That VIP feeling: Activation, measurement techniques and best practices in sport sponsorship

SPENCER C. WELLINGTON
Grants Accountant, Food & Friends, Inc., USA

Spencer C. Wellington is a graduate of Robert Morris University, USA, and a member of the University Honors Program. He works as Grants Accountant for Food & Friends in Washington, District of Columbia.

Food & Friends, Inc., 219 Riggs Road NE, Washington, DC 20011, USA.
Tel: +1 443 987 3134; E-mail: scwst273@mail.rmu.edu

ARTEMISIA APOSTOLOPOULOU
University Professor of Sport Management and Marketing, Robert Morris University, USA

Artemisia Apostolopoulou, PhD, is a Professor of Sport Management and Marketing at Robert Morris University, USA. Her research interests include branding and brand extension strategies of sport organisations, sport sponsorship and the consumption and value of licensed products.

Robert Morris University, 6001 University Boulevard, Moon Township, PA 15108, USA
Tel: +1 412 397 6374; E-mail: apostolopoulou@rmu.edu

DAVID P. SYNOWKA
Professor and Department Head of Sport Management, Robert Morris University, USA

David P. Synowka, PhD, is a Professor and Department Head of Sport Management at Robert Morris University, USA. His research interests include the emerging influences of technology in the sport industry and sport sponsorship. He serves as the faculty adviser for the National Sports Forum Case Cup Competition.

Robert Morris University, 6001 University Boulevard, Moon Township, PA 15108, USA
Tel: +1 412 397 6388; E-mail: synowka@rmu.edu

Abstract
The primary goal of this research was to examine current trends in sport sponsorship, particularly in the areas of goal setting, sponsorship activation and assessment of sponsorship effectiveness. The secondary goal was to identify best practices in sport sponsorship. Sponsorship executives representing North American professional sport properties, corporate partners and third-party agencies participated in in-depth interviews. Data was content analysed to produce information in three main areas of interest: sponsorship goals, activation strategies and evaluation processes and measures. The results highlight the value of customising sponsorship agreements to fit the business goals of individual sponsors as well as the strong presence of social media in sponsorship activation strategies. Greater sponsor expectations in terms of return on investment measurement and the increased role of analytics in the evaluation of sponsorship effectiveness are also uncovered. A number of best practices in sport sponsorship, practical implications and directions for future research are discussed at the conclusion of this paper.

Keywords
sport sponsorship, co-branding, sponsorship goals, sponsorship activation, digital media, ROI measurement, business analytics
As sport properties (e.g., sport governing bodies, events) around the world have grown in popularity and profitability, sponsorship has become an important part of the sport industry. Sponsorship is defined as ‘a business relationship in which a cash and/or in-kind fee is paid to a sport organization or event in return for access to the exploitable commercial potential associated with that organization or event’. These official partnerships between sport properties and corporations mirror co-branding relationships that can lead to favourable brand evaluations for both partners, even in the case of mature, high-equity brands. Driven by mega-events like the Olympic Games and Super Bowl, global sponsorship spending in sport reached US$46.1bn in 2019, with investments in the United States amounting to US$14.7bn. Companies in the financial services and technology sectors, including cryptocurrency companies, are some of the biggest spenders.

The COVID-19 pandemic, which impacted every aspect of life, and the production, dissemination and consumption of sport, did not decrease the appeal of sport properties, evidenced by the fact that sponsorship spending in early 2021 increased by 107 per cent compared with early 2020. Sponsorship has become an attractive brand-building strategy for corporations seeking to grow their reach and gain an advantage over their competition. In a recent study of 100 sponsorship agreements across 20 industries, Nielsen reported an average increase of 10 per cent in consumers’ purchase intent. Sponsorship allows brands to connect with their consumers through unique and exciting experiences and to engage their senses and imagination, ultimately helping the brand cultivate deeper and more emotional relationships with their target market.

Sponsorship is not exclusive to the sport industry. Entertainment properties and events, the arts, charities and associations also rely on sponsorship as a revenue-generating strategy; however, sport properties have long attracted the largest portion of sponsorship investment. The widespread interest in sport, diverse and passionate fan followings and extensive coverage via media are some of the reasons for which companies choose to invest in sport properties. Furthermore, athletes are seen as effective influencers who possess great ability to help sport consumers connect personally with brands and sponsors. As Crompton states, ‘The intent is to connect with audiences through their interests and lifestyle activities and, thus, create an emotional attachment between the audience and the company’ (p. 23).

This emotional attachment sets sport sponsorship apart from other investment opportunities. Some of the most common elements of a sponsorship agreement include the right for the sponsor to use a logo or trademark of a sport property, entitlement to an event or a venue, becoming involved in promotional activities, the execution of hospitality programmes and other special events and having a presence throughout the media assets of the sport property.

Although existing research involving all aspects of sponsorship is rich and continuous, the ways in which sponsorship is approached, executed and assessed are constantly evolving. Some of the trends in today’s sport landscape that are affecting sponsorship include shifts in consumers’ appetite for and consumption of sport, emergence of new properties like esports, increasing momentum of women’s sports, legalisation of sports gambling, prominence of digital media platforms in sponsorship activation and increased use of...
analytics in all aspects of the sport business, coupled with growing expectations from sponsors for evidence that shows a return on investment (ROI). With all that in mind, the primary purpose of this research was to examine current trends in sport sponsorship from the perspective of executives in that field. Of particular interest were the areas of goal setting, activation and evaluation of sponsorship effectiveness. Secondarily, this study aimed to identify best practices in sport sponsorship that can serve as a guide to sponsors and sponsees alike. It is the intention of this study to not only build on existing sponsorship literature but also offer recommendations to brand managers, including sport marketing practitioners, on how sponsorship relationships can become more meaningful and more effective for all parties involved. This goal becomes even more relevant in the COVID-19 era, in which shrinking budgets are expected to be followed by greater scrutiny and accountability over any type of marketing-related spending. According to Cavanaugh (p. 19), ‘[T]he properties that will thrive are ones that can fuel fan engagement, properly monetize their intellectual property and more effectively leverage digital assets’.

**REVIEW OF LITERATURE**

**Sport sponsorship as a co-branding strategy**

Co-branding, also known as brand bundling or brand alliance, is a marketing strategy in which ‘two or more existing brands are combined into a joint product or are marketed together in some fashion’ (p. 273). A notable case of co-branding in sport is the partnership between Nike and Apple that has led to the creation of numerous highly technical and innovative products like Nike+ and the Apple Watch Nike+. Partnering brands can be involved physically, through the offering of a new product or product bundle, or symbolically, through the association of their names, logos and intellectual property in advertising, public relations and other promotional efforts. From a brand-building perspective, co-branding can help expand the presence of a brand into new product or service categories, differentiate the brand from its competition by creating new points of difference and introduce the brand to new consumer groups. According to Turan, co-branding enhances customer experiences and increases the value for consumers since they benefit from access to the combined assets of brands. For example, the partnership between sporting goods brand adidas and artist Ye (formerly known as Kanye West) brought together ‘adidas’ technical, innovative expertise and capabilities with the visionary imagination of West’ to offer exclusive, high-end Yeezy-branded apparel, footwear and accessories to consumers. Turan further stresses the importance of finding the right partner and provides evidence for the influential role of fit between partner brands in consumers’ evaluation of their co-branding. The more favourably a brand alliance is viewed by consumers, the greater the likelihood that the alliance will benefit the partnering brands.

Research efforts have examined sport sponsorship within the context of co-branding or brand alliances, with findings that generally show benefits for both brands involved in the partnership. Most notably, Motion et al. discussed how sponsorship as co-branding can become a source of equity for corporate brands, especially when the values between the partnering brands are aligned and when marketing communications campaigns are focused on promoting the identity of the
new corporate co-brand.\textsuperscript{28} Tsiotsou et al. found that sponsorship relationships can help strengthen sponsors’ brand equity with respect to their brand familiarity, personality, image and consumers’ word-of-mouth behaviour, and that this type of co-branding creates reciprocal benefits for sport brands, albeit to a lesser extent.\textsuperscript{29} They also highlighted the influential role of consumers’ attachment to the sport brand, described as ‘the connecting chain that leads to attitude formation in co-branding’ (p. 316).\textsuperscript{30} Similarly, Frederick and Patil pointed to broad exposure through the media, increased sales and competitive advantage as the benefits of co-branding in the sport domain\textsuperscript{31}; however, research also cautions about the risks of co-branding when the image of the partnering brands is incompatible (although a brand with a negative image stands to benefit by forming an alliance with a brand that has a positive image),\textsuperscript{32} and when competitors engage in ambush marketing efforts, in which case entering into long-term relationships and developing comprehensive activation strategies can strengthen the legitimacy of the brand alliance.\textsuperscript{33}

**Sport sponsorship goals and activation**

Investing in sport sponsorship can help a company achieve a variety of business goals, including increasing exposure and overall awareness levels for its brand, connecting with target consumers, reshaping its image and creating goodwill for the company, generating new business and expanding its market share and gaining competitive advantage.\textsuperscript{34–38} Sport properties provide companies a platform to increase their brand awareness by offering exposure to many different demographic groups at a time.\textsuperscript{39} In addition, the favourable characteristics of a sport property can have a positive effect on the brands that are associating with it, especially when that property is experiencing success.\textsuperscript{40} If used strategically, sport sponsorship has shown potential for brand building and stronger financial performance for the sponsoring company.\textsuperscript{41–45} In fact, Reiser, Breuer and Wicker found that the share prices of sponsors were positively affected by announcements of sponsorship agreements, especially in the motor sports industry that the authors examined.\textsuperscript{46} Sponsor motives (ie affective, normative and calculative), as perceived by consumers, can affect consumer attitude towards the sponsor positively (in the case of affective motives) or negatively (in the case of calculative motives).\textsuperscript{47}

It is widely accepted that no sponsorship can achieve the desired results without an activation strategy\textsuperscript{48,49} and that the effectiveness of those marketing efforts that accompany a sponsorship is what ultimately ensures the success of a brand’s investment.\textsuperscript{50} Activation is defined as ‘collateral communication of a brand’s relationship with a property’ (p. 36).\textsuperscript{51} It consists of all those activities a sponsoring brand engages in through which it takes advantage of the benefits it has been granted as part of the sponsorship agreement. Those activities include, but are not limited to, advertising, sales promotions, public relations, client entertainment, thematic packaging and employee programmes.\textsuperscript{52–56} Activation helps sponsors achieve their goals and realise ROI.\textsuperscript{57}

Two recent developments in sponsorship activation have been the emergence of digital media platforms as vehicles of activation strategies and an increased emphasis on direct sponsor–consumer engagement. In their examination of sponsors of the 2016 Summer Olympics held in Brazil, Apostolopoulou et al. offered numerous examples of Olympic
sponsored activation campaigns delivered via social media. Those platforms enabled top sponsors to use their association with the Olympic Games to reach target consumers instantly and to promote intimate themes of family and friendship. The growing use of digital media channels in sponsorship activation is no surprise given the availability and popularity of these media among corporations and consumers alike. Worldwide spending in digital media advertising, including mobile advertising, has overtaken expenditures on traditional media advertising, offering brands greater opportunities to target consumers in a more personalised manner. In addition to being more cost efficient, digital media platforms allow brands to engage with consumers directly, which can increase the effectiveness of a sponsorship. According to Cornwell (p. 49), ‘engaged consumers might think more about a brand, have feelings of pride, or exhibit supporting behavioral interactions’. Activation initiatives require an investment by the sponsor above and beyond the sponsorship rights fee. Although there is no universally agreed upon amount, the literature has proposed a ratio of US$1 to 2 activation dollars for every sponsorship dollar spent as an acceptable industry standard. Problems arise when the need for activation is not equally understood by both sides of the sponsorship relationship or when the sponsor pays the rights fee believing that it includes activation costs. In fact, a lack of sponsorship activation can become one of the reasons for the breakdown in partner relationships and for the discontinuation of sponsorships. As Jensen and Cornwell explain, sponsors with high levels of brand equity and adequate resources to dedicate to their activation are more likely to remain in longer-term partnerships. Being knowledgeable about activation and its importance in the sponsorship process is essential to building successful sponsor-sponsee relationships.

**Evaluation of sponsorship effectiveness and measurement techniques**

Demand for measurement of the effectiveness of a sponsor’s investment has increased, especially since the financial crisis of the late 2000s. More than ever, companies want to see that their sponsorship investment is money well spent. It is reasonable to assume that any efforts to evaluate the effectiveness of a particular sponsorship are directly linked to the goals set for that sponsorship. Indicators such as sponsor recall or recognition and media exposure, changes in consumer attitudes towards the sponsor, image enhancement and goodwill, as well as purchase intention, product trials, sales and new business generation, have traditionally been used as evidence of sponsorship success; however, certain issues in the measurement of sponsorship effectiveness persist. For example, Meenaghan and O’Sullivan suggested that media exposure and sponsor awareness are not effective measures because they do not show any effects on hard sales numbers. Furthermore, Meenaghan et al. (p. 457) highlighted the lack of measurement by companies, finding that ‘only 35% always or almost always measure’ the performance of their sponsorships. The authors strongly argued in favour of companies ‘taking a more holistic approach’ to evaluate their sponsorships that would take into consideration the perspective of multiple stakeholders and the increased use of social media. Empirical research focused on sport sponsorship offers guidance in terms of the influence of various factors on
sponsoring outcomes. Select findings on four of those variables (i.e. sponsor–sponsee fit, fan identification–attachment, sponsor exposure and sponsor–customer engagement) are presented next.

**Sponsor–sponsee fit.** Existing sport marketing literature offers extensive support for the significant role of sponsor–sponsee fit in predicting sport sponsorship effectiveness. In this context, fit has been defined as ‘perceived similarity, relevance, or compatibility, between sponsor and sponsored property in attributes, products, markets, missions, brand concepts, or any other key associations’ (p. 411). The greater the fit between a sponsor and a property, as assessed by consumers, the more favourable is the consumers’ attitude and behaviour towards the sponsor. Cousens, Babiak and Bradish, in fact, argued that fit between the sponsor and a sport franchise is the most important element of the sponsorship relationship. In their study, Aiken et al. examined the values of collegiate sport fans and how those related to their opinions of sponsors. Their research showed that ‘old school’ values (described as placing little emphasis on material gains, giving priority to the process of the sport and having concern for social responsibilities) are prevalent among sport fans and that fans with those values are more likely to support sponsors with similar ‘old school’ values. The authors urged teams to look for sponsors that match up with those values.

**Fan identification–attachment.** Another variable with the potential to positively influence sponsorship performance directly or indirectly is the attachment that consumers, including those dedicated nonlocal fans who live outside the property’s market, exhibit towards a sport property. Reams, Eddy and Cork examined sponsorship in Ultimate Fighting Championship (UFC) and found that fans attached to UFC had positive opinions of UFC sponsors, while fans attached to specific fighters had positive opinions of those athletes’ sponsors; however, fans attached to individual fighters did not have significant positive opinions of UFC sponsors, which led the authors to recommend that management advertise the connections between individual fighters and UFC in order to make UFC sponsorships more effective. Further support for the role of fan attachment was offered by Koronios and his colleagues through their study of Greek professional soccer clubs. They showed that high levels of fan attachment correlated with a better image for sponsors, which led to stronger intentions of fans to purchase the sponsors’ products, irrespective of sponsor–sponsee fit. Finally, it should be noted that there is some evidence suggesting that as fans with positive views of a sport property view sponsors favourably, fans who hold negative views of the property view sponsors negatively.

**Sponsor exposure.** The effectiveness of a sponsorship has also been connected to the levels of exposure given to a sponsor. More specifically, Wakefield, Becker-Olsen and Cornwell connected prominence, defined as ‘inferring that major brands in the marketplace are more likely to be sponsors’ (p. 63), and relatedness, defined as ‘how well two organizations or events fit together’ (p. 62), with increased recall accuracy for sponsors. Those findings were confirmed by Park and Choi, who concluded that the placement and size of signs in Tropicana Field, Florida, were the most significant predictors of sponsor brand recall. The perceived fit between sponsors and the baseball experience was
a less significant factor, in that case. In a more recent study, conducted on Korean baseball clubs, Sung et al. determined that longer media exposure for sponsors as a result of a club’s postseason success had a positive effect on the stock prices of those sponsors.96

Sponsor–customer engagement. As stated earlier in the paper, direct engagement with sport consumers has become a big priority for sponsors. Earlier research efforts have stressed that greater engagement between sponsors and consumers, especially through the use of sales promotions like contests and sweepstakes, could result in desirable outcomes for the sponsor.97–100 For example, McCarville et al. found that specific messages from sponsors affected consumer views and that product sampling led to more positive consumer views of the sponsor.101 More recently, Tsordia, Papadimitriou and Parganas shared evidence of a significant and positive link between brand engagement and positive sponsorship outcomes, specifically intentions to use and recommend the sponsor’s products.102 Finally, Cornwell stated that ‘sponsorship provides rich context for spontaneously arising engagement’ (p. 53), but argued in favour of a new approach to sponsorship.103 She proposed a framework for ‘authentic engagement’ (p. 54) that takes into consideration the characteristics of both sponsors and sponsees and aims to produce a host of cognitive, affective and behavioural outcomes by establishing authentic links between the two partners.104

METHODOLOGY
This study employed a qualitative research methods approach. Specifically, eight in-depth personal interviews were conducted to explore current developments and practices in sport sponsorship using a semi-structured interview approach. Questions were designed prior to the interviews, but interviewees were prompted to elaborate on certain areas through the use of follow-up questions.105,106 Semi-structured interviews were chosen for the collection of data because they offer more flexibility as well as the opportunity to pursue topics of interest without being restricted by a more structured list of questions.107 Personal contacts and snowballing sampling were used to identify the eight interviewees, all of whom were sponsorship executives. Five worked for professional teams in North American sport leagues, one represented a corporate sponsor and two came from third-party agencies. Representatives from all three types of organisations were included in the sample purposely, in order to gather and compare insights from different sides of the sponsorship process. The profile of each interviewee is presented in Table 1.

All interviews were conducted during March–April 2019 using the BlueJeans Video Conferencing software. Although face-to-face interviews would have been preferred, travel to the home locations of the study participants was not feasible at that time. Furthermore, video or phone interviews do provide some benefits, such as making the interviewee feel more comfortable.108 Each interview lasted between 30 and 45 minutes. The interview guide included questions that were designed to explore four main areas of research interest: (a) goals of sponsors who partner with the sport property, (b) activation strategies and investment, (c) strategies in the measurement of ROI for corporate partners and (d) best practices in sport sponsorship. Follow-up questions, which are well-suited for semi-structured interviews, were used to probe in the areas of interest that emerged during the interviews.109 All interviews were transcribed verbatim, and
data was content analysed inductively, using as guides the goals of this research and existing sponsorship literature. The anonymity of interviewees was preserved by assigning pseudonyms to them.

RESULTS

Goals of corporate partners

When asked about the goals of corporate partners, the most frequent response received was that it depends on the sponsors and their specific business goals and strategy. Almost every sponsorship executive agreed that the goals of corporate partners could be different and that it is important to establish what those goals are upfront. One team representative stated the following:

The good organizations and the ones that do it well are the organizations that identify that no two sponsors are alike in their totality and it’s important in early conversations to establish metrics and objectives and KPIs that best reflect what is needed for that partner and that partner alone (Samuel, personal communication, 1 March 2019).

Although the specific goals seemed to vary from sponsor to sponsor, most interviewees agreed that brand awareness (especially among the target consumers), sales and revenue maximisation, lead generation and image shaping were relevant across the board. Other goals mentioned by at least one interviewee were using the sponsorship to recruit and retain employees and as a tool for outreach to government entities.

For brand awareness, executives emphasised that corporate partners were trying to increase awareness among team fans because they believed some of those fans were in the partners’ target market. Partners were looking to connect with fans in and out of the sport venue and to attract them to their brand. Furthermore, a sponsorship could prove valuable in strengthening the presence of a brand in a particular market or within a specific group of consumers. This was suggested by an executive of a third-party agency, who said the following:

Table 1: Profile of interviewees.

<table>
<thead>
<tr>
<th>Position title</th>
<th>Organisation (league)</th>
<th>Pseudonym</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Director, Corporate Partnership Analytics</td>
<td>Professional sport team (NBA, NHL, WNBA and minor league properties)</td>
<td>Samuel</td>
</tr>
<tr>
<td>#2 Director of Sales, Corporate Partnerships</td>
<td>Professional sport team (NFL)</td>
<td>Andrew</td>
</tr>
<tr>
<td>#3 Senior Director, Corporate Partnerships</td>
<td>Professional sport team (MLS)</td>
<td>Luis</td>
</tr>
<tr>
<td>#4 Manager, Corporate Partnerships</td>
<td>Professional sport team (MLB)</td>
<td>Zane</td>
</tr>
<tr>
<td>#5 Coordinator, Marketing Partnerships</td>
<td>Professional sport team (NHL)</td>
<td>Bradley</td>
</tr>
<tr>
<td>#6 Director, Sponsorship Marketing</td>
<td>Corporate partner</td>
<td>Russell</td>
</tr>
<tr>
<td>#7 Vice President</td>
<td>Third-party agency</td>
<td>Robert</td>
</tr>
<tr>
<td>#8 Associate Manager, Growth &amp; Development</td>
<td>Third-party agency</td>
<td>Rebecca</td>
</tr>
</tbody>
</table>
Some brands are looking to invest in sport sponsorships to really grow in an area where they haven’t been . . . where maybe a brand hasn’t been investing in soccer, so they do an MLS team sponsorship in a good market or an MLS league sponsorship because there’s certain demographics attached to it that they really haven’t gone after (Robert, personal communication, 10 April 2019).

Driving sales is almost always considered in some aspect of a sponsorship, and was offered as a response in most of the interviews. When asked about common goals among corporate partners, a team representative replied with, ‘Driving sales: it’s tough to track ROI and tough to prove. But a lot of partners obviously want to spend their marketing dollars to affect the bottom line and drive sales’ (Zane, personal communication, 25 March 2019). That sentiment was echoed by a third-party agency executive: ‘Ultimately, the bottom line business impact, which is sales and revenue maximization. That’s almost always important at some level’ (Rebecca, personal communication, 10 April 2019). Using promotional codes and special offers, attaching team logos to a product and using in-stadium concessions were all mentioned as strategies sponsors use to try to drive sales through their partnerships.

Lead generation is closely associated with driving sales. The difference is that leads will hopefully result in sales later on, while other sales strategies have a more immediate impact on the partner’s bottom line. A sponsorship executive with a team described this approach as ‘Data capture. There’s certain companies that are just interested in generating and getting email addresses, phone numbers, and that kind of thing and marketing to them in the future. So it’s building their database’ (Zane, personal communication, 25 March 2019). In some cases, a sponsorship deal gives the partner full access to a team’s customer database right away, while in others, the partner is responsible for acquiring fan information through sweepstakes and special offers.

Finally, image shaping was a goal across the board for sponsors, as captured in the words of a third-party agency representative:

A lot of [partners] are looking to change the perception of who they are in the marketplace amongst consumers. And that leads to the goal of wanting to move themselves through the consumer funnel, which takes a consumer from awareness to advocacy (Rebecca, personal communication, 10 April 2019).

Sponsors are looking to shape their brand image by attaching themselves with teams and leagues that they view as having a positive image with their target market. By establishing a strong association with these sport properties, the sponsors are hoping that fans will view them more positively and will be motivated to buy their product or use their service.

**Activation strategies and investment**

Questions regarding sponsorship activation yielded information about the level of responsibility of each party, the main sponsorship activation strategies implemented and the funds invested in activation activities.

**Responsibility for activation.** The degree of involvement in activation of the team versus the sponsor versus a third-party agency seems to vary on a case-by-case basis; however, interviewees
emphasised that it takes a collaboration of everyone involved in order to successfully activate a sponsorship. Most of the team executives mentioned having an activation or a client services team that handles the majority of activation responsibilities. When it comes to on-site activation, although, that tends to be carried out by the sponsor, as indicated by the following statements from team sponsorship executives: ‘We facilitate many assets, but some things, such as on-site activation, is on the partner’ (Luis, personal communication, 20 March 2019), and ‘You know we activate our [team] advertising but for the most part the sponsors are doing the activation on site’ (Andrew, personal communication, 5 March 2019).

Sponsors (corporate partners) seem to rely on the team to a certain degree, but the preference is for both sides to work together to plan out the activation. An executive who works for a sponsor stated the following:

I think there’s a lot we do on our end. But we also rely on the partners to do X, Y, and Z as well. I wouldn’t say it’s one or the other. We work pretty closely together and work on a plan (Russell, personal communication, 27 March 2019).

From the third-party agency perspective, activation is all a matter of what resources the corporate partner has and what resources they need. If the third-party agency is needed to help with activation, they are able to do it, as expressed by one of their representatives:

From an agency and from a brand standpoint, it strictly comes down to bandwidth and whether you have the resources to do it, or if you need to hire an agency as a part of your scope to help you do that (Robert, personal communication, 10 April 2019).

**Activation strategies.** Similar to the findings about goals of corporate partners, the activation tools used to achieve those goals vary from sponsor to sponsor. Study participants reported that traditional tools, such as in-venue signage, public address announcements, commercials, concession stands, websites and emails, are still commonly used for sponsorship activation; however, there is an increasing emphasis on the use of social media channels to not only reach fans but also influence them to directly engage with the sponsor’s brand. As one team executive said, ‘Social media has become increasingly the largest bucket in terms of revenue growth and growth potential’ (Andrew, personal communication, 5 March 2019). That sentiment was echoed by a representative of a third-party agency, who added, ‘I think the growing emphasis within sports sponsorships is on digital and social channels, digital content creation, creating unique engagements with the fan bases’ (Robert, personal communication, 10 April 2019).

Of particular interest were views expressed by team representatives about the desire of sponsors to stand out and to have access to exclusive inventory, including unique experiences. A team sponsorship executive stated the following:

People want ownership of something. [Sponsor] has named the stadium [sponsor] Field. That is an asset that they own. [Sponsor] has their MVP club. . . . [Sponsor] has [sponsor] smooth move of the match’. After each match, there is a poll on Twitter. That is content our fans want to see and we are linking it with a partner. The partner has something that they effectively own. With signage, you’re one of 30 people with a sign.
Moments of exclusivity are what companies want. Not put into ‘logo soup’ (Luis, personal communication, 20 March 2019).

This statement is aligned with a broader theme that emerged in the study: although traditional assets, like signage and exposure on television, are still important, sponsors are looking for more opportunities to stand out and to engage with their target consumers in more meaningful and direct ways. Granting sponsors access to unique experiences (e.g., going on the field, receiving autographed items) and activating agreements on digital media platforms are two examples of recent trends in sponsorship activation. As a team executive said, ‘[Sponsors want to] kind of feel like a VIP’ (Zane, personal communication, 25 March 2019).

**Investment in activation.** Although the reported budgets that sponsors invested in activating their sponsorship varied, the overall opinion from the teams was that sponsors do not dedicate enough additional funding for activation. The literature on sport sponsorship suggests that additional funds that would equal anywhere from 5 to 50 per cent of the cost of the sponsorship should be spent on activation. While team executives are familiar with these recommendations, that level of additional spending is not common for the sponsors they work with. As one team representative said, ‘I can tell you for sure most partners are not spending 50% on activation. Something like 5–10% is more realistic’ (Zane, personal communication, 25 March 2019).

When asked about how much sponsors set aside for activation, another team executive replied, ‘Not enough. They usually don’t share this information, but I would guess for most partners it’s less than 5% of their overall spend’ (Luis, personal communication, 20 March 2019); however, a number of executives explained that sponsors tend to come up with additional funding if they like the ideas presented to them. Asked about sponsors’ investment in activation, a third-party agency executive answered, ‘It’s very dependent on the client as well as the property. I’ve found if you pitch the right idea, people will go and find money somewhere’ (Rebecca, personal communication, 10 April 2019). This suggests that much of the responsibility falls on the team to prove the value of their proposed activation techniques to the sponsor in order to convince them to spend additional funds.

From the corporate partner side, there was a similar feeling that there was a lack of additional funds, although there was a desire to increase spending on activation:

We haven’t necessarily in either case really identified a set goal of how much we want to activate. And so then you’re trying to find whatever other money you can to activate it, which is kind of reverse thinking. And honestly we should be devoting more budget to activation here. But given that we’re tied up with a good investment in the sponsorships themselves, slowly we’ve been trying to add a little bit more to help activate these things (Russell, personal communication, 27 March 2019).

Although it is difficult to generalise from only one perspective, it is noteworthy that a sponsor admitted to the lack of adequate funds for activation and also expressed a desire to devote more funds to that area. Interestingly, a team executive proposed one possible solution to this problem:

What we do is we actually build in something that we call ‘Activation Bank’. We can put like $10,000 in
a partnership of ‘activation money’, which then allows them [sponsors] to use those dollars to activate the partnership later on once they figure out exactly what they want to do (Zane, personal communication, 25 March 2019).

This was the only mention of this concept in the interviews conducted for this research; even so, it seems like a worthwhile idea for sponsors to set aside funds up front that can be used later, once they decide how they want to activate their sponsorship.

Measurement of sponsors’ ROI
One of the goals of this research was to examine how sport properties and sponsors go about measuring the effectiveness of their sponsorship agreements. Data gathered through the interviews revealed information in three related areas: the demand for ROI measurement from corporate partners, the measurement process and the specific measures used to assess sponsors’ ROI.

Demand for ROI measurement from corporate partners. Study participants representing teams were asked if and how frequently corporate partners request measurement of their ROI. Most agreed that those requests are increasing, as indicated in the following statement: ‘More and more. A lot of sponsors will’ (Bradley, personal communication, 29 March 2019). Another team executive described how the thought process of corporate partners has evolved: ‘More and more advertisers are getting wise to the fact that these assets are trackable and look to the teams to provide that information to them’ (Andrew, personal communication, 5 March 2019). Both those statements suggest that corporate partners are becoming more strategic in their sponsorship spending and are increasingly looking for proof that their investments are benefitting their company. There was, however, one sponsorship executive, representing a Major League Soccer team, who indicated that they were actually the ones encouraging their sponsors to evaluate their sponsorship.

With respect to third-party agencies, ROI measurement was a big component of the services offered by both companies interviewed for this research. One of those executives was asked how often their company was requested to measure ROI, to which the executive responded as follows:

Constantly. It’s coming from brands that we work with and properties and any experiences we are putting on, we’re asked to help measure that. It’s a huge goal almost across the board. So we’re asked to measure almost 99.5% of the time (Rebecca, personal communication, 10 April 2019).

For companies that do not have the resources or expertise to conduct their own measurement and/or do not want to rely solely on the reports of their team partners, it seems like a third-party agency can provide that service to them.

The measurement process. When asked who the ROI measurement task falls on, the majority of team executives indicated that it is primarily on those in the sponsorship department, with limited assistance from business analytics or intelligence departments: ‘For the most part it’s us. The business analytics will help on the forefront and help the sales team tell the story’ (Bradley, personal communication, 29 March 2019), and ‘We do have a business intelligence department; however, they are mostly focused on ticket
sales’ (Zane, personal communication, 25 March 2019). The focus on ticket sales was mentioned a few times through the interviews with team executives. It appears that ticket sales is where team business analytics departments mainly focus on and that teams that have had these departments longer are adding sponsorship-related duties to their work. There was a prediction that assistance from business analytics departments would (or at least should) increase in the future:

We are working on expanding that. We currently have one person here that does that through our digital media department. Long term I am predicting that that role will be growing to support the need for that analysis and basically on a weekly basis for deals that we are going through now (Andrew, personal communication, 5 March 2019).

Of the five teams interviewed, one seemed to be ahead of the rest in their ROI measurement. That team had a dedicated Partnership Analytics Department, something that was not mentioned by any other team in the sample. Their sponsorship executive stated the following:

The benefit of having the team that I do is we are able to focus on every part of the sales life cycle and a big part of it is understanding the value to partners. We identify those metrics and then we use those third-party services as well as our own internal services to measure against that (Samuel, personal communication, 1 March 2019).

Having this department dedicated to analysing partnerships and finding value that can be presented to their sponsors appears to be a huge advantage for this organisation, and is a practice likely to be replicated around the sport industry in the future.

When it comes to measuring ROI for their corporate partners, team sponsorship executives also rely on the services of a variety of companies specialising in one or another area of measurement. The most frequently used companies among the study participants were Nielsen Sports-Repucom and GumGum, which provided measurement for television-visible assets and for exposure on social media platforms, respectively. Other vendors mentioned by interviewees included Blinkfire Analytics, Crimson Hexagon, CrowdTangle, Hookit and Nielsen Sport24 for social media analytics and GlobalWebIndex, Mintel, Scarborough Research, SurveyGizmo and Zoomph for market research.

From the interviews with representatives of the two third-party agencies included in this study, it became clear that the level of expertise of those agencies in evaluating the effectiveness of sponsorship agreements is greater than that of many teams. Moreover, an executive working for a sponsor highlighted the ability of an agency to provide comparisons for their brand:

The partner that we have . . . they have great resources, but they also have great comparisons for us, too. They can give us comparisons of how a certain asset that we have in one of our deals is performing with some of their other clients with similar deals in scope (Russell, personal communication, 27 March 2019).

Although some sponsors may engage in their own market research, often they hire a third-party agency to assist them in measuring the effectiveness of their sponsorship:
Most clients do have their own research groups. Their research groups are doing a lot of just general market [research], kind of brand lift and measuring their marketing dollars, more for the general audience. A lot of the [sponsors] that have research groups don’t necessarily know sport sponsorships, know what you have the ability to track, know the resources that are out there. So they lean on us to be able to go work with the client account team and with their research team to pull this all together (Robert, personal communication, 10 April 2019).

A significant takeaway from these interviews is that the third-party agencies appear to be more advanced in their use of analytics and in their overall measurement of ROI.

**ROI measures.** Lastly, when asked about the specific measures used to assess whether a sponsorship was working, study participants mentioned a variety of metrics that they employed towards that end. The information received can be best summed through the words of a team representative:

For social media it’s impressions, engagements, media views, shares, likes, etc., whatever the partner really cares about. For others it’s how many leads did we generate. For other ones it’s how many press pickups did we get with our press release and how many media impressions do we generate through that. For TV visible signage it’s simple ROI there. For concession partners it’s how much product did you sell vs. your spend, and for in-market promotions it’s how much of a difference did it make to have the [team] logo attached to your product (Bradley, personal communication, 29 March 2019).

As this statement clearly shows, the types of metrics used to measure ROI are highly dependent on the goals of the sponsors and the activation tactics chosen in each case. This relationship of goals–activation–evaluation offers a broader view of sponsorship and highlights the need for a more strategic and thoughtful approach early in the sponsorship relationship.

The process that a third-party agency goes through to measure ROI on behalf of its clients is similar to that of a team or a sponsor, but appears to be more advanced. One third-party agency executive explained as follows:

So we take all of the information from these platforms, pull what we need, and then populate it into a spreadsheet. And in that spreadsheet we weight things differently. So an impression has less weight than an engagement. And basically we use that type of analysis to determine the impact (Rebecca, personal communication, 10 April 2019).

This same executive later added that the difference in weights is dependent upon the goals of the sponsors; therefore, a social media engagement indicating brand awareness might be weighted less than a sale generated from a promotional code, if sales are more important to the sponsor. This process speaks to an added level of expertise coming from third-party agencies, as well as the need to properly define sponsorship goals and objectives at the onset of a partnership.

**Best practices in sport sponsorship**

To address the secondary goal of this research, all interviewees were asked to reflect on sponsorship relationships that had been successful and others that had failed.
Analysis of those responses resulted in the identification of seven best practices in sport sponsorship. Each practice, with corresponding excerpts from the interviews, is presented in Table 2.

### DISCUSSION AND IMPLICATIONS

This study set out to explore current trends in sport sponsorship, focusing on the areas of goals, activation and measurement of sponsorship effectiveness. In the process of this investigation, a number of best practices in sport sponsorship, as seen from the perspective of North American sport sponsorship executives, were also uncovered. There are four main conclusions from this research: (a) sponsors are unique in their goals and investment and require an agreement customised to their business scope, size and strategy; (b) the incorporation in sponsorship activation of social media platforms is ever present and facilitates sponsors’ direct engagement with their target audiences; (c) demand from sponsors for measurement of their ROI is increasing, putting more pressure on sport properties to activate and evaluate...
their agreements and (d) the role of third-party agencies in all phases of sport sponsorship. This is becoming more prevalent due mainly to their resources and expertise. These findings can inform sport marketing professionals pursuing co-branding opportunities with corporations from various industries, which, in turn, can use their sponsorship investments as means to solidify their brand positioning and gain an advantage over their competition.

The symbolic nature of sport consumption and the emotion-filled relationship between sport brands and their followers align well with the more contemporary view of brands as carriers of meaning that can be co-created by various stakeholders, including the properties they sponsor. Existing sport sponsorship literature offers a comprehensive list of goals sought to be fulfilled by companies investing in sport sponsorship. This research found that there is no one common set of goals that works for all sponsors and that each sponsor has their own plan in terms of what they want to achieve through their investment. Sponsors’ goals depend on the nature of their business and their current reach, among other things, so teams should be willing to customise sponsorship agreements on the basis of client needs. Regardless of specific goals, although, companies in co-branding agreements with sport properties have an opportunity to strengthen relationships with existing and prospective consumers through the use of experiential marketing and other brand-building strategies. According to Keller and Swaminathan (2020, p. 95), brands wishing to achieve high levels of resonance with their consumers ‘should have a duality’ by which they appeal to ‘both the head and the heart’ of their consumers, satisfying consumers’ functional and psychological needs, respectively. Sport experiences and sport possessions are rich in symbolic representations of consumers’ self-identity and their relationships with others, and can become a platform through which brands not only share information about their tangible features and benefits but also reinforce their more symbolic and emotional dimensions.

Many of the team executives in the sample emphasised that the goals of the sponsor need to be established up front so that a specific plan can be developed that can achieve those goals. This finding is consistent with Cousens et al.’s recommendation that each party should be aware of the expectations of its partner so that there are no misunderstandings during the course of the relationship. In fact, that openness in communication in all phases of the sponsorship agreement emerged as a best practice. From a practical standpoint, team sponsorship executives should be open minded when establishing a relationship with a client instead of trying to fit them into their available inventory. Creating new inventory may be necessary to truly customise their sponsorship agreements and to ensure those agreements align with their sponsors’ goals. In addition, sponsorship executives should continue to expand their inventory beyond their physical space, which is limited and also contingent upon in-venue action. By doing so, they can make this newly created digital space a place for their sponsors to communicate and engage with their target consumers.

Findings regarding the activation of sponsorship agreements confirm prior research that has highlighted the use of advertising via traditional and new media platforms, sales promotions and public relations in sponsorship activation. The widespread use of social media channels has given consumers unprecedented access to information not only from the actual brands but also, and perhaps more
importantly, from each other, and has allowed them to become co-creators of brand meaning.\textsuperscript{123,124} Creating opportunities for consumers to experience the sponsors’ products or services directly, either in person or virtually, and incentivising them to engage in online conversations with others about those experiences could prove most beneficial for sponsoring brands in this new digital environment. Not surprisingly, most of those interviewed mentioned that the activation techniques used in each case are dependent on the goals of the sponsor. For instance, if the goal is raising brand awareness, in-venue signage and a social media presence may help to expose the sponsor’s brand to fans. Likewise, if the goal is increasing sales, offering a promotional code to fans that can be redeemed for sponsor products or even selling the sponsor’s products directly at the team venue may help achieve that goal. These findings suggest that sponsorship executives should be flexible and creative and should tailor each part of the activation plan to the specific sponsors and their goals.

Two additional points are worth highlighting. First, this research joins a growing list of studies that have discussed the increasing use of digital media platforms for sponsorship activation, especially when direct sponsor–consumer engagement is a priority.\textsuperscript{125–127} In today’s world of heavy social media use, especially on mobile devices, digital apps like Facebook, Twitter, Instagram and YouTube could be the most effective and economical way for sponsors to reach sport consumers, those in local team markets and abroad. This becomes even more crucial for younger fans — Millennials and Gen Zers who are digital natives and have always used social media for their information, communication and entertainment. The COVID-19 pandemic has accelerated the move of sponsorship activations on digital platforms, especially given the disruptions in play and limits on live attendance. It is reasonable to expect that those innovations in all areas of sponsorship, including content creation and activation, will continue in the post-pandemic era.

A second point emphasised in this study is sponsors’ desire to stand out and to have access to exclusive inventory and special experiences. Gaining a competitive advantage, even blocking the competition, has always been seen as a benefit of sponsorship.\textsuperscript{128,129} What the present study uncovered is the importance placed by sponsors on activations that distinguish them from other companies. Attributes or benefits that can generate among consumers unique associations about a brand can increase the chances of brand success.\textsuperscript{130} Moreover, the mere nature of co-branding, especially if it involves a high-equity sport brand that aligns well with its partner in terms of values, could offer sponsors new points of difference on the basis of which they can create a distinct brand positioning and strengthen their own equity.\textsuperscript{131–133} Increased clutter and category competition are factors that compromise sponsorship success and sponsors’ willingness to continue their investment.\textsuperscript{134,135} It is, therefore, recommended that any activation plan should include efforts to create and share sponsor-specific content via traditional and new media and provide opportunities for the sponsor to directly interact with its target consumers in an authentic, enjoyable and memorable way. Focusing marketing communications campaigns on the value of the association between partnering brands as well as the identity of the co-brand is an antecedent of successful sponsorship relationships.\textsuperscript{136}

Consistent with existing literature, this research also unveiled that demand for ROI measurement continues to increase
as corporate sponsors get more strategic about their marketing efforts.137 Almost every team executive said that, more and more, they were asked to provide ROI measurements. Some teams were proactive in offering ROI measurements, while others were doing it by request. A good practice would be to be aware of the key performance indicators that are important to each partner and be prepared to share measures of those indicators at any time during the agreement and not simply at the year-end review. In fact, many partners are requesting more frequent updates on how their sponsorship is doing, so teams need to be prepared to address those requests for information. The overarching feeling from this research is that there is room to grow in the area of ROI measurement.

Finally, this study highlighted the prevalent role of third-party agencies, particularly in the ROI measurement area of sponsorship, as those agencies seem to have the needed expertise and resources for that process. The data showed that agencies have more employees dedicated to ROI measurement than the average team does and use more metrics. They have also been doing it longer. Most teams will use one or two services, such as Nielsen Sports-Repucom and GumGum, to measure key performance indicators. This gives them only one or two metrics (usually television value and/or social media value) to report back to their corporate partners. The agencies use at least five or six services, depending on what the goals of their clients are. This is better aligned with the ‘holistic approach’ (p. 457) to ROI measurement that has been recommended in the literature.138 By using multiple services to measure the many aspects of a sponsorship and by combining those measures, third-party agencies are able to give sponsors a well-rounded view of how their sponsorship is performing. This is information that the sponsors can use to negotiate a price that fits the ROI they are seeing. On the basis of these findings, it is suggested that teams should look to upgrade in this area. One way to do that is by expanding the scope and size of their business intelligence and business analytics departments. Hiring employees dedicated to sponsorship and incorporating more services and more measures in teams’ efforts to assess the effectiveness of their partnerships are recommended.

STUDY LIMITATIONS AND FUTURE RESEARCH

In examining the areas in which this research was limited and where future research could be directed, the sample size is one area for improvement. According to Alsaawi (p. 152), ‘[N]o particular number of participants should be interviewed’, and saturation, described as receiving the same information already shared by other interviewees, should inform the final number of study participants.139 Even so, it remains risky to draw general conclusions about the whole sport industry on the basis of the relatively small sample size. Conducting additional interviews with professional sport sponsorship executives and even examining sponsorship at the collegiate level and in the sport event and facility domains would provide a more complete picture of contemporary sponsorship-related practices. In addition to the size of the sample, the geographic representation of teams was limited to the northeastern part of the country. While this does not necessarily mean that teams from other regions follow different sponsorship strategies, it would be helpful to have in the sample, representation from a wider geographical area. Examining sponsorship practices in other parts of the world, especially in countries...
where sponsorship is not as sophisticated a strategy as in North America, would also be a worthwhile research endeavour.

In closing, it would be helpful to seek a more complete perspective from the side of corporate partners. Only one sponsor was interviewed for this project. Although data collected from that interview was consistent with that of team executives, interviewing additional corporate partners would enhance the value of this research. When doing so, it would be advisable to include in the study sponsors of varying sizes and resources (ie, sponsorship budgets), so as to explore if and how a company’s size and budget affect its decisions with respect to sponsorship activation, ROI measurement and the use of third-party agencies.

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