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Sports as marketing instrument

Could it be gold?

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Summary

Background and recommendations





Why utilize sports as a marketing instrument?

- › Sports events are extremely popular and attract worldwide attention of public and media.
- › Sports events show high involvement, interest and emotion of the public.
- › Sports events create a positive atmosphere, providing repercussions for an entire brand.
- › ‘Heroes’, sportsmanship, winners, excitement, dynamics, etc. are attractive associations for brands.
- › Some companies profit directly by sales of merchandise and sales promotions.



What are the proven effects of sports marketing?

Sports can be associated with your corporation or brand at three levels:

1. Official advertisements around sports events.
2. Ambush marketing without an official commitment.
3. Sports sponsorship with an official commitment.

Its effectiveness depends on your company goals: sports marketing can be effective in each of these categories under certain conditions.



1) Official advertisements around sports events are less effective, unless when focused

- › In general the effectiveness of advertisements around sports events decrease.
- › Except when:
 - a. relatively and absolutely extra investments in advertising are utilized, which increases the Share-of-Voice, AND:
 - b. advertisements are concentrated around events which focus on only one sport activity (not on several sports at the same moment).



2) Ambush marketing is especially effective as defensive strategy

- › Ambush marketing usually has a negative effect on the publicity of the official sponsor: the public will confuse the ambusher with the official sponsor.
- › Ambushers that combine sports associations with price reductions usually show a positive effect on sales, but...
- › ...when ambush campaigns are explicitly announced, these have a negative effect on the attitude towards the public with regard to the ambusher. Especially when the public appreciates the sponsoring and is strongly involved in the sports object.



3) Sports sponsorship is effective under conditions

- ✓ Usually there is a small positive effect of announcing the sponsor contract on the share prices of the sponsor.
- ✓ International sponsorships create brand value at the same time in many countries, also in countries that do not participate at the sports event.
- ✓ The attitude towards the brand of the sponsor reinforces during the validity of the sponsor contract.
- ✓ Continuity rewards: long-term sponsorships are more effective and more efficient.
- BUT: the effectiveness strongly varies between countries and different projects.
- And there are risks attached to sponsorships: scandals possibly have a negative effect on their image, share prices, etc.
- Disruptive factors to be aware of: competing sponsors, ambushers and advertising people, international differences.



Recommendations for marketing managers

- Beforehand: formulate concrete, measurable goals for sports marketing (which results are expected and evaluated) and then adjust and choose a strategy and specific sports marketing instrument.
- 1. If an official media-purchase around sports events is chosen, create high attendance (compared to competing advertisers) to make it sufficiently noticed.
- 2. Try to achieve a fit, definitely when the combination brand and sports object is not obvious.
- 3. For sports sponsorships: use longer term contracts (at least two years) and meanwhile invest in sponsorship related publicity.



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Introduction

Why sports marketing?

