

## A Study on Factors Affecting the Choice of Sport for Sponsorship

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**Abstract:** In Iran, according to Article 44 of the Constitution and the Fourth Development Plan, it is necessary for sport teams to make income and one of the ways for supplying sufficient budget for sport activities is to attract companies and organizations for sponsorship. However, there are many sports that are not sponsored in any way and in addition. Therefore, the present research aims to study the most important factors influencing their choice of sport for sponsorship and provide solutions for increasing such supports. The present research is applied and descriptive-analytical, carried out as a field study. A researcher-made questionnaire has been used and the reliability coefficient was obtained to be 0.87. The population consisted of 104 managers and marketing directors of the companies of Kaveh industrial city. Frequency tables and mean were used for descriptive statistics and Friedman test for inferential statistics.

**Key words:** Sport activities, choice of sports, sponsorship, population, managers, Iran

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### INTRODUCTION

At the beginning of the 3rd millennium, the world of sports is experiencing a new, unprecedented period. Increased activity in the area of physical education and sports has increased the demands for various goods and services. The sum of these activities has led to the emergence of the sport industry. Sport marketing and its implementation is necessary for success in sport industry (Pitts and Stotlar, 2002). In certain situations, sponsorship can be used as a powerful marketing relations tool along with other elements such as advertisement, sales promotion, personal sale, public relations and direct marketing (Crompton, 2004; Meenaghan, 2001), it can provide the necessary tool for achieving company specific goals and lead to the success of marketers in a confused environment (Seguin and O'Reilly, 2008). Sport sponsorship is a global relationship technique whose goal is investment on sport activities, athletes or events to potentially exploit the commercial aspects of sports (Seguin and O'Reilly, 2008) encourage spectators (whether in stadiums or on the television) and create a link between the sponsored (event, sport team or athlete) and the sponsor. International investment on sponsorship has followed a progressive trend, reaching from 500 million dollars in 1982 to 15 billion dollars in 2009 (Shank, 2005) and >70% of the invested dollars has been spent on sponsorship and on sports and sport events (Crompton, 2004) making sport sponsorship a singular promotional technique (Weight *et al.*, 2010). Among the factors that have led to the development of sport sponsorship, one can mention increased cost of media advertisement, increased leisure activities and sport events, recognition

of sponsorship, broad media coverage of sponsored events and reduced effectiveness of traditional media advertisement (Jobber, 1995). During the past few decades most governments in advanced countries have faced budget deficit and to overcome this problem, they have transferred administration from the public to the private sector. Sport investments are not an exception (Abudarda, 2006).

In Iran, according to Article 44 of the Constitution and the Fourth Development Plan, it is necessary for sport teams to make income and since one of the ways for supplying sufficient budget for sport activities, especially at the championship level is to attract companies and organizations for sponsorship, sport organizations must consider marketing and as a result, attraction of sponsors as one of their core duties (Abudarda, 2006). Fortunately, in recent years and following the professionalism in national leagues and tournaments in Iran, the issue of sponsorship has received more serious attention. However, there are many sports that are not sponsored in any way and in addition; sponsorship in football is not comparable to sponsorship in other sports. Therefore, the present research aims to study the views of company managers regarding the most important factors influencing their choice of sport for sponsorship and provide solutions for increasing such supports.

### MATERIALS AND METHODS

The present research is applied in terms of its purpose and descriptive-analytical in terms of its method, carried out as a field study. A researcher-made questionnaire has been used in the present research. Each

of the items in the questionnaire includes one of the factors that influence the choice of sport by the companies and these items have been scored based on a 5 point Likert scale. The questionnaire was designed based on the information from domestic and foreign research and with the counsel of professors and was distributed among 15 sport management professors and some of the managers and marketing officials of companies. After applying the suggestions and modifications to the questionnaire, it was distributed among a few company managers in a pilot study and using Cronbach's alpha, the reliability coefficient of the questionnaire was obtained to be 0.87. Afterwards, the necessary revisions were made and the questionnaires were distributed among the samples of the research. The population of the present research consisted of all the managers and marketing directors of the companies of Kaveh industrial city. According to the statistics extracted from the Department of Industries and Mines, the total number of these companies was 153 of which 25 were included in the pilot study. Considering the limited number of companies, all the population was studied without any sampling. However, despite the perseverance of the researcher of the total number of 128 questionnaires only 104 were filled out and returned. Descriptive and inferential statistics were used for data analysis in SPSS software. Frequency tables and mean were used for descriptive statistics and Friedman test for inferential statistics.

## RESULTS AND DISCUSSION

Descriptive statistics of the item What are the sport activities that companies are interested in sponsoring? Considering Table 1, most companies (57.7%) are interested in sponsoring football and only 3.8% chose volleyball as a sport to sponsor and 30.8% of the respondents chose other sports. It must be noted that there is no interest on the part of the existing companies

for sponsoring weightlifting taekwondo, basketball and wrestling. As can be seen in Table 2 from the perspective of the companies, the population of the fans of the sport of interest is the foremost priority (most influential factor) among the factors that influence the choice of sport for sponsorship; in the second position comes the credit of the event for the audience and the view of the board of directors and investors regarding the sport assumes the third priority. Moreover, considering the value of Chi-square and the significance level, there is a significant prioritization (ranking) of the factors that affect the choice of sport for sponsorship and that companies consider the priorities as having varying importance.

**The sport activities of interest of companies:** The results of the present research indicates that most companies (57.7%) are interested in sponsoring football and only 3.8% show any interest in sponsoring volleyball and 30.8% of the respondents chose other sports. This finding is consistent with the results of Jamaat (2007) who showed that companies are mostly in favor of sponsoring football (47.7%). It is also consistent with the results of Esmailzadeh (2008) who reported that 93.3% of companies sponsorship is directed at football. The reason may be the fact that football is of special place, popularity and interest among Iranians and promotion the coverage of the games by the television, the support of the press in addition newspapers, Asian and international

Table 1: Descriptive statistics related to the choice of sport for sponsorship

Sport activity	Frequency	Percentage
Football	60	57.7
Volleyball	4	3.8
Weightlifting	-	-
Taekwondo	-	-
Basketball	-	-
Wrestling	-	-
other sports	32	30.8
Without answer	8	7.7
Total	104	100.0

Table 2: The most important factors that influence the companies' choice of sports for sponsorship

Factors	Mean of rank	Priority	$\chi^2$	df	Sig.
The ability to achieve company's goals by sponsoring that sport	7.85	10	221.150	14	0.0001
The relevance of the goods and services of the company to the sponsored event	5.71	14			
Presence of codified legal and tax regulations for sponsoring that sport	5.48	15			
Having the required budget for sponsoring that sport	8.58	7			
The geographical coverage of the target audience	7.23	12			
The history of the sport	7.83	11			
The continuousness of the sport event	8.08	9			
The possibility of private, exclusive sponsorship	5.73	13			
The credit of the event for the audience	9.38	2			
The possibility of conjoining the event with other promotional activities	8.64	6			
The condition of media coverage	8.65	5			
The view of the board of directors and investors regarding the sport	8.73	3			
The population of the fans of the sport of interest	11.15	1			
The possibility of long-term sponsorship	8.19	8			
The popularity of the teams or athletes of the sport	8.75	4			

tournaments and other factors have led the companies to be more inclined toward football in order to achieve their business goals. Gardner and Shuman (1987) stated that companies identify with social events so as to gain commercial benefits and increase their sale. Thus, the reason why companies are not willing to invest on many sports is that they gain no advantage in terms of sales and cannot achieve their direct and indirect goals. McCook *et al.* (1997) in an official inquiry into four companies stated that national acclaim and access to greater market are the most important criteria for sponsoring a specific sport.

**Prioritization of the factors that influence the companies' choice of sport for sponsorship:**

The sport events must possess certain characteristics and conditions to be deemed eligible for support by sponsors who take into account the consequences, opportunities and threats of the enterprise. In the present research, the population of the fans of the sport of interest assumed the first rank as the most important priority that influences the choice of sport for sponsorship. This finding is consistent with the results of Benar (2008). Wilson (1998) also believes that companies are more inclined toward sponsoring sports that enhance corporate image. In their research, Shank (2009) reported the relatedness and long-term effect on the customers, the possibility of image transfer and brand-event fit as the most important criteria in the choice of sport for sponsorship (Shank, 2009). This finding of the present research is also consistent with the results of Izadi (2005). This may be due to the fact that the population of the fans of a specific sport is in fact the target market for the goods and services of a company and the grater this target market is the closer will get the company to their ultimate goal which is increased sale.

**CONCLUSION**

Finding revealed that most companies are interested in sponsoring football and from the perspective of the companies; the population of the fans of the sport of interest is the most influential factor among the factors that influence the choice of sport for sponsorship.

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