

A STUDY TO DETERMINE THE INCENTIVES OF COMPANIES IN THEIR  
DECISIONS TO EITHER SPONSOR OR NOT TO SPONSOR PROFESSIONAL  
SPORTS TEAMS

BY

David M. Rolling

Submitted to the graduate degree program in Health, Sport, and Exercise Sciences  
and the Graduate Faculty of the University of Kansas in partial fulfillment for the  
requirements for the degree of Doctor of Philosophy.

\_\_\_\_\_  
Chairperson

Committee members

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date defended: \_\_\_\_\_

The Dissertation Committee for David M. Rolling certifies that this is the approved version of the following dissertation:

**A STUDY TO DETERMINE THE INCENTIVES OF COMPANIES IN THEIR DECISIONS TO EITHER SPONSOR OR NOT TO SPONSOR PROFESSIONAL SPORTS TEAMS**

Committee:

\_\_\_\_\_

Chairperson

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date approved: \_\_\_\_\_

A STUDY TO DETERMINE THE INCENTIVES OF COMPANIES IN THEIR  
DECISIONS TO EITHER SPONSOR OR NOT SPONSOR PROFESSIONAL  
SPORTS TEAMS

David M. Rolling

The purpose of this study was to determine the incentives of companies in either sponsoring or not sponsoring professional sports teams. The review of literature regarding the identification of incentives to sponsor professional sports teams revealed a lack of attention to this aspect. Substantial information was, however available regarding the related area of organizational buyer behavior. A pilot study was conducted consisting of five companies in the Fargo, North Dakota metropolitan area. A decision-maker from each company then responded verbally to each question's clarity and structure. No influential changes were made regarding the format of the questionnaire. Personal interviews were conducted with fifty companies in the vicinity of Fargo, North Dakota. Twenty-five of the companies were current sponsors and twenty-five were non-sponsors during the 2008-09 playing season. The data were evaluated by t-test analysis to determine significant differences between the companies' incentives to either sponsor or not to sponsor professional sports teams. The data collected revealed that there was a significant difference between local-based and national-based companies' incentives to either sponsor or not sponsor professional sports teams. It appears that the incentive of helping the community seemed to hold a considerable amount of influence in certain companies' sponsorship decisions. Perhaps more nationally-based companies are delegating their strategic operational planning to more regional or local franchises. Small and large companies also displayed no apparent differences in their decisions to sponsor. The implications for professional sports teams and for both current and potential sponsors are considerable if administrators and decision-makers are to understand the mechanism of professional sports sponsorship.

## CHAPTER 1

### INTRODUCTION

A considerable number of areas have been impacted by corporate sponsorship. One domain which has generally gone unnoticed is that of professional sports organizations.

Corporate sponsorship may likely be an integral element for the survival of professional sport in the United States. Without the support of corporations, the world of sports as we know it today would collapse (Irwin, 1993). Fenway Park's addition of corporate advertisements to its famed Green Monster outfield wall displays that even the most sacred of venues have not escaped sport marketers' quest for new revenue streams (Isaacson, 2003). But why do companies assist in sponsorship investments? What do the companies expect in return? Forsyth's (1995) study of companies sponsoring high school athletic programs in the Southwest/Western United States revealed that supporting high school education was the main purpose. Certainly, most professional sports organizations are influentially and visibly larger in scale than high school athletics programs, yet the motivational similarities for sponsors may exist.

The level of business donation also plays a significant role in professional sport sponsorships. Many large companies have been forced to re-examine their structures during recent times. "Many sport organizations are sustaining budget cuts, forcing changes in their traditional patterns of operation" (Howard & Crompton, 1995, p.3). Increased competition has caused many organizations to realize that the

solution to survival is not high-volume, but instead high-value (Lewin, 1996). The key to a shared relationship between sponsors and professional sport organizations is to understand the reasons why companies choose to sponsor the programs.

According to Howard and Crompton (1995), an enhanced image in the marketplace is the drive for the sponsorship involvement of many businesses. “Sponsorship works because it fulfills the most important criterion of a communications medium – it allows a particular audience to be targeted with a particular set of messages” (Sleight, p.42, 1989). Numerous additional incentives for corporate donation may exist, however, possibly varying in accordance with the location as well as the size of the company and the competitive level of the sports team.

### **Need for the Study**

It has been estimated that sport sponsors “contribute five times as much as fans to stage U.S. sports events” (Hiestand, 1993, pp. 1c-2c). If the dependence upon external revenue sources, such as sponsorships, continues to increase, professional sport organizations will need to understand the motivational incentives behind corporations, particularly at the local level (McCook, Turco, and Riley, 1996).

Howard and Burton (2002) documented the shifts in the reliance of North American professional sport organizations on the corporate sector by exploring the increasing cost of television rights, the growing number of facilities equipped with luxury suites and premium club seats that are sold primarily to corporate buyers, and the escalation in advertising and signage agreements between sport organizations and corporations. The study focused attention on the issues of power and dependence that emerged and

increased over time as sport organizations increasingly rely on the corporate sector, as opposed to traditional consumer markets.

Given the increased competition for corporate sponsorship dollars, prospective sponsors have gained leverage in negotiations. Companies have become more demanding of sport properties in terms of the marketing rights and benefits they are provided (Solomon, 2002). Additionally, businesses should be aware of the wide range of opportunities available to sponsor teams. This shared relationship between the two parties could be essential in order to maximize each other's goals. It is hoped that this study's assessment of motivational incentives will be of considerable assistance not only to professional sport organizations, but also to businesses contemplating new and continued sponsorship systems.

### **Statement of the Problem**

The purpose of this study was to determine the incentives of companies in their decisions to either sponsor or not sponsor professional sports teams.

### **Research Questions and Hypotheses**

The following research questions and hypotheses were generated following the review of literature. An alpha level of .05 was used for statistical analysis. The independent variables were: (a) local-based and national-based companies, (b) sponsorship levels, and (c) company size. The dependent variable was the incentive to sponsor professional sports teams.

*Research Questions:*

- R1: Are there differences between local-based and national-based companies in their decisions to either sponsor or not sponsor professional sports teams?
- R2: Are there differences between small sponsorship level and large sponsorship level companies in their decisions to either sponsor or not sponsor professional sports teams?
- R3: Are there differences between small and large companies in their decisions to either sponsor or not sponsor professional sports teams?

*Hypotheses:*

- H1: There will be significant differences among local-based and national-based companies in their decisions to either sponsor or not sponsor professional sports teams (NBA press release, 2005); Howard and Crompton, 1995; McCook, Turco, and Riley, 1996; Pitts and Stotlar, 1996).
- H2: There will be significant differences among small sponsorship level and large sponsorship level companies in their decisions to either sponsor or not sponsor professional sports teams (Wilbert, 2003; Decker, 1991; Lewin, 1996; Pitts and Stotlar, 1996).
- H3: There will be significant differences among small and large companies in their decisions to either sponsor or not sponsor professional sports

teams (Winiker, 2006; Billing, Holt, and Smith, 1985; Irwin, 1993; Forsyth, 1995).

### **Assumptions**

For this study, it was assumed that the manager, director, president, owner, or CEO within each company was an authorized decision-maker within the company. It was also assumed that the individuals who responded to the survey questionnaire responded both accurately and honestly.

### **Limitations**

The data utilized for evaluation was obtained by a personal interview questionnaire, therefore completely honest answers may not have been reported. Since the researcher offered to send complete cumulative data results to each company, the motivation for deception by those decision-makers surveyed perhaps was minimized. This study was delimited to a survey questionnaire to understand the incentives of companies who sponsor professional sports teams. The population for this study consisted of  $N = (50)$  companies.

### **Significance of the Study**

Businesses as well as professional sport organizations can benefit from corporate sponsorship. According to Irwin and Asimakopoulos (1992), sport sponsorship should be treated as a significant corporate communication tool both professionally and commercially. Pope and Voges (1994) believe that sponsors are inclined to have a belief that their sponsorship activity has led to an increase in their product's sales. Professional football provides evidence that their product is a target

demographic that is a strong fit for sponsors. In 2005, Coors entered into a five-year \$500 million sponsorship to continue as the official beer of the National Football League in order to establish itself as a challenger to Anheuser-Busch (Kaplan and Lefton, 2005).

Identifying potential management costs can allow an organization to more accurately assess its readiness to engage in a partnership. They suggest that beyond simply the exchange of products or services, a relationship of a more enduring nature has additional, sometimes hidden, costs in the form of planning, servicing the partner, adapting to changes in the relationship, implementing safeguards to protect against opportunism, and monitoring and evaluating the outcomes of the relationship (Sam et al., 2005). For reasons such as these, this study attempted to determine the incentives of companies in their decisions to either sponsor or not to sponsor professional sports teams, mutually benefiting both sponsors and sport organizations.

### **Definition of Terms**

The following terms were generated from the review of literature, and were adjusted following the completion of the data collection and analysis:

**Current Sponsor** – a company which was a sponsor of a professional sports team during the 2008-09 season.

**Decision-Maker** - a member of the organization who has formal or informal power to determine the final selection of suppliers (Webster and Wind, 1972).

**Large Company** - one which employed ten or more people (developed by the author, 2009).

**Large Sponsorship Level Company** - one which spent more than \$2500 during the 2008-09 season in sponsoring one or more professional sports teams (developed by the author, 2009).

**Local-Based Company** - one which was headquartered within the same city as the professional sports team it sponsored or chose not to sponsor (developed by the author, 2009).

**National-Based Company** - one which had a location within the same city as the professional sports team it sponsored or chose not to sponsor, and which was headquartered elsewhere (developed by the author, 2009).

**Non-Sponsor** – a company which did not sponsor a professional sports team during the 2008-09 season.

**Organizational Buyer Behavior** - the decision-making process by which formal organizations establish the need for purchasing products and services, and identify, evaluate, and choose among alternative brands and suppliers (Webster and Wind, 1972).

**Small Company** - one which employed fewer than 10 people (developed by the author, 2009).

**Small Sponsorship Level Company** - one which spent \$2,500 or less during the 2008-09 season in sponsoring one or more professional sports teams (developed by the author, 2009).

**Sponsorship** – the acquisition of rights to affiliate or directly associate with a product or event for the purpose of deriving benefits related to that affiliation or association (Mullin, Hardy, & Sutton, 2007, p.315).

## CHAPTER 2

### REVIEW OF RELATED LITERATURE

#### **Introduction**

The review of literature was conducted through the University of Kansas library system, through textbooks, and through dissertation readings. Substantial information was available regarding organizational buying behavior, yet was less prevalent in identifying corporate incentives to sponsor professional sport organizations.

In this chapter, discussions pertain to the following sections: (a) organizational buyer behavior; (b) increasing budgets for professional sport organizations; (c) the role of corporate sponsorships; (d) sponsorship incentives; and (e) summary. Additionally, subheadings were formed, creating the independent variables used in the questionnaire.

These sections of the literature review were designed to facilitate professional sport administrators in understanding the incentives of companies' decisions to sponsor professional sport organizations. This knowledge can assist administrators in dealing with inevitable yearly rising costs by developing successful marketing strategies to create supplemental funds for their organizations.

#### **Organizational Buyer Behavior**

Organizational buyer behavior (OBB) is where corporate decision-makers: (a) establish the need for purchasing products and services; (b) identify needs; (c)

evaluate those needs; (d) make an elective choice among brands and suppliers; (e) complete a purchase; and (f) evaluate the purchasers' utility in facilitating organizational goals (Webster and Wind, 1972). In terms of purchasing decisions, "a generally accepted notion in organizational buying behavior is that purchasing decisions are most often made by a buying center or decision-making unit" (McQuiston and Dickson, 1991, p. 159). A buying center refers to those individuals who make purchasing decisions in an organization (Webster and Wind, 1972), while a decision-making unit is described in terms of vertical-structured management levels and horizontally-structured functional areas (Moriarty, 1983). Vertical structures allow individuals to trace a line of authority through the organization all the way to the top position, while horizontal structures link activities across departments at similar levels (Bartol and Martin, 1994).

Alternatively, OBB can be understood as an aspect of "business to business" or "industrial" marketing. Decisions are influenced by features which include limited product lines, personal selling, criteria and procedures, brand and company images, and personal relationships between buyers and sellers (Ward and Webster, Jr., 1991). This evaluation process' purpose is to assess each opportunity's viability as it relates to the marketer's objectives' achievement. Some companies even hire independent research companies that specialize in assessment tools that reduce the risk associated with the sponsorship decision ([www.sponsorship.com/products.htm](http://www.sponsorship.com/products.htm), 2004).

According to Lewin (1996), buying center composition has three main areas of emphasis: (a) participation, the number of people who participate in a given

purchase situation and the extent to which various departments or functional units are involved in a purchase decision; (b) formalization, the extent to which activity in a buying group is formally prescribed by rules and procedures; and (c) centralization, the degree to which authority, responsibility, and power are concentrated within the decision-making unit.

Organizations must work more efficiently in order to stay competitive and survive; therefore it is desirable to have a win-win approach for both buyers and sellers (Wilson, 1996). Buyers who are skilled in negotiation are constantly being developed by buying companies with obvious profit motives (Clopton, 1984). Webster (1983) believes that bargaining and negotiation are the main influence mechanisms at work in the buying-selling process. In order to improve the buyer-seller relationship, managers need to be able to comprehend and speculate the outcomes of buyer-seller negotiation (Neslin and Greenhalgh, 1986).

In order to communicate and market productively to organizations, it is essential that the way organizations buy is understood. There are two principal similarities and one principal difference between organizational and consumer buying behavior. The commonalities include the fact that the result is produced by human decision-making activities and that a purchase is the usual outcome of the process. In contrast, the purchasing decision process involves multiple individuals (Lilien and Wong, 1984).

The characterization of organizational buying was initiated decades ago, and there has evolved an increased need for participants to improve control, coordination,

and communication in their buying processes (Buckles, 1996). This is presumably due to the changes and complexities of today's business environment. Increased competition from both domestic and foreign producers, technological expansion, and the adoption by firms of a total-quality attitude have created changes in the organizational buying environment (Wilson, 1996).

### **Increasing Budgets for Professional Sport Organizations**

“The more benefits sport administrators can offer associated with their proposal, the more likely a company may approve the sponsorship proposal (Forsyth, 1995, pp. 113-114). Although the sport organization's budget is continuously challenging, the sponsee must make certain that the sponsor has also achieved its stated objectives. As an example, Fossil's primary sponsorship goal is to find partnerships that make sense for its brand (Barrand, 2005).

“Many sport organizations are sustaining budget cuts, forcing changes in their traditional patterns of operation. An increasing number of managers face the daunting challenge of coping with a situation in which traditional revenue sources are declining at the same time that costs are rapidly escalating.” (Howard and Crompton, 1995, p.3).

A prominent National Hockey League Official claims that there exists a situation where teams are spending dollars they do not have and are not likely to have (Hubbard et al., 1994). Data provided by Johnson (1993) indicates that about half the total revenues generated by minor league baseball teams comes from ticket sales.

Potential sponsors occasionally consider that proposals are overpriced, and that price concessions may be in order. An absence of demand contributes to this potential problem (Fullerton, 2007). Masteralexis, Barr, and Hums (2009) have mentioned that a heightened degree of sophistication in the sales, implementation, and servicing of sport sponsorships has been sparked due to the increase in the sheer number of sport organizations pursuing corporations' sponsorship dollars and the never-ending expansion of inventory (everything from naming championship parades to turnstile signage to venue naming rights).

Sport organizations have become highly reliant on sponsorship income to balance their bottom line, secure new facilities, or to make a profit. Some previously acceptable sponsorship agreements have been either discontinued or reevaluated because of the company's product type and potential negative association. Accusations of "sweat shop" practices, alcohol-related deaths, and gambling problems have hampered traditional revenue sources for teams. As Mullin, Hardy, and Sutton (2007) discuss, "this dependence on sponsorship revenue has in certain instances caused the sport organization to make decisions that the affected parties have viewed unfavorably".

### **The Role of Corporate Sponsorships**

Howard and Crompton (1995) view the sponsorship process as a two-way business. "The distinctive features that differentiate sponsorship from philanthropy are that the former is a business relationship, and it is seen by companies as a means by which they can secure a commercial advantage" (p. 259). Payton (1987) noted,

“There is often a stigma attached to asking for money..(an) unwillingness to ‘lower oneself’ to the ordinate role petitioner” (pp. 41-42).

Without the support of corporations, the world of sports, as we know it today, would collapse (Irwin, 1993). It has been estimated that sport sponsors “contribute five times as much as fans to stage U.S. sports events” (Hiestand, pp. 1c-2c, 1993). Following a post-2002 Olympics survey by Visa, twenty percent of consumers responded that they had used their Visa card more than they had the month before, thus delivering a positive return on investment. Sixty-five percent of these consumers were aware that Visa was an Olympic sponsor (Sweet, 2002).

“The constant clutter of traditional media is like a roomful of people talking. If you cannot separate your voice, then you are wasting your money” (Morse, pp.4-5, 1989). “When you reach prospects who are interested in or are attending an event, they are yours. They are there because they want to be. They’re part of the event and in a receptive mood” (McCabe, p.4, 1989). “Sponsorship works because it fulfills the most important criterion of a communications medium – it allows a particular audience to be targeted with a particular set of messages” (Sleight, p.42, 1989). According to Solomon (2002), to add measurable results and value, both leagues and sponsors are working harder.

“When used by tobacco companies its function is similar to that of advertising. In the case of building companies using sponsorship for guest hospitality purposes it can be regarded as related to personal selling. When used by the large multinational oil and banking groups its function lies broadly within the realms of

public relations, while its usage in motor sport by oil companies and car manufacturers may be regarded as promotional sales (Meenaghan, p. 7, 1983).

### **Sponsorship Incentives**

Companies consider a wide variety of factors to evaluate. Initially, they consider potential tax benefits, cost effectiveness, and sponsorship budgetary demands (Meenaghan, 1983). They will evaluate the ability and competence of the organizing committee to administer a successful event. In addition with their sponsorship agreement, companies strive to achieve a more favorable image with the general public, stockholders, and potential and current customers (Jackson and Schmader, 1990).

Other important evaluation variables that companies tend to consider involve the strength of the audience's association with the sport, the size of the media and spectator audiences, and the sport's demographics (Mullin, 1983; Meenaghan, 1991). Irwin and Asimakopoulos (1992) found that a common goal for companies is to increase their market share and/or sales. Grimes and Meenaghan (1998) indicated that sponsorship with all corporate audiences is a highly effective communication method. They conclude that sponsorship does not only focus on the external consumer, but also on the internal market, where it can be implemented to enhance the sponsor's corporate image with desirable brand values in the eyes of corporate staff.

Sport sponsorship is used by companies as a means of battling the competition. This strategy is exercised to deter competition from penetrating into a

particular sport whose exposure is large and demographics fit the industry's target market (Wilkinson, 1988). McDonald's represents an excellent example of how to shape and enhance one's image. The affinity that athletes and their associated lifestyles could add to a brand so intent on attracting families was the reason that McDonald's began looking at sports (Lefton, 2005). Often, companies get involved in sponsorship because they want public visibility and recognition. Sponsorship in many cases costs less than general advertising ventures (Pitts and Stotlar, 1996).

In order to more strategically assign event tickets to donors, many sport organizations have established the "point system". Based upon factors including the number of consecutive years of purchasing season tickets, number of consecutive years of contributing, and the amount of annual giving, sponsors are systematically awarded points toward their goal of a more preferred seating location (Howard and Crompton, 1995).

There exist differences between the incentives of small and large companies in sponsoring sport. According to Forsyth (1995), "Small companies will use sport sponsorship to provide corporate hospitality for self, friends, and entertaining business guests. Large companies will use sport sponsorship as a valuable tool to create a positive image for the company and/or its products, and also strive to obtain a more favorable image with customers, the general public, and in enhancing their geographical image" (p. 130-131).

Measuring return on investment of sponsorship programs is desirable, but is difficult to accomplish. Though there is no absolute widespread measurement tool,

this allows individual companies to create one which is specific to their particular needs and aspirations (Ukman, 1996). However, Jason Pearl, Vice-President of Corporate Sponsorship for the San Francisco Giants, disagrees by explaining that “For the first time we can accurately measure the full impact of this powerful sponsorship medium. With “Scorecard”, we can expand our corporate sponsorships by providing our partners with a more precise way to determine the value of their investments.” Sponsorship Scorecard is the first service to provide both a ratings currency and a reliable means of verification for sponsor-placed media in all televised sporting events (PR Newswire, April 25, 2006).

The first businesses in the United States to be associated with and invest in sports events were in the transportation industry (Brooks, 1990). As is apparent with current commercials and promotions, the affiliation with this industry has definitely continued into the twenty-first century.

Among sports, professional baseball attracts a larger number of sponsoring companies than does any other sport. There are a multiple reasons for this. There are more major and minor league teams than in any other professional sport and teams play more games in a season. Also, “it’s a product that is aligned with some of the peak selling seasons of products like soft drinks and beer, which are probably the two biggest categories putting money into professional sports” (Cohen, 1993).

A particular sponsorship may create a sense of pride and unity among employees. Thus, it was reported in a study of sponsor decision makers, “Many respondents mentioned that they sponsor sport to assist staff recruitment. A company

having wide exposure in the media can get the reputation of being a dynamic firm which people would like to join” (Abratt and Grobler, 1989).

Armstrong (1988) conducted in-depth interviews with representatives of 17 international electronics companies that had major investments in sports sponsorship. He reported that initially sponsorship was primarily viewed as an alternative to advertising and as a way of getting media exposure. However, over time the emphasis shifted to image and public relations benefits. If these interviews were conducted today it is reasonable to hypothesize that those companies would have progressed further through the benefit sequence.

### **Community Goodwill**

Rather than on the interests of individuals, most utilitarians place a greater emphasis on the interests of the community. However, this sometimes causes a situation where individuals can be undervalued and society can be overvalued (Beauchamp, 1991). According to Marc Pollick (2006), president and founder of the Giving Back Fund, a national nonprofit organization that helps athletes and entertainers create and manage high-impact philanthropy, there is much to be gained by working with community projects. Pollick suggested that sports possess the opportunity to not only role model socially conscious behavior, but also make giving back “cool”. Questions exist regarding revenue generation potential of teams, the responsibility of the franchise owner to the community, and the public interest in sport (DeSensi and Rosenberg, 2003).

### **Increased Brand Awareness**

Sponsorship has sometimes been used with the sole aim of increasing the awareness of a company or the benefits of its services or products. In addition to Sharp Corporation's outfield sign, they have also installed an electric grid on the roof, as well as a multimedia kiosk in the concourse to increase brand awareness among fans (Team Marketing Report, 2005). The evaluation of sponsorship usually involves measuring the level of sponsorship awareness (Mullin, Hardy, and Sutton, 2007). As brand researcher David Aaker (1991) put it, "an unknown brand has little chance" (p.7).

### **Image Enhancement**

Price policies also play a crucial role in affecting a firm's position of esteem and respect in its community. They must convey the message that the company stands behind its products and services, that it is a reasonable place to patronize, that it is fair in its dealings with the public, and that it offers good value (Burnett, 2002).

PepsiCo's Mountain Dew brand has built a sponsorship franchise with ESPN's X-Games specifically to reach the growing audience of Gen-Xers whose values are consistent with Mountain Dew's brand image (Ostrowski, 2002).

### **Increased Sales**

According to Masteralexis, Barr, and Hums (2009), potential new business through access and opportunity to work with professional sports leagues and teams is a benefit of sponsorship. An example of this philosophy exists with BASS Bassmasters equipment, which utilizes television to show the types of equipment

(tackle, boats, and trucks) used by the professionals as well as promoting their favorite fishing locations. This association is believed to increase sales through this method of showcasing products (Nethery, 2004).

It is important that professional sports teams incorporate these incentives associated with sponsorships into their proposal. Decision-makers consider those proposals which can provide multiple benefits for their company. The more advantages the professional sports team's representative can include in their proposal, and thus offer to the potential sponsor, the more likely a company may wish to agree to a sponsorship arrangement. The open-ended question was undoubtedly a subjective avenue for those interviewed to express their feelings and viewpoints toward their existing or non-existing current sponsorship arrangements. It was hoped that this portion of the questionnaire will aid administrators in their future proposals to current and potential sponsors.

### **Summary of the Review of Literature**

Articles and studies were found that revealed the impact of corporate organizations on professional sport organizations, but not the psychological and sociological incentives that motivate them to donate. Although the reasons to sponsor may differ between companies with different structures, the incentives to sponsor exist.

## CHAPTER 3

### METHODS AND PROCEDURES

#### **Introduction**

Presented in the methods section is a detailed description of the procedures which were used in this investigation. This chapter has been divided into the following sections: (a) research design, (b) development of questionnaire, (c) initial review of questionnaire, (d) pilot study, (e) sampling process, (f) collection of data, (g) data analysis, and (h) description of respondents.

#### **Research Design**

The quasi-experimental method was used utilizing a personal interview survey questionnaire. Quasi-experimental studies often use survey research, making a questionnaire appropriate since it asks for information directly from a respondent concerning attitudes, beliefs, and feelings (Tull and Hawkins, 1993). These types of designs lack either random sampling of subjects or random assignment of subjects to groups (Baumgartner and Strong, 1998). All of the questions asked were believed to be important in gaining an understanding towards a company's incentive to sponsor professional sports teams.

#### **Development of Questionnaire**

The development of the questionnaire for this study followed the literature review on corporate sponsorship incentives. A Likert-type scale was to be used in this study, similar to Forsyth's (1995), in his study of high school sponsors' effects of

organizational characteristics, buying center characteristics, and organizations' sense of social responsibility.

The questionnaire was divided into three sections. The first section requested demographic information. Section two was structured so that sponsorship incentives could be measured from the respondents' perspective, utilizing the five-point Likert scale. The third section consisted of an open-ended question. All statements were considered important in researching the incentives of companies in sponsoring professional sports teams. The appendices for the questionnaire, questionnaire cover letter, and personal interview script are found in Appendices I through III.

### **Initial Review of Questionnaire**

Initial review of the questionnaire was performed by the dissertation committee, Mr. Rick Dillabough, The Brandon Wheat Kings' Director of Marketing and Public Relations, and Ms. Megan Salic, The Fargo-Moorhead Redhawks' Assistant General Manager/Director of Public Relations. The latter two were selected for their experience in corporate sponsorship relations. The face and content validity of the questionnaire were examined, and suggestions and recommendations for improvement were incorporated.

### **Pilot Study**

A pilot study of the questionnaire was conducted for the following reasons: (a) to determine instrument weaknesses and deficiencies, (b) to determine clarity of questions asked, (c) to improve means of handling particular questions, and (d) to

determine the intended quantifiability and manner of analyzation of the resulting data (Gay, 1992). The pilot study took place during January of 2008.

The pilot study was conducted consisting of (N=5) companies in the Fargo, North Dakota metropolitan area. In a personal interview, a decision-maker within each company completed the questionnaire. Each decision-maker then was asked to respond verbally to each question's clarity and structure. No instructions were given, so that the cover letter and the questionnaire could be evaluated for both clarity and validity.

None of the five decision-makers interviewed during this stage recommended that changes be made to the questionnaire. Very few questions were asked in relation to the survey's process. These individuals were satisfied that respondents would understand how to answer each section's questions.

### **Sampling Process**

For this study, the sampling process method used consists of the seven steps defined by Tull and Hawkins (1993, p. 536). These include:

1. Define the Population

- a) element: decision-makers
- b) units: number of companies who are current or potential sponsors
- c) extent: professional sports teams
- d) time: during the 2008-09 playing season

2. Specify Sampling Frame.

The companies selected for this study were selected from the Fargo, North Dakota Chamber of Commerce directory.

3. Specify Sampling Unit.

The population for this study consisted of those companies selected from the Chamber of Commerce directory.

4. Selection of Sampling Method.

For this study, the sample was a convenience sample obtained from the Chamber of Commerce directory.

5. Determination of the Sample Size.

The sample size chosen for this study was  $N = (50)$  companies. 25 were current sponsors, and 25 were non-sponsors. For the current sponsors, 89% (25-28) of those contacted were interviewed for the study. For the non-sponsors, 78% (25-32) of those contacted were interviewed.

6. Specify the Sampling Plan.

The Fargo, North Dakota Chamber of Commerce directory provided the convenience sample of companies. Media guides from the professional sports teams were also utilized in order to identify current sponsors.

7. Select the Sample.

The decision-makers for each sponsoring company were either identified in the Chamber of Commerce directory, or by telephoning the company directly in order to indicate which decision-makers (e.g., CEO, owner, president, director, or manager)

were responsible for handling sponsorship requests. The media guides also identified current sponsors from non-sponsors.

### **Collection of Data**

According to Tull and Hawkins (1993), the personal interview method of surveying is widely used in marketing research. The individuals who acted as decision-makers for the companies selected were recognized as having the experience and competence of the business' day-to-day activities. The researcher contacted the decision-makers by telephone to set a date and time for the administering of the questionnaire. The researcher met personally with these decision-makers to administer the questionnaire (see Appendix I) and to answer questions about the study. The answers were recorded by the decision-makers by circling numbers on the Likert scales. The company representatives were given the option of receiving a cumulative data report following completion of the study. The results were then analyzed for reliability, and items which did not contribute to the reliability of measured variables were removed.

### **Data Analysis**

Upon completion, the data was organized for analysis. The data was placed into three categories that were constructed from the demographic analysis section of the questionnaire. The categories were comprised of: (a) local-based and national-based companies; (b) small sponsorship level and large sponsorship level companies; and (c) small and large companies. Independent sample t-tests were used to test for

significant differences among companies' incentives to sponsor professional sports teams. The data was analyzed for each hypothesis tested:

H1: Independent sample t-tests were used to test for significant differences between local-based and national-based companies in their incentive to either sponsor or not sponsor professional sports teams.

H2: Independent sample t-tests were used to test for significant differences between small sponsorship level and large sponsorship level companies in their incentive to sponsor or not sponsor professional sports teams.

H3: Independent sample t-tests were used to test for significant differences between small and large companies in their incentive to sponsor or not sponsor professional sports teams.

### **Description of Respondents**

Demographic information on the companies surveyed is displayed in this section of the chapter. The decision-maker for each company answered the demographic questions during the interview.

Table 1

Number of Companies Who Are Local-Based and National Based

Response	Amount	Percent Of Total
Local-Based	20	40
National-Based	30	60

Table 2

Company Sponsorship Levels of Current Sponsors During the 2008-09 PlayingSeason

---

Level	Amount	Percent Of Total
Under \$500	5	10
\$500-1,000	13	26
\$1,001-2,500	10	20
\$2,501-10,000	7	14
Over \$10,000	15	30

---

Table 3

Company Size

---

Number of Employees	Amount	Percent of Total
Under 10	24	48
11-25	15	30
26-50	25	50
51-100	3	6
Over 100	3	6

---

Table 4

Number of Companies Who Would Like a Copy of the Results

---

Response	Amount	Percent Of Total
Yes	39	78
No	11	22

---

## CHAPTER 4

### RESULTS

#### **Introduction**

The following sections were discussed in response to the data collected: (a) company list, (b) demographic analysis, (c) analysis of companies' sponsorship incentives, and (d) response to open-ended question.

#### **Company List**

The participating companies and their appropriate contact persons were obtained from the Fargo, North Dakota Chamber of Commerce directory. The companies are listed, by industry, in Table 5.

Table 5

Industries of Companies Interviewed

---

Industry	Total
Auto repair	2
Contractors	1
Dentists	1
Floral	2
Graphics	2
Grocers	1
Health care	5
Hotel	2
Insurance	4
Jewelers	2
Lawyers	2
Machinist	1
Music	2
Pet	2
Postal service	2
Real Estate	1
Restaurant	7
Retail	7
Sporting goods	2
Tanning	2

---

A breakdown of the companies who wanted, or did not want, a copy of the results is found in Table 4 of Chapter 3.

### **Demographic Analysis**

The questionnaire's first section collected demographic data of companies with regards to their involvement or lack of involvement in sponsoring professional teams. Twenty-five of the sponsors were current sponsors, and twenty-five were non-sponsors.

#### *Question # 1*

Has your company ever been presented a sponsorship proposal by a professional team?

#### *Response*

One hundred percent of current sponsors reported they had been presented a sponsorship proposal by a professional sports team, while twelve percent of non-sponsors reported they had.

#### *Question #2*

Has your company ever sponsored a professional team?

#### *Response*

One hundred percent of current sponsors reported they had sponsored a professional team, while sixteen percent of non-sponsors reported they had.

#### *Question #3*

How likely are you to sponsor a professional team?

*Response*

Eighty-four percent of current sponsors reported they were very likely to sponsor a professional team, while eight percent of non-sponsors reported they were very likely to sponsor. Another sixteen percent of current sponsors reported they were likely to sponsor, and another twenty percent reported they were likely to sponsor.

*Question #4*

Please write the 'Job Title' and 'Department' of each decision-maker within your company who would be involved in the decision process, as if a professional team had presented a sponsorship proposal to your company.

*Response*

Decision-maker(s) for current sponsors were the Owner, CEO, Manager, President, and/or Director, and decision-maker(s) for non-sponsors were the Owner, President, CEO, Manager, Assistant CEO, and/or Chairman. Tables for questions one through four are found in Appendices IV through VI.

*Question #5*

Is your company a branch of a national company?

*Response*

Fifty-eight percent of current sponsors reported they were a branch of a national company, while sixty-four percent of non-sponsors reported they were a branch of a national company.

*Question #6*

What is the approximate amount you either did spend or would spend annually in sponsoring a professional sports team?

*Response*

Sixty percent of current sponsors reported that they had spent over \$10,000 in sponsoring a professional sports team. Twenty-eight percent spent between \$2,501 and \$10,000, and twelve percent spent between \$1,000 and \$2,500.

Twenty-eight percent of non-sponsors reported that they would spend between \$1,001 and \$2,500 in sponsoring a professional sports team. Fifty-two percent would spend between \$501 and \$1000, and twenty percent would spend under \$500.

*Question #7*

How many people does your company employ?

*Response*

Fifty-two percent of current sponsors reported that they employed fewer than ten people. Sixteen percent employed between 11 and 25 people, twenty-four percent employed between 26 and 50 people, four percent employed between 51 and 100 people, and four percent employed over 100 people.

Forty-four percent of non-sponsors reported that they employed fewer than ten people. Sixteen percent employed between 11 and 25 people, twenty-four percent employed between 26 and 50 people, eight percent employed between 51 and 100 people, and eight percent employed over 100 people.

## **Analysis of Companies' Sponsorship Incentives**

### *Question #8*

Successful sponsorship is the exchange in mutual benefits which occurs between the business and sports organization. Decision-makers were asked to circle the level of importance regarding their company's motivational incentives in sponsoring a professional sports team on the Likert scale.

### *Likert Scale*

A five-point Likert scale was used to rate the importance of each variable listed by decision-makers: zero = don't know, one = very unimportant, two = somewhat unimportant, three = somewhat important, and four = very important.

### *T-Tests*

Independent sample t-tests were used to test for significant differences among company categories. Each table contains the variables with a mean of the Likert scale score. Table 6 contains the results for local-based and national-based companies. Table 7 contains the results for small sponsorship level and large sponsorship level companies. Table 8 contains the results for small and large companies.

### *Local-Based and National-Based Companies' Sponsorship Incentives*

There was a significant difference between local-based and national-based companies' perception toward community goodwill. It was rated as somewhat important for local-based companies and very important for national-based companies. However, there was no significant difference between local-based and

national-based companies' discernment towards brand awareness, increases sales, and image enhancement.

Table 6

Means and Standard Deviations for Local-Based and National-Based Company Incentive

Variables

Variable	N	Mean	SD	P
<b>Community Goodwill</b>				
Local-Based Companies	20	3.700	0.458	<0.0001
National-Based Companies	30	3.067	0.249*	
<b>Increased Brand Awareness</b>				
Local-Based Companies	20	3.250	0.433	0.719
National-Based Companies	30	3.333	0.943	
<b>Increased Sales</b>				
Local-Based Companies	20	3.300	0.640	0.134
National-Based Companies	30	3.567	0.559	
<b>Image Enhancement</b>				
Local-Based Companies	20	3.150	0.654	0.955
National-Based Companies	30	3.133	1.204	

\*T-Test = 6.171, 48 df = 2.012, p<.05

*Small Sponsorship Level and Large Sponsorship Level Companies' Incentives*

There were no significant differences between small sponsorship level versus large sponsorship level companies in decision-makers' perception toward community goodwill, increased brand awareness, increased sales, and image enhancement. However, the attitude towards the increased sales variable had a p-value of .055, which is near the level of significance.

Table 7

Means and Standard Deviations for Small Sponsorship Level and Large Sponsorship LevelCompany Incentive Variables

Variable	N	Mean	SD	P
<b>Community Goodwill</b>				
Small Sponsorship Level Companies	28	3.250	0.738	0.819
Large Sponsorship Level Companies	22	3.410	0.577	
<b>Increased Brand Awareness</b>				
Small Sponsorship Level Companies	28	3.143	0.915	0.113
Large Sponsorship Level Companies	22	3.500	0.500	
<b>Increased Sales</b>				
Small Sponsorship Level Companies	28	3.464	0.567	0.055
Large Sponsorship Level Companies	22	3.456	0.656	
<b>Image Enhancement</b>				
Small Sponsorship Level Companies	28	3.000	1.195	0.848
Large Sponsorship Level Companies	22	3.318	2.161	

*Small and Large Companies' Incentives*

There was no significant difference between small and large companies' discernment toward community goodwill, increased brand awareness, increased sales, and image enhancement.

Table 8

Means and Standard Deviations for Small and Large Company Incentive Variables

Variable	N	Mean	SD	P
<b>Community Goodwill</b>				
Small Company	25	3.280	0.960	1.000
Large Company	25	3.280	0.601	
<b>Increased Brand Awareness</b>				
Small Company	25	3.280	0.665	0.736
Large Company	25	3.360	0.742	
<b>Increased Sales</b>				
Small Company	25	3.480	0.640	0.821
Large Company	25	3.440	0.571	
<b>Image Enhancement</b>				
Small Company	25	3.120	1.107	0.892
Large Company	25	3.160	0.924	

### **Response to Open-Ended Question**

In question number 9 the decision-makers for each company were asked if there was anything that they would like to add that was not previously mentioned about sponsoring a professional sports team. The comments were then separated into those indicated by small sponsorship level companies and those indicated by large sponsorship level companies. This particular research technique was chosen because the author believed that sponsorship level would be of considerable importance to professional sport administrators. Researchers (Tatum, 2003; Pope and Voges, 1994; Forsyth, 1995; McCook, Turco, and Riley, 1996) have discussed the importance of donation level characteristics.

#### *Small Sponsorship Level Companies*

Small sponsorship level companies state the following in regards to sponsorship relationships:

- Increased feedback on how the support helps the team and the impact if the support was not present.
- The product giveaways could be controlled more attentively.
- A more symbiotic relationship between the team and the community would provide more fuel for responsiveness.
- Benefits from sponsorship should be exhibited to the entire community, not solely to businesses.
- There should be more “sponsor nights” at the games.
- Increased benefits for sponsors, including free or discounted tickets.

*Large Sponsorship Level Companies*

Large sponsorship level companies stated the following in regards to sponsorship relationships:

- An athlete work-partnership program could be constructed, including employment and training opportunities with sponsors.
- Sponsors could receive personal invitations to events.
- Professional sport has a unique opportunity to show businesses and the community the benefits of their support, more so than other soliciting organizations.
- The possibility of athletes visiting sponsoring businesses to create a more personalized effort, making themselves more available to the community, possibly with tickets for distribution.
- Non-solicitation contact at regular intervals.
- More openness toward company bid opportunities.
- The increase of hands-on involvement with the sports team, as opposed to general monetary donation. This could include off-season work experience arrangements between companies and athletes, personal appearances by athletes and coaches at sponsoring businesses, or practical assistance of promotional presentations at sports events by sponsors.

## CHAPTER 5

### DISCUSSION

#### **Introduction**

This chapter has been divided into the following sections: (a) Summary, which includes a concise synopsis of Chapters One through Four; and (b) Discussion, the findings of this study as they relate to findings from previous studies.

#### **Summary**

The purpose of this study was to determine the incentives of companies in their decisions to either sponsor or not to sponsor professional sports teams.

The review of literature regarding the identification of incentives to sponsor professional sports teams revealed a lack of attention to this aspect. Substantial information was available, however, regarding the related area of organizational buyer behavior.

A pilot study was conducted consisting of five companies in the Fargo, North Dakota metropolitan area. A decision-maker within each company completed the questionnaire. Each decision-maker then responded verbally to each question's clarity and structure. No significant changes were made regarding the format of the questionnaire (see Appendix I).

Personal interviews were conducted with fifty companies in the metropolitan area of Fargo, North Dakota. Twenty-five of the companies interviewed had sponsored professional sports teams during the 2008-09 playing season, while

twenty-five of the companies interviewed were not current sponsors. The data were evaluated by t-test analysis to determine significant differences between the companies' incentives to sponsor professional sports teams.

The data collected revealed that there was a significant difference between local-based and national-based companies' decisions to sponsor professional sports teams.

### **Discussion**

The following discussion states each hypothesis for the study, followed by a comparison of past research findings, and the findings of this research study. In order for this information to be more useful, concepts and theories in reference to the literature were incorporated.

Hypothesis #1: There will be significant differences among local-based and national-based companies in their incentive to sponsor professional sports teams.

Studies have described the increased role and more personal objectives of national sponsors. In addition to establishing promotional partnerships with various National Basketball Association's teams in key local markets, T-Mobile wireless services also utilized the NBA's extensive marketing platforms to further grow its rapidly expanding consumer base (NBA press release, 2005). In many industries fewer but larger companies exercise more control and influence in distribution channels. This has made it more critical for producers to enhance relations with distributors (Cunningham, Taylor, and Reeder, 1992). Pitts and Stotlar (1996) indicate that companies are realizing that working with local consumers may be more

effective than involving those who deal nationwide. Greenwald and Fernandez-Balboa (p. 42, 1998) noted that in grassroots (community-based) sports sponsorship “corporations are increasingly pumping money into grassroots sports organizations, and in turn, grassroots sports organizations are better able to provide corporations with substantial returns on their investments”.

The data collected and presented showed that local-based and national-based companies’ perception toward community goodwill was significant. National-based companies rated community goodwill as very important while local-based companies rated community goodwill as somewhat important. This agreed with the literature stating the increased role and more personal objectives of national sponsors (Cunningham, Taylor, and Reeder, 1992).

Hypothesis #2: There will be significant differences among small sponsorship level and large sponsorship level companies in their incentive to sponsor professional sports teams.

As the number of sports organizations seeking affiliations with sponsors has grown, sponsors have gained leverage from weighing competing offers and can thus minimize their donations (Pitts and Stotlar, 1996). Since people associate home improvement and football with the weekend, Home Depot has used sponsorship to strengthen that connection with consumers (Wilbert, 2003). It must be noted that solicitation timing can affect a company’s public portrayal in terms of their contribution. Decker (1991) states that “every company is a potential for some event, but not every company is a potential sponsor for every event” (p. 46). Fullerton

(2007) explains that often when marketers consider mainstream sponsorship strategies, the cost barrier enters the equation (a 30-second ad during the 2006 Super Bowl cost more than \$2.4 million). The current data did not find significant differences between small sponsorship level and large sponsorship level companies in their incentive to sponsor.

Hypothesis #3: There will be significant differences among small and large companies in sponsoring professional sports teams.

Studies have shown that sponsorship support is a necessary component for all areas of sport. Mullin, Hardy, and Sutton (2007) state that corporate marketing executives of both small and large companies have found that linking their messages to leisure pursuits conveys these messages immediately and credibly. Even one person's activities and efforts can make a significant impact, particularly if those efforts are joined by a corporate partner with a social conscience (Winiker, 2006). Forsyth (1995) concluded that large companies will use sport sponsorship to increase their company's exposure, while small companies will use sport sponsorship for their personal enjoyment. In conjunction with Billing, Holt, and Smith's (1985) analysis of business donor motives, the current data indicated that sponsorship incentives include benefits such as free or discounted tickets, affiliation with successful teams, and philanthropic demonstrations.

The collected data suggested that national-based companies placed more emphasis on community goodwill gestures than did companies who were local-based. However, community goodwill did not appear to have a varied distinction between

small and large companies, nor those with small and large sponsorship budgets for professional sports teams. In addition, it is proposed here that the importance of sponsorship incentives of increased business awareness, increased sales, and image enhancement did not differ between small and large companies or small-level and large-level sponsoring companies, nor between local-based and national-based companies, although the increased sales variable was close to being significant for small sponsorship level and large sponsorship level companies.

It is also suggested from the current data that for local-based companies, the primary reason for sponsoring professional sports teams was for the purpose of community goodwill. National-based companies believed that increased sales was the most important reason to sponsor. Beyond these primary reasons, local-based and national-based companies also differed in their reasons for sponsoring professional sports teams.

Table 9

Order of Preference for Local-Based and National-Based Companies Sponsoring  
Professional Sports Teams

---

Preference Order	Company Base	
	Local	National
1	Community Goodwill	Increased Sales
2	Increased Sales	Increased Brand Awareness
3	Increased Brand Awareness	Image Enhancement
4	Image Enhancement	Community Goodwill

---

With regard to small sponsorship level companies, their primary reason for sponsoring professional sports teams was to increase sales. Large sponsorship level companies' primary reason was to increase brand awareness. Beyond these primary reasons, small sponsorship level and large sponsorship level companies differed in their reasons for sponsoring professional sports teams.

Table 10

Order of Preference for Small Sponsorship Level and Large Sponsorship Level Companies Sponsoring Professional Sports Teams

Preference Order	Sponsorship Level	
	Small	Large
1	Increased Sales	Brand Awareness
2	Community Goodwill	Increased Sales
3	Increased Brand Awareness	Community Goodwill
4	Image Enhancement	Image Enhancement

The data also suggests that for both small and large companies, their primary reason for sponsoring professional sports teams was due to expected increased sales.

Beyond these reasons, small and large companies differed in their reasons for sponsoring.

Table 11

Order of Preference for Small and Large Companies Sponsoring Professional Sports Teams

Preference Order	Company Size	
	Small	Large
1	Increased Sales	Increased Sales
2	Community Goodwill (tie) Increased Brand Awareness (tie)	Increased Brand Awareness
3		Community Goodwill
4	Image Enhancement	Image Enhancement

The literature verified that community goodwill, increased brand awareness, image enhancement, and increased sales were important factors to a company when considering sports sponsorship.

### **Process of Gathering Data**

This study was delimited to a survey questionnaire to understand the incentives of companies who to determine the incentives of companies in their decisions to either sponsor or not sponsor professional sports teams. The population for this study consisted of  $N = (50)$  companies within the metropolitan area of Fargo, North Dakota. For this study, it was assumed that the Owner, CEO, Manager, President, Director, Assistant CEO, and/or Chairman within each company was an authorized decision-maker within the company. It was also assumed that the individuals responding to the survey questionnaire would respond accurately and honestly. The data utilized for evaluation was obtained by a personal interview questionnaire, therefore completely honest answers may not have been reported.

The open-ended question was included in order to receive information from respondents regarding their experiences with, knowledge of, and the overall concept of sport sponsorship. Since the researcher offered to send complete cumulative data results to each company, the motivation for deception by those decision-makers perhaps was minimized. As the study was performed in a small metropolitan area in North Dakota, the statements and assumptions addressed are limited and may not be generalized to other parts of the country.

## CHAPTER 6

### CONCLUSIONS AND RECOMMENDATIONS

#### **Conclusions**

The purpose of this study was to determine the incentives of companies in their decisions to either sponsor or not to sponsor professional sports teams. As hypothesized, there was a significant difference between local-based and national-based companies. It appears that the incentive of helping the community seemed to hold a considerable amount of influence in certain companies' sponsorship decisions.

With regard to the incentive of community goodwill, the results supported the predicted outcomes that companies would differ based on their demographic status. The findings demonstrated that national-based companies believed that this variable was much more important than did their local-based counterparts. This influence may have been due to the more personalized efforts of traditionally "data-driven" businesses. Perhaps more nationally-based companies are delegating their strategic operational planning to more regional or local franchises.

The findings regarding small sponsorship level and large sponsorship level companies showed that there were not any major differences in their reasons to sponsor professional sports teams. Small and large companies also displayed no apparent differences in their decisions to sponsor.

The implications for professional sports teams and for both current and potential sponsors are considerable if administrators and decision-makers are to understand the mechanism of professional sports sponsorship.

### **Recommendations**

The following recommendations include: (a) programmatic recommendations, and (b) recommendations for further research studies.

#### *Programmatic Recommendations*

The following strategies should be utilized by professional sports teams' representatives when developing and implementing a sponsorship proposal to current or potential companies in their local community. These results were generalized from the entire list of responses:

1. Those companies who are based nationally should receive a proposal which discusses the key component of community goodwill.
2. Sponsorship proposals should highlight incentives which are relevant to each particular company's demographic characteristics; such as community goodwill, image enhancement, increased brand awareness, and increased sales.
3. Increased competition should make the proposals more descriptive as to the benefits potential and current sponsors should receive. As the number of sports organizations seeking affiliation with sponsors has grown, sponsors have gained leverage from weighing competing offers and can thus minimize their donations.

4. Professional sports teams should capitalize further on its opportunity to show businesses and the community the benefits of their support.
5. A more personalized effort should be attempted, perhaps with athletes visiting sponsoring businesses, and making themselves more available to the community, possibly with tickets for distribution.
6. There should be non-solicitation contact with sponsors at regular intervals.
7. In addition to general monetary donation, the sponsorship option of hands-on involvement with the sports team should be incorporated. This could include off-season work experience arrangements between companies and athletes, personal appearances by athletes and coaches at sponsoring businesses, or practical assistance of promotional presentations at sports events by sponsors.
8. Feedback should be given regarding the impact if support was not present.
9. Benefits from sponsorship should be exhibited to the entire community, not solely to businesses. Perhaps deserving school or community groups could be given sponsors' tickets or other courtesies on occasion.
10. A more symbiotic relationship between the team and the community should provide more fuel for responsiveness.

*Recommendations for further research include:*

1. A similar study should be replicated regionally to determine incentives of regional sponsors of professional sports teams. This information can be utilized to develop a corporate decision model which professional sport

administrators could use as a guide in developing and implementing sponsorship proposals to companies in their regions or communities.

2. Further research should be conducted to substantiate whether national-based companies do or do not differ from local-based companies in their incentive to sponsor professional sports teams.
3. Further research should be conducted at the local level to determine incentives of small and large sponsorship level companies.
4. Further research should be conducted at the local level to determine incentives of small and large companies.
5. Further research should be conducted dealing with the aspect of sponsorship exclusivity. In many geographic areas, competition to be an exclusive sponsor in a particular industry is a difficult conquest.
6. A study should be conducted to determine if the results and recommendations from this study would apply to the collegiate sports level. There may be similarities between sponsorship incentives at the college and professional levels.

## APPENDIX I: QUESTIONNAIRE

Questionnaire

Code: \_\_\_\_\_

**SECTION I: DEMOGRAPHICS**

1. Has your company ever been presented a sponsorship proposal by a professional team? *Check Appropriate Response.*
  - a) \_\_\_ Yes
  - b) \_\_\_ No
  - c) \_\_\_ Don't Know
  
2. Has your company ever sponsored a professional team?
  - a) \_\_\_ Yes
  - b) \_\_\_ No
  - c) \_\_\_ Don't Know
  
3. How likely are you to sponsor a professional team?
  - a) \_\_\_ Very Likely
  - b) \_\_\_ Likely
  - c) \_\_\_ Unlikely
  - d) \_\_\_ Very Unlikely

**Go to next page**

4. Please write the 'Job Title' and 'Department' of each ***decision maker*** within your company who would be involved in the decision process ***as if*** a professional team had presented a sponsorship proposal to your company:

	<b><u>'Job Title'</u></b>	<b><u>'Department'</u></b>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

5. Is your company a branch of a national company?

- a)\_\_\_ Yes
- b)\_\_\_ No

6. What is the approximate amount you either did spend or would spend annually in sponsoring a professional sports team?

- a)\_\_\_ under \$500
- b)\_\_\_ \$500-1,000
- c)\_\_\_ \$1,001-2,500
- d)\_\_\_ \$2,501-10,000
- e)\_\_\_ over \$10,000

**Go to next page**

7. How many people does your company employ?
- a) \_\_\_ under 10
  - b) \_\_\_ 11-25
  - c) \_\_\_ 26-50
  - d) \_\_\_ 51-100
  - e) \_\_\_ over 100

*go to next page*

**SECTION II:**

**Suppose a team representative presented a sponsorship proposal to your company.**

8. Successful sponsorship is the exchange in mutual benefits which occur between the business and sports organization.

*Please circle the level of importance to your company, regarding your company's motivational incentives in sponsoring a professional sports team on each item below:*

	very important	somewhat important	somewhat unimportant	very unimportant	don't know
Community Goodwill	4	3	2	1	0
Increase Brand Awareness	4	3	2	1	0
Increase Sales	4	3	2	1	0
Image Enhancement	4	3	2	1	0

**SECTION III: OPEN-ENDED QUESTION**

9. Is there anything you would like to add not previously mentioned above in sponsoring a professional sports team?

Please check here if you would like the results of this research study. \_\_\_\_

Thank you for your time and participation in this research study.

## APPENDIX II: QUESTIONNAIRE COVER LETTER

Date

Manager, Owner, etc.  
Business Address

Dear Manager:

*By investing only five minutes of your time, you can help save professional sports.* With decreasing budgets and ascending costs, many of the sports teams, especially at minor league levels, are in a constant financial struggle. Businesses such as yours may have significant answers to the predicament.

I am presently working on a research study that will assist in identifying the incentives companies consider when sponsoring professional sports. Your help is very important to the success of this study and the completion of my Dissertation.

I am conducting personal interviews with companies who may or may not be current or potential sponsors. I am hoping to set up a five minute appointment with you to ask your opinion on sponsorship incentives. I will telephone you to see if you are interested in cooperating with the study and to set up the appointment.

The information from the study will be made available to help sport administrators develop marketing strategies and sponsorship proposals. It is hoped that the findings will also assist businesses in contemplating new and continued sponsorship systems. With a limited survey population, each company response will make a significant contribution to the results.

You are assured of complete confidentiality. Information pertaining to your company will not be made available to anyone. Your name or business will never be placed on the questionnaire.

**Your cooperation is greatly appreciated.**

Sincerely,

David Rolling  
Doctoral Candidate, Sport Administration Program  
The University of Kansas

## APPENDIX III: PERSONAL INTERVIEW SCRIPT

Phase 1

“Hello. I’m David Rolling, the researcher for this study. To begin with, I have four demographic questions for you to answer. *(give first page of questionnaire)*

Phase 2

I would like to simply ask you to list all of the reasons why you would choose or have chosen to sponsor a professional sports team. *(they write down their incentives)*

Phase 3

For the next step I would like you to rank your answers in terms of their importance. *(they rank their listed incentives)*

Phase 4

Finally, I have an open-ended question asking if you have any questions regarding sponsorship not addressed on the sheet. *(give them page three)*. Would you like a copy of the results of this research study? I would like to thank you for taking time to help with my study. Have a great day.”

Table 12

Percentage of Companies Being Presented a Sponsorship Proposal

---

Response	Current Sponsors	Non- Sponsors
Yes	100	12
No	0	88

---

Table 13

Percentage of Companies Who Have Sponsored a Professional Sports Team

Response	Current Sponsors	Non- Sponsors
Yes	100	16
No	0	84

Table 14

Percentage of Companies Who Were Likely to Sponsor a Professional Sports Team

Response	Current Sponsors	Non- Sponsors
Very Likely	84	8
Likely	16	20
Unlikely	0	20
Very Unlikely	0	52

Table 15

Decision-Maker #1

Job	Current	Non-	Totals
Title	Sponsors	Sponsors	
Owner	7	12	19
CEO	7	4	11
President	3	5	8
Manager	6	2	8
Director	2	0	2
Chairperson	0	1	1
Assistant Chairperson	0	1	1

Table 16

Department #1

Department	Current Sponsors	Non- Sponsors	Totals
Administration	9	7	16
Management	6	8	14
Executive	4	7	11
Marketing	2	2	4
Sales	2	0	2
Advertising	2	0	2
Public Relations	0	1	1

Table 17

Decision-Maker #2

Job	Current	Non-	Totals
Title	Sponsors	Sponsors	
President	2	4	6
CEO	2	3	5
Vice-President	1	3	4
Manager	1	3	4
Assistant Manager	3	1	4
Staff	4	0	4
Assistant CEO	1	1	2
Assistant Director	1	0	1

Table 18

Department #2

Department	Current Sponsors	Non- Sponsors	Totals
Management	5	4	9
Administration	2	3	5
Sales	2	1	3
Advertising	3	1	4
Marketing	2	1	3
Executive	0	3	3
Human Resources	0	1	1
Public Relations	0	1	1

Table 19

Decision-Maker #3

Job	Current	Non-	Totals
Title	Sponsors	Sponsors	
President	2	4	6
Vice-President	1	3	4
Staff	3	0	3
Chairperson	1	0	1
Assistant Manager	0	1	1

Table 20

Department #3

Department	Current Sponsors	Non- Sponsors	Totals
Management	3	3	6
Sales	3	0	3
Executive	0	3	3
Administration	1	1	2
Marketing	0	1	1

Table 21

Decision-Maker #4

Job	Current	Non-	Totals
Title	Sponsors	Sponsors	
Vice-President	1	1	2
Director	0	1	1
Manager	0	1	1

Table 22

Department #4

Department	Current Sponsors	Non- Sponsors	Totals
Advertising	0	2	2
Administration	1	0	1
Executive	0	1	1

## REFERENCES

- Aaker, D.A. (1991, p.7). *Managing Brand Equity*. New York, New York: Free Press.
- Abratt, R. & Grobler, P. (1989). The evolution of sports sponsorships. *International Journal of Advertising*,8, 351-362.
- Barrand, D. (November 3, 2003). Q&A: ITF's Fossil Find. [www.sportsbusiness.com/news/fandc?region=global&news\\_item\\_id=153004](http://www.sportsbusiness.com/news/fandc?region=global&news_item_id=153004).
- Bartol, K. & Martin, D. (1994). *Management* (2<sup>nd</sup> ed.). St. Louis: McGraw-Hill.
- Billing, J., Holt, D., & Smith, J. (1985). Field study. *The Sports Executive*. p.1.
- Brooks, C. (1990, October). Sponsorship: Strictly business. *Athletic Business*, 59-62.
- Buckles, T. (1996). Examining an industrial buyer's purchasing linkages: A network model and analysis of organizational buying workflow. *Journal of Business and Industrial Marketing*,11, 74-92.
- Burnett, J. (2002). *Core Concepts of Marketing*. New York, New York: Wiley.
- Clopton, S. (1984). Seller and buying firm factors affecting industrial buyers' negotiation behavior and outcomes. *Journal of Marketing Research*,21, 39-53.
- Cohen, A. (1993, April). Our unrelenting thirst for baseball. *Athletic Business*, p. 16.

Cunningham, P., Taylor, S. & Reeder, C. (1992). Event marketing: The evolution of sponsorship from philanthropy to strategic promotion. Unpublished manuscript, School of Business, Queen's University, Kingston, Ontario, Canada.

Decker, J. (1991). Seven steps to sponsorship. Parks and Recreation,1, 44-48.

DeSensi, J. and Rosenberg, D. (2003). Ethics and Morality in Sport Management. Morgantown, WV: Fitness Information Technology.

Forsyth, E. (1995). Sponsoring high school athletic programs: The effects of organizational characteristics, buying center characteristics and organizations' sense of social responsibility (Published Dissertation), UMI: Ann Arbor, Michigan. 253 pages.

Fullerton, S. (2007). Sports Marketing. New York, NY: McGraw Hill.

Gay, L. (Ed.) (1992). Educational research: Competencies for analysis and application. New York, NY: MacMillan Publishing Company.

Greenwald, L., and Fernandez-Balboa, J.M. (1998). Trends in the sport marketing industry and in the demographics of the United States: Their effect on the strategic role of grassroots sport sponsorship in corporate America. *Sport Marketing Quarterly*, 7 (4), 35-48.

Grimes, E. & Meenaghan, T. (1998). Focusing commercial sponsorship on the internal corporate audience. International Journal of Advertising,17, 51-74.

Hart-Nibbrig, N. & Cottingham, C. (1986). The political economy of college sports. Lexington, MA: Lexington Books.

Hiebing, R., & Cooper, S. (1990). How to write a successful marketing plan. Lincolnwood, IL: NTC Business Books.

Hiestand, M. (1993, June 16). Sponsorship: The name of the game. USA Today, pp. 1c-2c.

Howard, D. & Crompton, J. (1995). Financing sport. Morgantown, WV: Fitness Information Technology.

Irwin, D. (1993, May). In search of sponsors. Athletic Management, 11-16.

Irwin, R. & Asimakopoulos, M. (1992). An approach to the evaluation and selection of sport sponsorship proposals. Sport Marketing Quarterly, 1, 43-51.

Isaacson, M. (2003, June 8). Notes. Chicago Tribune. P. C3.

Jackson, R., & Schmader, S. (1990). Special events: Inside & out. Champaign, IL: Sagamore Publishing.

Kaplan, D. & Lefton, T. (2005, September). Molson, Coors renewing with NFL. Street and Smith's SportsBusiness Journal. 1-59.

Lefton, T. (2005, May 30-June 5). The meal deal. Street and Smith's SportsBusiness Journal. 16.

Lewin, J. (1996). The effects of organizational restructuring on industrial buying behavior: 1990 and beyond. Journal of Business and Industrial Marketing, 11, 93-117.

Lilien, G. & Wong, M. (1984). An exploratory investigation of the structure of the buying center in the metalworking industry. Journal of Marketing Research, 21, 1-11.

- McCabe, L.J. (1989). Integrating sponsorship into the advertising and marketing mix. Special Events Report 8(7), April 17: 4-5.
- McCook, K., Turco, D., & Riley, R. (1996). A look at the corporate sponsorship decision-making process. Cyberjournal of Sport Marketing,1, 50-65.
- McQuiston, D. & Dickson, P. (1991). The effects of perceived personal consequences on participation and influence in organizational buying. Journal of Business Research,22, 159-177.
- Meenaghan, J. (1983). Commercial sponsorship. West Yorkshire, England: MCB University Press Limited.
- Meenaghan, T. (1991). The role of sponsorship in the marketing communication mix. International Journal of Advertising,10, 35-47.
- Moran, M. (June 22, 1992). Campus changes coming, like it or not. New York Times. p. B5.
- Moriarty, R. (1983). Industrial buying behavior: Concepts, issues, and applications. Lexington, MA: Lexington Books.
- Mullin, B. (1983). Sport marketing, promotion, and public relations. Amherst, MA: National Sport Management, Inc.
- Mullin, B., Hardy, S., & Sutton, W. (2007). Sport marketing. Champaign, IL: Human Kinetics.
- Neslin, S. & Greenhalgh, L. (1986). The ability of Nash's theory of cooperative games to predict the outcomes of buyer-seller negotiations: A dyad-level test. Management Science,32, 480-498.

Nethery, R. (August 16-22, 2004). Holy Mackerel! Pro Bass Fishing snags a major fan following. Street and Smith's SportsBusiness Journal,17-18.

New juice for Giants: Solar energy powering up portion of SBC Park through partnership with Sharp. Team Marketing Report (April, 2005). 1-3.

Ostrowski, J. (August 12-18, 2002). Soft drink recasts image to mirror teen spirit. Street and Smith's SportsBusiness Journal,23.

Payton, R. (1987). American values and private philanthropy: Philanthropic values; A philanthropic dialogue. In K. Thompson (Ed.), Philanthropy: Private means, public ends (pp. 3-46). Lanham, MD: University Press of America.

Pitts, B. & Stotlar, D. (1996). Fundamentals of sport marketing. Morgantown, WV: Fitness Information Technology.

Pollick, M. (March 6-12, 2006). Stern, NBA make doing well by doing good contagious. Street and Smith's SportBusiness Journal,29.

Pope, N. & Voges, K. (1994). Sponsorship evaluation: Does it match the motive and the mechanism? Sport Marketing Quarterly,32, 37-45.

Raiborn, M. (1990). Revenues and expenses of intercollegiate athletic programs: Analysis of financial trends and relationship 1985-1989. Overland Park, KS: National Collegiate Athletic Association.

Rosenthal, J. (January 3, 1987). Selling the name of the game. New York Times. p.L22.

Sleight, S. (1989). Sponsorship: What it is and how to use it. Maidenhead, Berkshire, England: McGraw-Hill.

Solomon, J. (2002, April 21). The sports market is looking soggy. New York Times. P. 1.

[www.sponsorship.com/products.htm](http://www.sponsorship.com/products.htm) (2004). Sponsorship products and services.

Sweet, D. (2002, April 29-May 5). ROI drawing closer attention from sponsors. Street & Smith's SportsBusiness Journal, 27.

Tatum, C. (2003, August 8). Companies more hesitant than ever to sponsor splashy sports events. Denver Post.

T-Mobile Links Broad Marketing Partnership with WNBA and NBA National Basketball Association press release (October 3, 2005).

Tull, D. & Hawkins, D. (1993). Marketing research: Measurement and method (6<sup>th</sup> ed.). New York: MacMillan.

Ukman, L. (1996). Evaluating ROI of a sponsorship program. Marketing News, 30, 5-6.

Ward, S. & Webster, Jr., F. (1991). Organizational buying behavior. In T.S. Robertson, & H.H. Kassarian (Ed.). Handbook of consumer behavior. Englewood Cliffs, NJ: Prentice-Hall, Inc., 419-458.

Webster, F. (1983). Field sales management. New York: John Wiley and Sons.

Webster, F. & Wind, Y. (1972). Organizational buying behavior. Englewood Cliffs, NJ: Prentice-Hall, Inc.

- Wilkinson, D. (1988). The event management and marketing institute. Toronto, Ontario, Canada: The Event Management and Marketing Institute.
- Wilson, E. (1996). Theory transitions in organizational buying behavior research. Journal of Business and Industrial Marketing,11, 7-19.
- Winiker, F. (March 21, 2006). Amare Stoudemire Donates 10 Toyota Vehicles to New Orleans Residents in NBA TV's Toyota's Moving Forward Moments. NBA press release.