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**RELATIONSHIP MANAGEMENT
IN EFFECTIVE SPORTS SPONSORSHIP**

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INTRODUCTION

Relationship management has become an important part of business operations on the sports market. Organisations involved in the world of sport – mainly sports clubs themselves, though also enterprises engaging in sports, for example, through sponsoring – should cooperate with each other on partnership rules. This is the only approach to the subject of sponsoring that can guarantee that it is effective and that each of the entities involved is satisfied.

The article is about the principles behind the creation of relations between a team or individual being sponsored and the company sponsoring them. The aim of the article is to present the principles and conditions of cooperation that should be respected by both partners to make it effective and long-lasting. The text was written based on an analysis of the literature and my own long-term, methodical observation of the relations (or lack thereof) between Polish sports organisations established in the process of searching for and maintaining contact with their sponsors.

**THE ROLE OF PARTNERSHIP RELATIONS IN THE MANAGEMENT
OF A SPORTS ORGANISATION**

In promoting physical education, and dealing with the dynamic changes occurring around them, sports organisations interact with various stakeholders both socially and economically. This is due to the dynamic changes happening in their closest environment and, as a result, to the expectations of cooperating entities, especially those in the business-to-business market.

The modern sports market is characterised by a bigger than ever number of connections between its participants, distance and time differences fading ever more into the



background, the blurring of influence and mutual penetration areas. A consequence of this is the growing importance of partner relations and bonds developed between sports organisations and entities that might be, either directly or indirectly, interested in cooperation [Eiriz, Wilson 2006].

The relationships that should be built by every organisation can be divided into internal and external ones. Internal relationships are formed within the existing structures, among the employees of an organisation. They play a key role in building and strengthening the external relationships.

External relations concern the organisation's communication with entities including suppliers, co-operators, sponsors, local governments, public institutions, and media, to name a few. Given the large number and frequent interaction with these entities, eventually a network of relatively durable connections emerges. As a result of their qualifications and expectations, the cooperating entities engage more in the sports market. Relations with these entities can be called relative connections as, in order to be successful, they require common goals to be set and followed throughout seasonal or regular cooperation [Ford, Hakansson 2006]. A relations network shaped in such a way is the foundation upon which a culture of collaboration develops between an organisation and its stakeholders. This culture currently plays a leading role in the process of strategic management.

On the sports market the partnership relationships may have a market (business), social (socialisation) or cultural character, depending on the type of stakeholders involved and their expectations from the network relations [Mierzwiński 2014]. It is beyond discussion that it is necessary to build business relations on this market, as every organisation – sports ones included – is an open system which must react to impulses from the environment and actively exchange information, services and values, while constantly being both affected by and shaping the environment [Grönroos 2011]. A sports organisation's relationships with its sponsors are undoubtedly among the most important it maintains [Beech, Chadwick 2004].

Establishing partnership contacts with sponsors is a long process, but the mutual cooperation may be beneficial to both partners. For the beneficiary (the party being sponsored), the benefits include financial safety, simplifications within investment planning and the creation of strategy, prestige and also the possibility of concentrating on sports matters. The sponsor creates its image with the use of features that usually characterise the sport it is sponsoring. Moreover, the sponsor can be labelled a socially responsible company, is seen by a wide range of consumers and has a chance to increase its profits.

CONDITIONS OF THE DEVELOPMENT OF SPORTS SPONSORSHIP

The definition of sponsorship as the financial, service and material support of an individual or team in exchange for popularising a company's brand is an outdated one [Datko 2012]. Expecting the popularity and prestige achieved by the athlete or club to automatically transfer to the company that supports them is a narrow-minded way of understanding sponsorship and may lead to various disappointments [Ciciliano et al. 2007].

While that may in some cases happen, the transfer of the club's or individual athlete's good image onto the sponsor does not necessarily happen when the former wins. Simi-



larly, the sponsor of a losing team does not need to worry that its record will negatively influence the public's opinion of it. Sports sponsorship today entails creating a partnership between a sponsor and an athlete or team, which may create mutual benefits thanks to both sides' involvement [Lewandowska 2015]. While the first examples of sports sponsorship can be traced back to the end of the 19th century, the phenomenon began rapidly developing in the early the 1970s, and continues to gain traction today. Lagae [2005] cites the following reasons for the increase:

- the ever greater professionalism of sport and sports organisations;
- the globalisation of sport, more and more international sports events;
- the “social acceptance” of sports commercialisation;
- the development of the media;
- the growing number of TV broadcasts of sports events;
- the decreasing effectiveness of advertisements;
- the limitations on some product advertising (cigarettes, alcohol).

Partnerships in every industry, not only in sponsorship, are built slowly over time and rely on trust, open cooperation and mutual involvement in which both sides consider their own and each other's interests [Hardy et al. 2000]. Basic theoretical conditions directly influence the practical image of sports sponsoring. The influence of knowledge about the subject, increasing at the beginning of the 21st century, is clearly seen in various forms of sponsorship cooperation (e.g. one's own, strategic, titular, co-sponsoring, naming rights) [Klimczyk 2014].

Sponsors more and more frequently want to (or at least should want to) get involved in the strategic directions of the individual's or club's development. On the other hand, the beneficiary, taking into consideration the interests of the sponsor, should generally manage his or her own activities in a way that leads to the realisation of the sponsors' aims and the achievement of mutual, long-term benefits [Irwin et al. 2002].

THE PROCESS OF BUILDING A SPONSORSHIP RELATIONSHIP

There are four main groups affected by sponsorship relationships on the sports market: sport clubs or individual athletes, sponsors, media and spectators (Fig. 1). The aim of the sports clubs is to skilfully create relations with each of the other groups. None should be favoured as they are all correlated. From the sponsors' business and the media's point of view, the most important group is the consumers – spectators (fans and supporters), who can be divided into two subcategories of fans: those who come out for game or match, and those who watch indirectly on TV.

High quality organised sporting events attract more fans, so the media are more interested in buying the broadcasting rights for these events. The large number of spectators at the venue, multiplied further by those following the TV broadcast, enables TV stations to find purchasers of commercial slots, and sports clubs to gain new sponsors. Only the professional management of partnership relations between the sports club, the sponsors and the media allows all the parties involved to benefit. When the media gets involved in a sport it fulfils its own mission of making the public familiar with information on social events. Moreover – and this should not be forgotten – they increase their own income



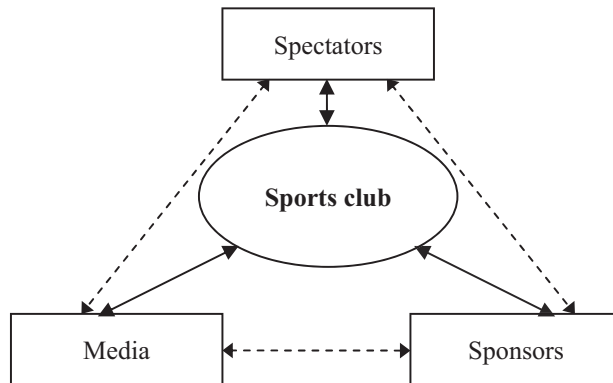


FIG. 1. The relations between the subjects involved in sports sponsoring
 Source: the author's own elaboration.

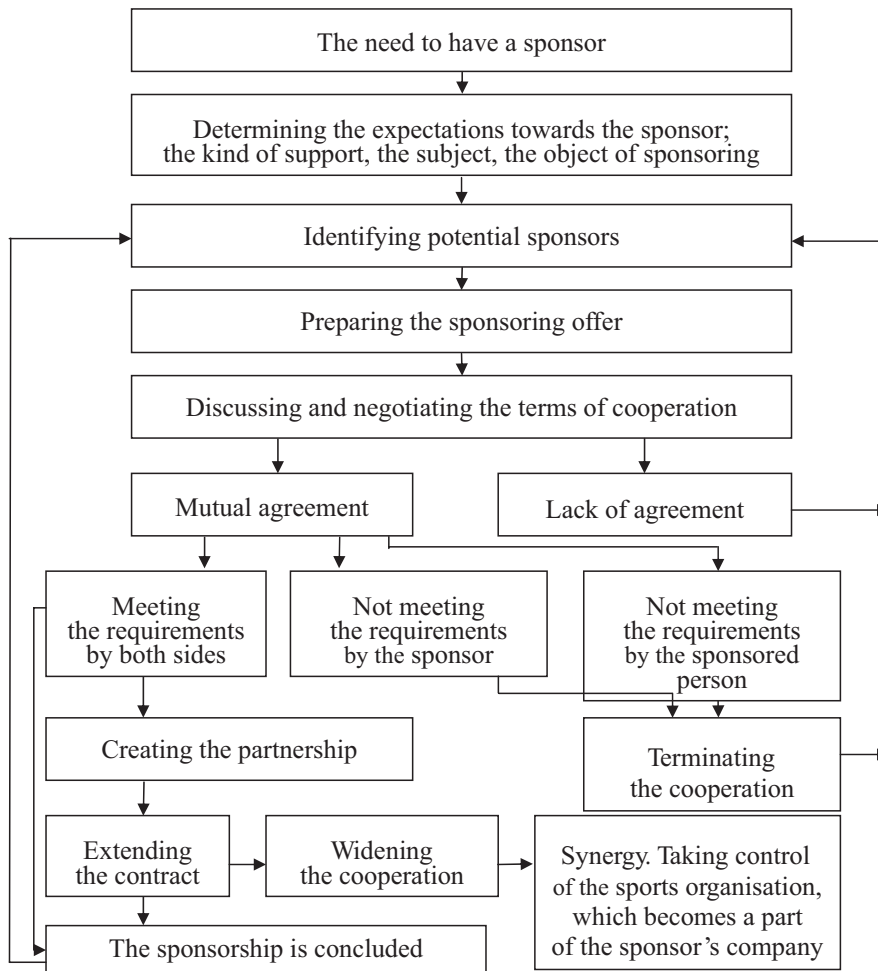


FIG. 2. Managing relations between the sport club and the sponsor
 Source: the author.



(profit) from the commercials shown before, during and after the TV broadcast. Sponsors use the sports events and the TV broadcasts to quickly and efficiently create their image, which is supposed to influence sales of their products. The most important benefit for spectators is that they are given the opportunity to indirectly take part in the event thanks to the media and the attendant high quality used to present it, which is possible thanks to the greater financial resources of the sports club, which come from both the sponsors and the media.

For an organisation and its sponsors to forge a successful relationship, and subsequently develop a partnership, a procedural approach is required (Fig. 2). If one side fails to accomplish its goals, the cooperation may be terminated prematurely. However, sponsorships are not everlasting: Even if the sponsor accomplishes its goals it might not want to prolong the sponsorship contract [de Amorim, de Almeida 2015]. Among the reasons a sports organisation might want to forge simultaneous relationships with various partners could be the time limit of each sponsorship contract, as well as its considerable financial demands. This is why a relationship network is built – so the sponsors can be classified according to their input and have their place in the sponsorship pyramid every sports club builds [Kaser, Oelkers 2005].

If the sponsor-sports organisation relationship is to be successful, there must be an open information policy: each side's expectations must be clearly communicated, active participation in the club's activities and the club must help the sponsor meet its goals. Countless examples of prematurely terminated relationships show that a failure to do these things results in contracts being terminated or not renewed, which is a loss for both the sides.

SPONSORSHIP IN THE MARKETING COMMUNICATION STRATEGY OF THE SPONSOR

Sponsoring is a difficult marketing tool to master – it requires strong expertise about how it works and the ability to intelligently incorporate it into the company's marketing communication strategy [Westerbeek, Smith 2003]. Basing their marketing communication strategy on the relationships with sports organisations, sponsors decide on their particular aims, which may be divided into four categories [Pope, Turco 2001]:

- corporate aims, e.g. improving the company's image resulting from associating a good event and success in a sport with sponsors' social involvement;
- sales aims, e.g. increasing sales, brand positioning in a new market;
- communication aims, e.g. the creation of a brand's image, emphasising its presence on the market;
- personal aims – satisfying a manager's aspiration to become a sports patron or just because of his or her own interest in a given sport; the desire to help sportsmen.

Like promotion, fairs or loyalty programs, sport sponsorship is a marketing tool which, if it is to be effective and influence the market, must be a part of a promotional campaign and one of many means used simultaneously [Pitts 2004]. The choice of sports as a medium through which to communicate is a strategic decision, the effects of which are noticed over a long time and are difficult to measure, a fact that can discourage



managers from getting involved. The decision to sponsor a team involves answering some key questions; that is to say, engaging in sponsorship planning [Stotlar 2001, Shank 2002]. Such planning consists of the following steps:

- a) defining the targets the company is going to achieve by communicating with the market through sports;
- b) establishing a budget, which directly affects future decisions;
- c) choosing the sport – it may be professional, amateur, popular recreational, teenage or one for disabled people;
- d) deciding on the reach of sponsorship, which is connected to the area of the team's or individual's sports activity – it can be regional (if the beneficiary is a third-league club), national (first-league clubs) or international (clubs, players taking part in international sporting events);
- e) deciding whom to sponsor – the company may sponsor a sports club, a national representation, a player at a sports event or a league;
- f) choosing the type of sport depends on the company's target market, the aims to be achieved, the associations involved in the sport, and the profile of the public that tends to be involved with the sport.

There are many factors that influence how efficacious using sports sponsorship can be for a company. They may be divided into external ones, which are those not controlled by the sponsor, and internal ones, or those resulting from the sponsor's decisions and activities.

The factors which cannot be controlled by the sponsor include:

- the popularity of the sport – some sports are a more effective means of communicating than others, which should only receive support in the form of a patronage;
- the sport's success – that is, continuously repeated sports success, not one spectacular achievement; inevitably, this is the most important factor supporting the success of sports sponsorship;
- the popularity – in the media and elsewhere – of the player, sports group or sports club;
- the media getting interested – the media influences the achievements of the sponsor's aims to a huge extent (therefore sports club should enter into partnerships with these subjects from its environment);
- a clear, original and positive image more deeply influences viewers, so such images are more often used to spread the sponsors' announcements;
- the accessibility of the sports events to the perception of the viewers – viewers prefer being fans and the media prefer broadcasting contests that can be watched from up-close e.g. football matches; on the other hand, little interest is taken in gliding flights or regatta races;
- the marketing activity of the sports club – only those clubs managed with a view to marketing and which organise events that fulfil viewers', sponsors' and the media's expectations should count on financial success.

The factors which can be controlled by the sponsor include:

- long-lasting cooperation – sponsoring may be useful as long as it is long-term and consistent; it is difficult to expect good results after financing the club for only one season of games;



- promoting the support of sponsoring, which means communicating about the fact of sponsoring – giving a particular amount for sponsorship is not enough to make it effective; it must be “supported” by other means of promotion; it is estimated that such activities should account for 50% of the entire value of the sponsorship contract;
- carefully choosing whom to sponsor – the choice should correspond to the sponsor’s expectations, the target group they want to communicate with and the values they wish to transfer;
- clearly defining the expectations the company has of the sponsored subject, to prevent conflict between the parties;
- The correct use of the rights and benefits coming from the sponsorship – the dislike of sponsoring sometimes results from management’s lack of knowledge about how to use these means; this pertains particularly to the ability to use the fact of sponsorship in other promotional and marketing activities;
- clearly stating the aims of the sponsorship, which should account for the sport and team or individual chosen and the kinds of their involvement.

Deciding when to stop the sponsorship is another strategic decision that will eventually have to be made. It is important not to do it too quickly, as the effects of doing so may not boost expenditures [McDonald, Milde 1999]. The following are reasons to bring sponsorship to a close [Lagae 2005]:

- the sponsor has achieved its aims;
- when sponsorship is long-term, the individual or team being sponsored may become unable to fulfil the objectives the company initially approached with;
- the strategy of the sponsor’s brand has changed, e.g. due to repositioning or a change of image;
- the subject of sponsoring stops being trusted or respected;
- the cooperation with the sponsored subject becomes more and more difficult, due to the lack of understanding or rising expectations;
- sponsoring became a hobby or is being continued as a tradition (“we have been sponsoring for a long time”) but it has no relation to the company’s current or future promotional activity;
- other subjects have approached the company, and may be able to more ably or quickly realise the company’s promotional strategy.

The presence of at least one of the conditions stated above leads to the end of the cooperation. It’s a difficult situation both for the sponsor and sponsored, so the sport or club/individual should be chosen only after thorough analysis of the company’s financial and image-related goals.

EFFECTIVE SPORTS SPONSORSHIP

It is said that sponsoring is effective for the company only when it achieves its aims. Assessing effectiveness can be difficult for two reasons: first, the aims are not stated directly, clearly and quantifiably by the sponsor. and second, the final result is influenced by many activities and factors coexisting at the same time [Hernandez 2002]. So it is difficult to define what portion of the company’s results was achieved thanks to the sponsorship and which to other means of promotion.



Shilbury et al. [1998] name four indicators used to measure the effectiveness of sports sponsorship:

- a) the presence of the sponsor's brand – the achievement of the lowest effectiveness level of sport sponsorship is stated in numbers and the amount of time the sponsor's brand is shown during a TV broadcast and/or the number and size of photos on which the sponsor's logo is visible in printed media; at issue here is viewers' and spectators' perception of brand; stadium-going fans see a sponsor's brand on billboards around the field an estimated four to seven times during a game;
- b) remembering the sponsor's brand as measured in days or weeks after the sports event – the subject of the research is spontaneous recall, as measured by spectators' ability to recall who the sponsor was, or, less directly, which of a group of presented brands belongs to the sponsor;
- c) associations with the sponsor's brand – the sponsor's goal is to make the receiver of its communication associate the brand with the sports event or to associate the positive image of the winners with the sponsor; whether this is actually happening can be determined by research conducted *ex ante* or *ex post* on a chosen group of fans of a particular type of sport or sporting event; the subject of the research is the power of associations based on a logical connection between company and event (when e.g. a producer of car tyres sponsors a Formula 1 race) or a loose connection (a producer of building materials sponsoring a cycling race);
- d) sales volume of products labelled with the sponsor's brand – The final aim of the sponsorship activities is to change the behaviour of the people the promotional announcements address; this is why the sponsor should conduct seasonal research, the results of which should enable them to estimate to what extent the sponsorship has influenced the rise in sales.

Each of these makes it possible to measure different results, so which indicator is used depends on the goal(s) the sponsor sets.

CONCLUSIONS

The effectiveness of sponsorship used as a marketing tool depends to some extent on how carefully the individual or team to be sponsored is chosen and matched to the company's marketing strategy, but mainly on the quality of the partnership between the sides. To realise the goals established for the sponsorship contract, all involved parties must actively participate. They should also first clearly define their expectations and capabilities, and also, to the extent possible, strive to fulfil the agreements. For the team or athlete, building a partnership with sponsors is a long process compounded by the fact that, on the sports market, it is necessary to build relationships with many partners simultaneously. This is why it is essential to implement systematic solutions that increase the probability of reaching long-term, mutual benefits.

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Summary. Sponsoring on the sports market should be treated not as a promotional tool, but rather as the act of building a relationship network, which is created and developed as the partners cooperate. Such a point of view brings about new challenges connected to managing a sports organisation and requirements towards positioning sponsoring in the marketing communication strategy of the sponsor to emerge in the context of expected effectiveness of all activities. The cooperation between a sports organisation and a sponsor requires a processual approach and the implementation of rules favouring the process of building a partnership. The process of managing the relations in the relationship network should be analysed on the strategy level, and consider the business and the expectations of each partner. Because those expectations can differ, and there may be a relative lack of desire to cooperate, which is rather common on the Polish sports market, managing a relationship network is a challenge that is difficult to coordinate.

Key words: sports sponsoring, partnership relations, sports marketing

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