe an banking sector is facing many challenges such as severe and persistent liquidity crunch, declining economic growth, stiff competition within the sector and from mobile sector launching mobile banking, high operational costs, limited deposits and credit availability leading to high costs of funds, increased banking sector

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vulnerabilities and customers defections. It is suggested that sports sponsorship can be a possible strategy to enhance visibility, awareness and sustainability. The aim of the research was to gain a deeper understanding of how companies can build their image through the use of sports sponsorship.

Research objectives

- To investigate the objectives of sports sponsorship.
- To investigate the criteria for selecting the right sports entity to sponsor.
- To assess the benefits and challenges of sports sponsorship.
- To establish the attitude of fans or spectators towards the sponsors of sports.

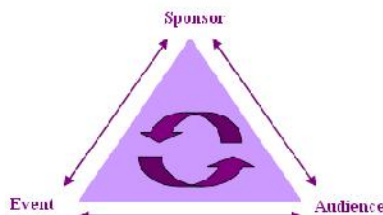
Research questions

- What are the objectives of sports sponsorship that companies use?
- What criteria do the companies use for choosing the right sports entity to sponsor?
- Which benefits and challenges can be accrued by companies that use sports sponsorship as a marketing strategy ?
- What kind of attitudes do spectators hold for companies engaged in sports sponsorship?

Literature review

Definition of sports sponsorship

International Events Group defines sponsorship as a cash and or in kind fee paid to a property typically of sports, entertainment, non-profit event or organization in return for access to the exploitable commercial potential associated with that sponsorship (International Events Group Glossary and Lexicon, 2001). McCarville and Copeland (1994) describe sponsorship as a relationship in which a sponsor exchanges resources such as cash, product or labour with an individual, cause or event i.e. the sponsored party or property, where sponsors expect that this exchange will yield a return on investment.



Source: Copeland et al. (1996)

Figure 1. Sponsor, event and audience’s inter-motion

According to Copeland et al. (1996), there are three main parties in the sponsorship process that is the sponsor, the event and the customer or audience.

Growth reasons for sponsorship

Sponsorship has transformed from being an ancillary role to become the keystone of the whole marketing strategy. (Meenaghan, 1998) Jobber (1995) summarizes factors which contributed to the growth of sponsorship as:

- Restrictive government policies on tobacco and alcohol advertising,
- Escalating costs of media advertising,
- Increased leisure activities and sporting events,
- The proven record of sponsorship,
- Greater media coverage of sponsored events,
- Reduced efficiencies of traditional media advertising through clutter and zapping between television programs when commercials are aired.

Objectives for sponsorship

According to Mullin et al. (2007), Andreff, Szymanski (2006) and Dolphin (2003) objectives of sports sponsorship are

Corporate objectives	Marketing objectives	Media objectives	Sales objectives
Increase company awareness.	Build image with the target market	Generate visibility	Increase sales
Enhance company image.	Increase target market awareness	Generate publicity	Strengthen relationship with current customers
Community involvement.	Launch new products, brand or service	Enhances advert campaigns	To facilitate sales force prospecting
Enhance employee motivation.	Strengthen brand preference	Avoid clutter	Gain new customers
Enhanced staff recruitment.	Increase brand loyalty	Target specificity	
	Support brand advertising		
	Explore new market segments		
	Increase market share		
	The product, brand or service can be integrated into event		

Criteria for choosing the right entity to sponsor

According to McCook et al. (1997) and Walliser (2003) criteria for choosing the ideal sponsor are

Walliser (2003)	McCook et al. (1997)
Perceived similarity between the sponsors’ products and sponsored activity.	The revenue prospect for the company.
Similarity between targets of sponsors and the sponsored.	The capability to integrate the product into the sporting activity
The status and image of the potential sponsored party and its eagerness to collaborate.	The cost of sponsorship.
Geographical reach.	The exposure to the company’s target market.
Contact frequency and quality.	The company image improvement gained from sponsorship.
Expected sponsorship costs and benefits.	The company’s competitive advantage achieved in the market place through the sponsorship.
The type of rights received.	The hospitality or entertainment possibilities for the company that are gained through the sponsorship.
The opportunity to add the sponsorship to the present marketing strategy.	The sponsorship opportunity to demonstrate the company’s commitment to the community.

Benefits and challenges of sports sponsorship

Benefits	Challenges
Image enhancement	Ambush marketing
Relationship marketing	Legislation
Cost effective	Sponsorship clutter and media coverage
Community involvement	Cost blow out
Competitive selling advantage	Inappropriate image association
Customer motivation	Bad will risk
Creation of premium products e.g. sponsee t-shirts with company logo	Difficulties in evaluation
Introducing brands and new products	
Reinforce brand position	
Creates exclusivity	

Attitude of spectators towards sponsorship

Companies' main goal is creating a positive brand image when they take part in sponsorship programs. According to Gwinner (1997), the connection of a brand with a sponsored event should lead to a positive influence towards the brand amongst visitors at the event. Huber and Matthes (2007), postulate that people tend to harmonize all their thoughts and perceptions hold in their minds for connected objects. Through sponsorship people recognize such a relationship between the sponsored entity and the sponsor's brand (Dean, 2002). Meenaghan (2001) also posits that the mental associations the sponsoring brand receives would generate a positive goodwill effect among consumers that translates into attitude and behavior towards the sponsor's brand. Numerous bases can establish a fit between sponsor and event for example functional related and symbolic or image related characteristics. In the case of sponsorship, increasing the fit between sponsor and sponsored entity will increase the response to the sponsorship arising from personal liking, perceived status and attitude toward the sponsor and this is according to Speed and Thompson (2000).

Grohs *et al.* (2004) stated that the image transfer between the event and the brand is dependent on the perceived similarity between event and brand. Again, Rifon *et al.* (2004) established that a good fit of the sponsor and the event enhances sponsor credibility and attitude towards the sponsor by examining congruence effects in sponsorship.

RESEARCH METHODOLOGY

Introduction

Research design

A descriptive research design was employed. The researcher is going to employ both qualitative and quantitative research. The target populations for this study were all the banks in Harare and football spectators in Harare.

Sampling frame

The sampling frame comprises of the list of elements from which a sample can be drawn and it also provides the list that can be utilized operationally (Zikmund, 2003). The sampling frame for this research was made up of the five banks which participate in sports sponsorship that is Banc ABC, Barclays,

Financial Bank Corporation, Commercial Bank of Zimbabwe and Zimbabwe Bank. These banks will be a representative of the other banks in Harare.

Sample procedure

The researcher is going to employ the non-probability and probability sample procedure. Under non-probability, the research judgmental technique was used to draw units from the sampling frame as it involves choosing respondents who are best suited to answer the research questions. Under probability sampling, the researcher used systematic sampling to choose spectators at a football match.

Sample size

The sample size of this study was 150 respondents i.e. 70 respondents from the organizations. The remaining 80 respondents were spectators of football match who were selected using systematic sampling.

Data sources

The data sources used during the study included primary and secondary data. Secondary data refer to data used for a research project that was originally collected for some other purpose. Secondary sources used in the study included the library, the internet and the media that is textbooks, journals, newspapers and e-journals. The primary data was used to enhance the secondary data. Saunders *et al.* (2007) defined primary data as data collected specifically for the research project being undertaken. Primary data was collected using questionnaires and interviews.

Research instruments

The researcher used questionnaires and interviews to collect and gather information.

Data collection procedure

The researcher distributed the questionnaires to the management of the banks and the questionnaires were administered by giving the respondent five days to fill the questionnaires so as to avoid inconveniencing the respondents. The spectators' questionnaires were administered by giving the respondents enough time to fill in as they were waiting for their turn to enter into the stadium.

CHAPTER 4

Data analysis and presentation of findings

Sponsorship objectives

The aim of this section was to assess the major objectives that companies viewed as more important in their sports sponsorship deals. This objective is in agreement with Cornwell and Maignan (1998) who stated that enhancing company image was regarded as most important by companies sponsoring sports. The second most important objective was increasing company awareness. Armstrong (1988) and Wolton (1988) confirmed that increasing company awareness was another important objective in their researches.

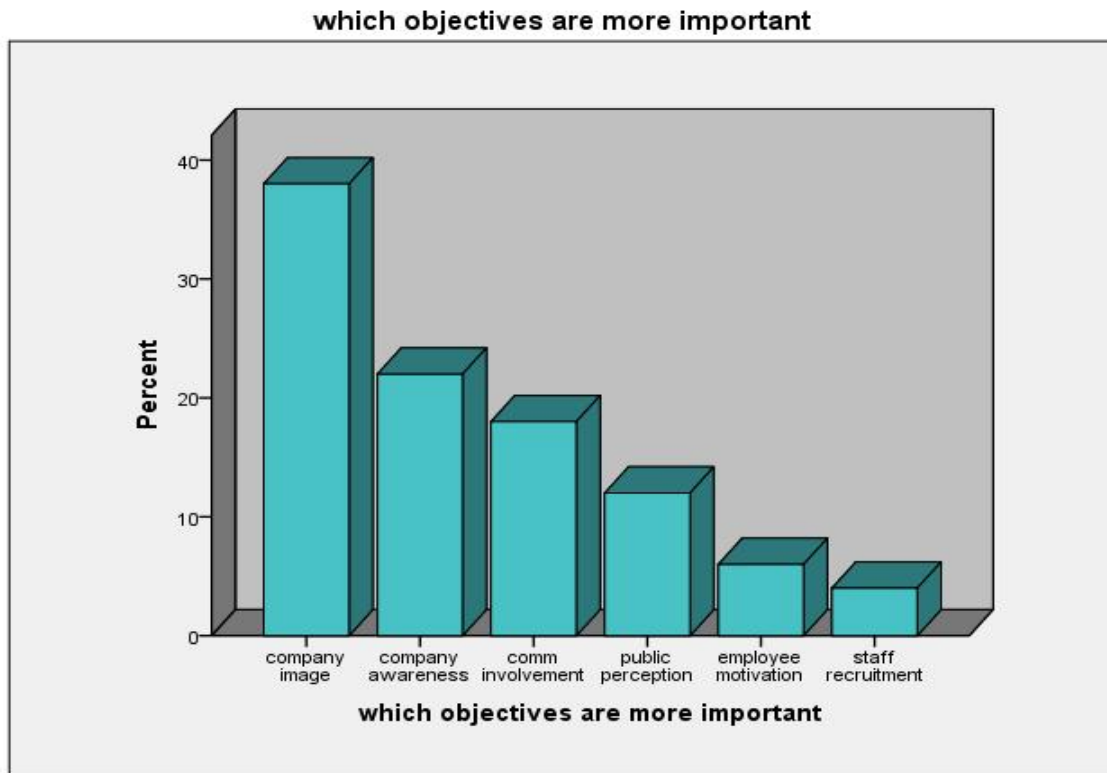


Figure 2. Corporate objectives

The questionnaire asked respondents to rank the marketing related objectives from the most important to the least important and the table above shows the results. The objective with the highest score was building brand image with 28% and strengthening brand preference as second with 18%. Shank (1999) and Dolphin (2003) states that building or maintaining an image is the most important reason for a company to engage in a sport sponsorship activity. Company awareness came third with 14%. Javalgi *et al.* (1994) support that a company investing in sport sponsorship hopes that the favorable association or personal meaning and images held by customers towards a sport will rub off to the company.

Table 1. Marketing objectives

	Frequency	Percent	Valid Percent	Cumulative Percent
brand advertising	4	8.0	8.0	8.0
market awareness	7	14.0	14.0	22.0
market share	5	10.0	10.0	32.0
brand loyalty	5	10.0	10.0	42.0
brand preference	9	18.0	18.0	60.0
build image	14	28.0	28.0	88.0
market segments	1	2.0	2.0	90.0
Integration	3	6.0	6.0	96.0
launch products	2	4.0	4.0	100.0
Total	50	100.0	100.0	

The pie chart above show cased the response by the respondents about the media objectives. The respondents ranked generating visibility as the most important objective with 36% followed by generating publicity with 24%. Generating visibility and generating publicity are the two major objectives as supported by Dolphin (2003) who said that there is need for coverage which cannot be achieved by other promotional tools. Meenaghan (1983) further states that sponsorship can enhance the promotional message by cutting through the noise usually affecting traditional mass media advertising. Enhancing adverts campaign, avoiding clutter and target specificity followed with 20%, 14% and 6% respectively. Mullin *et al.* (2007) also states that media objectives are important in sponsorship deals.

Table 2.

	Frequency	Percent	Valid Percent	Cumulative Percent
increase sales	20	40.0	40.0	40.0
strengthen relationships	17	34.0	34.0	74.0
facilitate sales force	4	8.0	8.0	82.0
gain new customers	9	18.0	18.0	100.0
Total	50	100.0	100.0	

The sales objectives which were regarded as important by the respondents were to increase sales with a percentage of 40 followed by strengthening relationships with 34%. Increased sales is the most used sales objective for sport sponsoring

programs since organizations certainly will not spend money to lend their names to stadiums or events if they did not know that they will get something in return for their investment (Abratt *et al.*, 1987). Gaining new customers and facilitating sales force followed with 18% and 8% respectively. These are less important objectives according to the respondents.

Section B of the questionnaire asked the respondents to rank the criteria they use when deciding to enter into sponsorship deals. The graph above showed the results and the expected sponsorship costs and benefits was the first choice which was regarded to be important by the respondents. The second aspect they looked at when choosing the entity was image improvement gained from the sponsorship followed by the

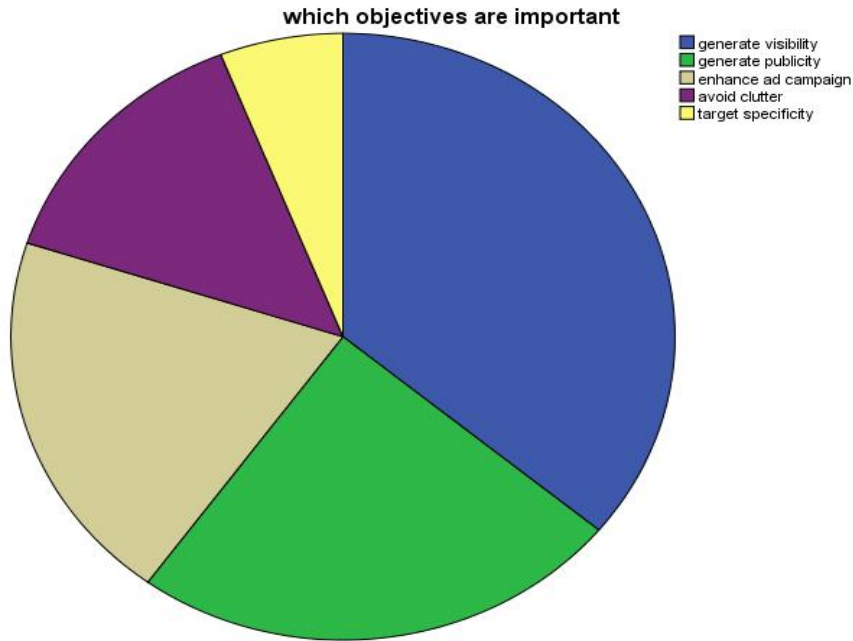


Figure 3. Media objectives

Selection criteria

what is your selection criteria

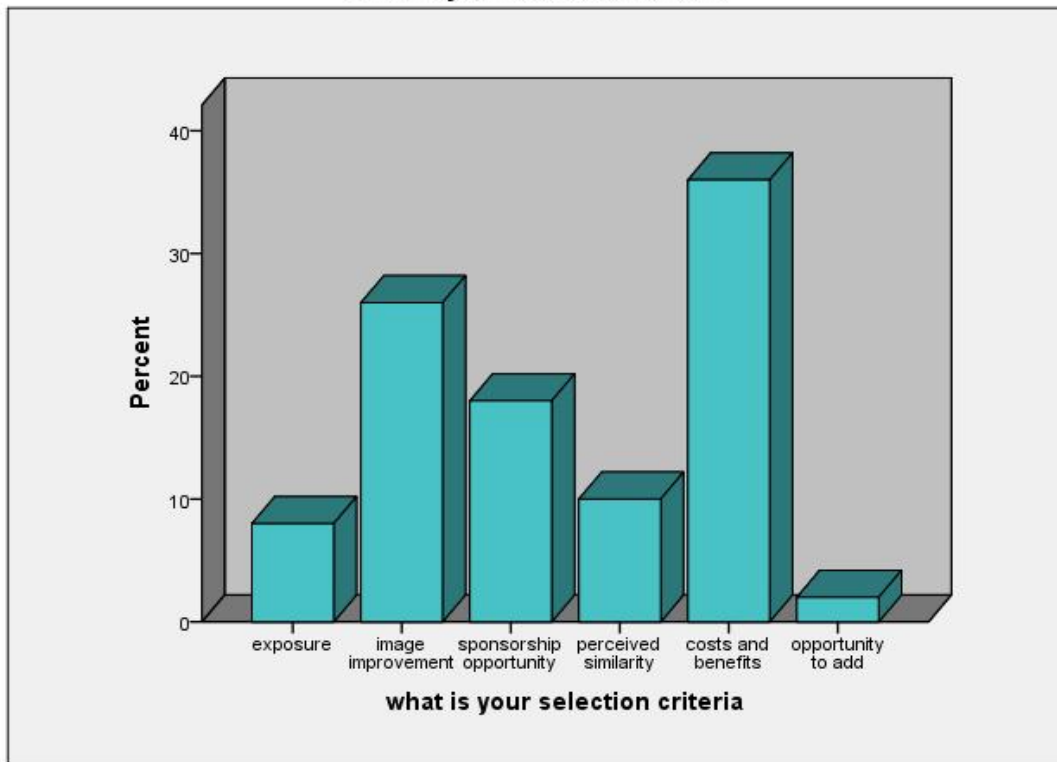


Figure 4. Selection criteria

sponsorship opportunity to demonstrate the company’s commitment to the community.

Benefits and Challenges

Table 3. Benefits of sponsorship

The following are potential benefits of sponsorship to firms;

what are the benefits of sponsorship

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid image enhancement	10	20.0	20.0	20.0
relationship marketing	6	12.0	12.0	32.0
cost effective	1	2.0	2.0	34.0
creates exclusivity	5	10.0	10.0	44.0
community involvement	8	16.0	16.0	60.0
competitive advantage	2	4.0	4.0	64.0
customer motivation	3	6.0	6.0	70.0
premium products	2	4.0	4.0	74.0
introducing brands	6	12.0	12.0	86.0
reinforce brand	5	10.0	10.0	96.0
generate publicity	2	4.0	4.0	100.0
Total	50	100.0	100.0	

Table 4. Challenges of sponsorship

Some of the challenges of sponsorship are

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid ambush marketing	10	20.0	20.0	20.0
Legislation	1	2.0	2.0	22.0
sponsorship clutter	2	4.0	4.0	26.0
cost blow out	3	6.0	6.0	32.0
inappropriate image	21	42.0	42.0	74.0
bad will risk	8	16.0	16.0	90.0
difficulties in evaluation	5	10.0	10.0	100.0
Total	50	100.0	100.0	

Inappropriate image association was ranked as the biggest challenges that companies face when they employ sports sponsorship and legislation was seen as the least challenge here in Zimbabwe.

The findings of the research noted that sponsorship enhanced brand image of the company, increased the chances of spectators purchasing the services and increased awareness of the brand.

what is your attitude towards sponsorship

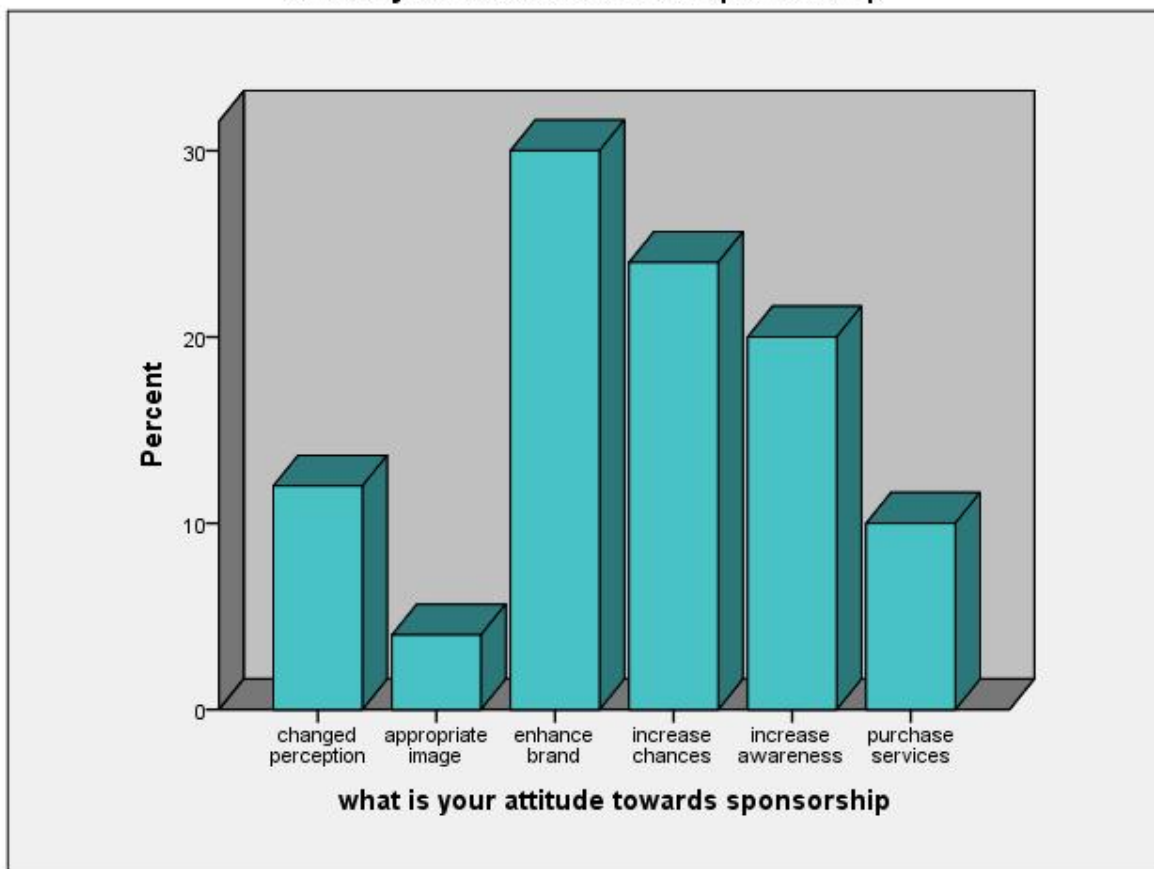


Figure 5. Attitude towards sponsorship

Conclusion

Sponsorship Objectives

Corporate objectives that were revealed include image building, company awareness and community involvement. The marketing objectives that were found by the study were brand preference, market awareness and market share. Generating visibility and publicity were considered to be the most important media objectives. Lastly, the sales objectives that were ranked as important include increasing sales and strengthening relationships with the customers.

Selection Process

The findings indicate that Banc ABC and Commercial Bank of Zimbabwe once sponsored the sport league in Zimbabwe. The respondents revealed that when they choose the entity to sponsor they consider the expected sponsorship costs and benefits, the company image improvement to be gained from the sponsorship, the sponsorship opportunity to demonstrate the company's commitment to the community, perceived similarity between the sponsor's products and the sponsored entity and also the exposure that the company will get from the targeted market.

Benefits and Challenges

It can be concluded from the research findings that there are a variety of benefits and challenges that come with sports sponsorship. The respondents highly ranked image enhancement. This is in accord with Speed and Thompson (2000) research which present the evidence of a positive relationship between the event and the consumers' favorability towards the sponsor. Relationship marketing came second and this is an important benefit as sponsors feel that they should build relationships with their entities as well as the community. The findings also conclude that other benefits of sports sponsorship are that companies can introduce brands and new products, reinforce brand position and creating exclusivity.

Attitude of spectators towards sponsorship

The findings showed that spectators viewed sponsorship as being capable to enhance the image of the company, to increase the purchase intention of the company's products and services and to enhance awareness, change and change consumer perception of the company and its products and services.

Recommendation

Sponsorship objectives

The researcher recommends marketers to come up with objectives that are specific, measurable, attainable, realistic and timely and should include benchmark measures on what objectives to be achieved and if there is any change needed to achieve them because the objectives determine if the sponsorship is going to be a success. The objectives of sports sponsorship can be to build brand image, increase sales and to

build long lasting relationships with customers. The researcher recommends these companies to continue using sports sponsorship as it is an efficient tool to reach a diverse audience thereby improving image and company awareness .

Selection process

Companies are also recommended to select a sports entity that goes hand in hand with their products and services so that the desired image will be transferred back to them. Companies can capture large and diverse audience through sponsoring sports.

Benefits and Challenges

The researcher recommends companies to continue using sports sponsorship as there are several benefits that can be reaped compared to the challenges that the companies encounter when undertaking sponsorship. Though sports sponsorship is expensive but companies that undertake them have an opportunity to improve customer loyalty, spruce up their company image and above all develop competitive edge and advantage over rivals in their particular industries.

Attitude of spectators

Sports sponsorship has potential lead to a higher level of purchase intention among spectators so marketers are encouraged to target their audience using sponsorship as a communication tool. Marketers should develop strategies in such a way that impact positively on brand image of their companies and enhancing purchases of their products and services by analyzing potential sponsee so as to reduce risk associated with inappropriate image.

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