NOUN INAUGURAL LECTURE SERIES
4TH EDITION

“MARRIAGE AND DIVORCE” IN SPORTS SPONSORSHIP:
SUSTAINING THE RELATIONSHIP

BY

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Professor of Sports Management and
Deputy Vice Chancellor (Administration)

NATIONAL OPEN UNIVERSITY OF NIGERIA

Delivered 17th September, 2013
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On Tuesday, 17th September, 2013
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Deputy Vice Chancellor (Academic)

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Bursar

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Ladies and gentlemen

I give God the glory, honour, power and majesty for the knowledge bestowed on me and for allowing me to present this lecture. I also thank the Vice Chancellor, Prof. Vincent Ado Tenebe, for encouraging me to deliver my inaugural lecture at this time.

Every professor is expected to present an inaugural lecture especially when one is newly appointed or promoted to the rank of a professor. I am not newly promoted nor am I newly appointed but because when I left the university where I
became a professor it had not reached my turn to present my inaugural lecture. Now
that I have fully transferred my services to the National Open University of Nigeria
(NOUN) the opportunity was given to me to deliver my inaugural lecture. I thank
the Vice Chancellor and management of NOUN for the opportunity.

Today is the 4th inaugural lecture of the series so far presented, with three of
the presentations coming from the School of Education. We in education always
lead by example, especially as teachers to all professors. I believe more
presentations are on the way from the School of Education.

Mr. Vice Chancellor Sir, in this lecture I intend to showcase my area of
calling and my place in it to this audience and those who will later read this
manuscript.

In broad terms, my subject area is Physical and Health Education but in
specific terms, my area of specialization is Sports Management. Physical Education
is more than just running and jumping as most people used to think. It takes people
with toughness of mind and character to pursue a course of study of this nature
because while we were in school our colleagues called us all kinds of names which
included “jumpology”. They believed that Physical Education is just running and
jumping. Till date, many people cannot believe that one can obtain a degree in
Physical Education let alone becoming a professor of Physical Education.
Distinguish ladies and gentlemen, Physical Education is a field of study which is concerned with activities which develop and maintain the human body. It is the acquisition of skills and knowledge through the medium of physical activities for overall human development and performance.

As a Physical Education major, you learn skills in a variety of sports, games, dance, swimming and outdoor pursuits. You also develop leadership, organization and communication skills, which will serve you in any interaction with others in your career or in recreation. Physical Education enables you to understand the science of the human body and how the body works, especially the musculoskeletal system, the nervous system, the respiratory system and the cardio-vascular system which enables you to apply this knowledge to improve sports skills, manage injury and make appropriate exercise and nutrition decisions. Physical Education enables you to understand and apply the principles of healthy living, physically, mentally, emotionally, spiritually, socially, etc. and how to share this knowledge with others in different spheres of life.

Like any other field of study, Physical Education has many branches or specializations. These include Exercise Physiology, Sports Psychology, Biomechanics, Curriculum and Instruction in Physical Education, Sports Administration, Sports Medicine, Movement Education, and Sports Management.
My own area of specialization is Sports Management, which involves any combination of skills connected to planning, organizing, directing, controlling, budgeting, leading, marketing, promoting and evaluating within the context of an organization whose major product and service is related to sport or physical activity. Sports managers discharge these skills in a variety of sports settings which could be college or university academic departments and sports offices, professional sports, amateur sports, sports marketing and management firms, arenas, stadia and civic centres, community recreation sports programmes, social service agency sports programmes, private club programmes, military sports programmes, etc.

My research interest in the area of Sports Management is in the area of sports sponsorship. My research effort has been on Corporate Sports Sponsorship, which is the major source of sports development in developed countries and which needs to be pursued vigorously in Nigeria to replace or complement public spending on sports development.

**Introduction**

The present complex sport delivery system in Nigeria demands much more resources, both in intensity and volume that the Federal Government of Nigeria can hardly provide and maintain. It is this present situation that has prompted the Federal Government of Nigeria to stimulate corporations and industries from the private sector to share the responsibility of providing adequate and appropriate resources for sports development with the Federal Government of Nigeria (Venkateswarlu, 2007; Tanglang, 2003). Several politicians and academics emphasized the need for corporate organizations to make meaningful contribution to sports (Ajidua, 1991; Tanglang, 1995, 1996; Venkateswarlu, 1991; Yusuf, 1991). It is in this regard that these experts strongly believed that sponsorship from the corporate bodies could be a major significant source of funding sports in Nigeria.

As a professional expert in sport management and the expansion of sport services to diverse segments of the population of Nigeria, I have been deeply interested and involved in seeking sponsorship from major corporate organizations for sports. It is this background that motivated me to investigate the Corporate Perception of Sports Sponsorships selection Process in Nigeria for my doctoral programme. This academic background coupled with my experience in the organization and administration of sports at different levels for different segments of the population helped me understand and appreciate the ups and downs of sports sponsorship in Nigeria.
Sports sponsorship flourished in the 1980s and early 1990s that gradually declined and disappeared from the scene. It is for this reason I framed the title for this lecture as “Marriage and Divorce in Sports Sponsorship: Sustaining the Relationship”. In order to reflect the import of this title, I have attempted to address the issues relating to the success and failure of sports sponsorship, perceived reasons for the discontinuation of sports sponsorship and strategies for revival and sustenance of sports sponsorships in Nigeria.

These areas of special interest have been selected for this lecture mainly because of the fact that recent sports marketing surveys (IFM Sports Marketing Surveys, 2012) indicate that the sponsorship market remains buoyant even in the present hard economic times, suggesting a growing confidence in the ability of sponsorship to deliver excellent returns for all concerned when the right mix of brand and platform is achieved. At the same time, here in Nigeria, sports sponsorship has completely declined to the extent that one can hardly hear about it except for sponsorship of football.

There has been cut-throat competition in marketing among companies and their brands not only to hold the existing but also to gain new market shares. Marketing communication plays an extremely important role in the accomplishment of any form of industry in this competition (Brassington-Petit, 2000). One important factor in marketing communication is promotion, which consists of several elements,
like advertising, which is any paid form of impersonal-promotion, propagated through a mass medium (Brassington-Petit, 2000). The fact that advertising is impersonal and paid for distinguishes advertising from other promotion elements, like sales promotion and personal selling. Public relations along with these promotional elements traditionally combine for the promotion mix of a company, which is the total marketing programme of a company.

In the 1980s and early 1990s, the cost of traditional mass media advertising became so expensive that it became extremely difficult to reach specific target groups through the mass media because of increased advertising business in newspapers, television, radio and recently on the internet. As a result of these difficulties, corporations were trying to find new elements in the promotion mix to reach their target markets with their message and to popularize their brand. The attempts of corporations to find new media opportunities produced two new, related areas in the marketing communication mix, which included event marketing and sports sponsorships (Eriksson-Hjalmssson, 2001).

**The Evolution of Sports Sponsorship**

Major international sports events depend largely on the selling of sponsorship packages to finance its budget. Such sports events are the Soccer, Rugby, Cricket World Cups, the summer and winter Olympics and the Commonwealth Games and
major continental and Regional Games. The truth is that sponsorship has become the sure and vital part in funding wide range of sports events.

Historical contexts for the evolution of sports sponsorship have been found where wealthy ancient Greeks supported athletic and arts festivals in order to get the support of the society as well as gladiators could be supported by members of the Roman Aristocracy for the same purpose (Sandler & Shani, 1993 and Cornwell, 1995).

Australia was regarded as the first Country in 1861 to have been involved in sports sponsorship when Spiers and Pond sponsored the first MCC (Maryllbone Cricket Club) tour of Australia where an estimated profit of £11,000 was realised (Sheight, 1989, McCarvellie & Copeland, 1994).

Sandler & Shani, 1993 and Stotlar, 1993 indicated that the first modern commercial use of sports sponsorship as a promotional activity was the placement of advertisements in the official programme of the 1896 Olympic Games as well as the product sampling rights purchased by Coca cola for the 1928 Olympics.

In the United Kingdom the first recorded use of sports sponsorship occurred in 1898 when Bovril, the beverage company, sponsored that year’s Soccer League championship, called Nottingham Forest (Marshall & Cook, 1992).

Corporate Sports sponsorship as it is understood today, is an activity of the period from 1975 to date, with the largest increase in sports sponsorship occurring
between the 1976 Montreal and the 1984 Los Angeles Olympic Games as reported by Stotlar (1993). It was also noted by Meenaghan (1998) that worldwide sponsorship was £2.0 million in 1984.

From the era 1988 to 1998, there has been an increase in financial commitment in sport sponsorship. The 1988 Winter and Summer Olympics gained US $350 million. Each of the fourteen major sponsors of the 1996 summer Olympics contributed US $40 million, an amount seven times greater than the 1992 summer games and ten times what the 1984 sponsors contributed (Kuzma, Shanklin & McCally, 1993). By 1993, sports sponsorship had increased with different commentators stating different amount that ranges from US $9 billion to £16.6 billion in 1996. In the US alone sponsorship spending reached an estimated amount of US $4.55 billion in 1998.

From 1997 to 2012, revenue generated from the Olympic partners’ Sports sponsorships has grown ranging from $579 million to $957 million as reported in the (Olympic Marketing Fact File 2012).

In Nigeria, private and public organizations have been involved in sports sponsorship since independence. Tanglang (2003) identified such organizations as the Public Works Department now Federal Ministry of Works, Electricity Corporation of Nigeria (ECN) now Power Holding Company of Nigeria (PHCN). Others were Water Corporation of Ibadan, Leventis United owned by Leventis Super
Stores, United Africa Company (UAC), Marine now Nigeria Ports Authority, IICC Shooting Stars later renamed 3SC, Western Nigeria Development Corporation (WNDC), Stationery Stores of Lagos formerly known as Flamingo Boys, First Bank Football Club, Rangers International, Mighty Jets of Jos, United Nigeria Textile Limited (UNTL), Kaduna, African Continental Bank (ACB) Football Club. All these sponsors were involved in football sponsorship. However, there were corporations like Maltonic who have organized marathon races and Cadbury Nigeria Limited that has been involved in sports generally.

Of recent, new corporations have come up in sponsoring sports in greater dimension in terms of financial involvement and other sports other than football. However, football remains the main target of sponsorship by corporations due to the number of followership enjoyed by the sport. Among such corporations are DSTV, a communication company, which signed a partnership contract with the Nigeria Basketball Federation (NBFF) to sponsor its League from 2008 – 2017 to the tune of ₦218 million.

The Nigeria Deposit Insurance Corporation (NDIC) has earmarked the sum of ₦50 million to sponsor popular sports in seven States across the six geo-political zones of the country. This is to promote sports development in schools as part of the corporate social responsibility of the Corporation. The NDIC has been in this
practice since 2004 where the sum of ₦5 million was spent in the sponsorship of under 18 Senior Secondary Schools Volleyball.

Zenith Bank is another Company that has been involved in the sponsorship of the Female Basketball League. In the 2012/2013 season, the sum of ₦20 million was spent, which was an increase over the initial assistance of ₦60 million over its previous donations.

In 2006-2010, Globacom (GLO) had sponsored the Nigeria Football Premier League to the tune of ₦4 billion. Today, the Premier League is being sponsored by GLO with the sum of ₦1.9 billion which will last to 2016, an amount far less from the previous sponsorship which was due to the crises experienced during the 2010 league events.

First Bank Plc has been sponsoring sport programme in Nigeria with a reported commitment of ₦91.2 million for the hosting of the Nigeria University Games Association (NUGA) in 2008. It has also contributed the sum of ₦20 million to support the Kaduna State government in hosting the 2008 National Sports Festival.

The list of sports sponsors are many but because there is lack of proper record keeping, data are lacking on the list of existing sports sponsors and their contribution in terms of financial support or goods and services provided in the sponsorship of sports.
Even with the global economic downturn, sport has continued to thrive, with major sport events becoming more and more popular than before. At the mean time, sponsors are making frantic effort to associate themselves with sport events and teams of players as part of their marketing strategy and are using more sophisticated means to gain increasing levels of intelligence and knowledge of their target markets.

With this encouraging and positive outlook generally, lying within this encouraging environment are challenges. Despite the arenas and stadia being full with big events, spectators are facing the risk of rising ticket prices, while sponsors are facing wider economic and regulatory concerns. As event organizers are looking for other ways of generating revenue, player cost, the single most expensive product in most sports continue to rise rapidly putting pressure on the stakeholders in the sports industry. For the sponsor, all the benefits accrued from its association with sport can be destroyed by wanton behaviour of players, sports administrators or by corruption rocking FIFA and even the Olympic games through match fixing and bribery for the sake of hosting an event respectively.

With all the challenges facing the players of the sport industry, the future is not bleak. There are attempt to meet up with those challenges. Sporting bodies are increasingly introducing new regulations in dealing with behaviours of players and
administrators with the need to maintain the integrity and unpredictability that make sporting competitions so exciting and appealing to their supporters.

Sponsors are also allocating more funds to sport; this will in turn put pressure on them to come out with measurement techniques that will demonstrate the returns on their investment.

With FIFA and the Olympic Games around the corner, who can deliver the most entertaining and compelling offerings that will claim the biggest slices? The two major events are the brides on the offer seeking for the “man” (sponsors) to take their hands in marriage.

**Categories of Sports Sponsorship**

Sports Sponsorship agreement may include, but not necessarily limited to the following categories based on the contributions of the sponsor to the total sponsorship funds raised as described by the inverted triangle of sports sponsorship categories in figure 1.
1. **Title Sponsor**

They occupy the highest status on the inverted triangle based on their contribution to the funds raised for sponsorship. They make the most significant contribution to a company in hosting and organizing an event. In most cases the name of the sponsor is placed next to the name of the competition, teams, individual athletes and the sponsor is associated with it. For instance, the logo of title sponsor appears on the uniforms of football clubs. Other rights due to Title Sponsors are:

- having a decisive say among other sponsors;
• having a priority right to use players and coaches for conducting joint promotions;
• right of presence at all official events to a sport event;
• mandatory mentioning in all activities conducted on behalf of the team;
• highlighting the name of title sponsors in television programs created with its financial backing;
• placement of logos and banners; and

2. **General Sponsor**

This is the next largest contributor, usually, 50% of all sponsorship funds raised. It has the following rights:

• right to use the image of competition as well as wide media coverage;

3. **Official Sponsor**

This category makes a certain part of funds raised usually between 20-25%. The status given may be granted by category, e.g., “official Bankers, official automotive partner, “official Product,” “official supplier,” “presented by,” etc.

4. **Technical Sponsor** is a sponsor that promotes organization of sporting event by either making full or part payment of goods and services, example, medical equipment, fitness equipment, organization of transportation and accommodation.
5. **Participating Sponsor**

   The contribution of this sponsor is minimal, usually 10% of the total funds raised.

6. **Information Sponsor** is an organization whose contribution is through media coverage, conduct of Public Relations activities, joint actions, etc.

**Conceptual clarification**

For the purpose of this paper, the term “Sponsor” is used to denote any party providing funds to a sport organization or body in exchange for the right to associate itself with the sport body or its property. In general, this term refers to businesses seeking promotional opportunities. However, it could be applied to other organizations, like charitable trust or government agencies.

The term “Property” is used to refer to any asset fully owned by a sport body that may be the subject of a sponsorship arrangement. This may include a competition, an event, a team, an athlete, a website etc. (Sports New Zealand, 2010).

**Sponsorship**

Different experts have given different notions on the definition of sponsorship. Some have defined sponsorship as any commercial agreement by which a sponsor, for the mutual benefit of the sponsor and sponsored party, contractually provides financing or other support in order to establish an association between the sponsor’s image, brands or products and a sponsorship property in
return for rights to promote the association and / for the granting of certain agreed direct and indirect benefits. (Department of Health and Children, 2010).

According to Laggae (2005), sponsorship is a business agreement between two parties. The sponsors provide money, goods, services or know-how. In exchange, the sponsored party (individual, event, or organization) offers rights and associations that the sponsor utilizes commercially. Meenaghan (1983) defines sponsorship as a provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives. Shank (1999) regards sport sponsorship as investing in a sport entity (athlete, league, team and event) to support the overall organizational objectives, marketing goals and promotional strategies.

According to Arun (2004), sports sponsorship makes it possible to link the aspiration and passion of a target audience to specific sports. According to Anis et al (1999) and Slack and Bentz (1996), sports sponsorship involves the allocation of scarce resources with the intent of achieving certain organizational objectives. Consequently, it has been described in the marketing literature as a strategic activity (Carter, 1996; Gilbert, 1988; Otker, 1988). Urdangarin (2007) defined sport sponsorship as an investment in brand image, as a means of managing corporate reputation and relationships with stakeholders, and as a catalyst for social action.
Although the terms patronage and sponsorship are very similar, there is slight difference between the two. Sponsorship is associated more with building business opportunities or seeking investment returns, while patronage is more closely linked to concepts like philanthropy and autism (Urdangarin, 2007). Although they should not be combined for a single objective, sometimes they can both be used by a company while sponsorship serves to strengthen brand image or corporate ties with interest groups, patronage can satisfy philanthropic goals.

On the other hand, the term event marketing was created to distinguish the difference between sponsorship and patronage. While patronage is more philanthropic charity from companies, sponsorship is more an investment in a sport entity by a company to support its organizational objectives and promotional strategies. Event marketing could only occur in marketing via events, unlike sponsorship which could occur in several different situations. Mainly sponsoring a team or an athlete, for example, does not qualify as event marketing. Event marketing requires the company to use the event both as an attempt to communicate and as a separate medium (Behrer-Larsson, 1998).

Despite these differences in the definition of sponsorship, one may find some similarities among them. Majority of them laid emphasis on the relationship advantage between an organization and the sponsored object that sponsorship offers. For the purpose of this paper, sport sponsorship is defined as an exchange of
relationship among sport organization, sports organizers, corporation and others, which are predicated on the understanding that all parties involved will benefit from the exercise with minimum risk (Tanglang, 2003).

**Theoretical Basis for Sponsorship**

There have been two research themes in the approach to understand sport sponsorship. These include consumer psychology approach which incorporates effects of sport sponsorship in terms of awareness, recognition and behavioral intentions of consumers. The second approach is financial performance approach, which focuses on grasping the potential contribution of sports sponsorship to positive and negative changes in stock price (Kim, 2009). The effect of sponsorship on the value of the company in the stock market can be investigated in financial perspective.

The explanation of sport event sponsorship cited here is based on the assumption that sponsorship may lead to increased financial performance. The effect of a sponsor to contribute to the success of a sport event would be converted to the positive evaluation of that sponsor company in two ways. On one hand, an official sponsor is accepted in terms of advertising as reliable appeal to customers as well as shareholders. As society is flooded with advertising through mass media, undifferentiated advertising has effect on customer purchase and stock market value. Sport sponsorship, as a unique advertising, is expected to persuade the existing
investor and shareholder to invest more or to attract new investors to buy the stocks of the sponsoring company (Kim, 2009). The positive relationship between sports sponsorship and value of the company has been identified in a study on Olympic and NASCR sponsors (Miyazaki and Morgan, 2001; Pruitt, Cornwell and Clark, 2004). On the other hand, sponsoring company may enjoy the positive and socially responsible image from sport sponsorship. Investors may have favourable impression about the sponsoring company because they believe that sponsors make effort to facilitate sports all over the world and to provide scholarship to athletes. Similarly, by sponsoring a sport event, a company may offer jobs to athletes to continue to play under the stable financial environment. Because of this social goodwill, a sponsoring company can be accepted as a good institution that fully understands social responsibility, which motivates investors to increase their investment. It is thus that sport event sponsorship is considered as a means to improve the financial value of sponsoring company.

The effect of brand equity

Event sponsorship, as a non-conventional communication tool, is more effective and appropriate for those who are insensitive to mass marketing from the point of view of customer-based brand equity. Sport event sponsorship may form secondary association from primary attribute associations related to the company, the country of origin, the distribution channels, the celebrity sports person or
endorser of the product or event. If a brand becomes associated with an event, that event may be characterized by a set of brand associations and the event may become indirectly associated with the brand (Keller, 1993). For example, Milo National Marathon race of Nigeria, Star tennis, Gulder all Nigeria Lawn tennis, Star Kaduna Dart Championship are events which are associated with the brands of the companies that sponsor them.

Sports bodies, from local clubs to national bodies, have a brand. The brand is how they are known, and what they are known for. This includes the associations, whether positive or negative, that people hold about them. Sports bodies should be very clear how they want to be perceived and understood, and manage their brand to achieve the image they want. In terms of sponsorship, brand management by sports body matters for three very important reasons, which include appeal to funders, fit with funders, and value to the sports body.

Sports marketing refers to all activities designed to meet the needs and desires of sports consumers through exchange processes. This involves two major methods. One is the marketing of sports products and services directly to consumers of sport, and the other is the marketing of other consumer industrial products or services through the use of sports promotions. In addition, sponsorship helps in creating a niche of its own in the market according to interests or psychographics of target audience, enhancing awareness by linking the brand to a highly famous and popular
event (Crimmins and Horn, 1996). Big sport events, like the Olympics, have the potential opportunities to create brand image and to increase brand awareness, which increase improved brand equity. Therefore, the value of a company can be increased or reduced because of sponsorship depending on whether the brand equity is high or low.

**The effects of sponsorship fit**

Schema theory has been used in consumer research to find out whether congruent information results in more favourable effective customer behavior outcome (Koo et al, 2004). The different sports events associated with marketing communication can be classified on the basis of width and depth of the interest in the event (Shani and Sandler, 1996). It is thus that the All Africa Games and the Olympics can be classified as events with greater width, whereas the National Marathon Race and the Tennis championships can be classified on the basis of depth.

Hierarchical structure of an event may help in selecting appropriate sports event. For example, if the company that sponsors Milo National Marathon Race which is a local event wants to transform to a global name, global sports event, like New York Marathon, is a good option for sponsorship. On the other hand, if a company wants to contribute to the development of a sport that is of interest to a locality, the local event is the best for sponsorship. However, if there is a balance
between sports event and the sponsoring company, increasing the value of the company due to sponsorships may be either marginal or even decreased. On the other hand, if a company sponsors a global sport event, like New York Marathon, consumer and investor may reduce big value gap between the event and sponsoring company. Thus, investors may depreciate rather than appreciate the value of the sponsoring company. Therefore, investors are likely to consider low fit sponsorship with sport event as a more successful one.

**The effect of event characteristics**

Types and the period of sports event sponsored may have impact on the financial performance of the sponsor. Sponsorship of more popular sports event may produce more favourable outcomes than least popular or local sport event. For example, the sponsorship of Nigerian Pro League, which is the most popular event in Nigeria, can be effective alternative for Nigeria market without any global effect or relevance to global people. In addition, the length of sports event makes a difference in the changes of values of the company sponsoring the event. Usually, an event, that takes place every weekend will have less impact on the value of the sponsor than the event that occurs once a year.

I would now like to explain the sports that the companies choose to sponsor, the objectives they want to achieve through sponsorship, the benefits they expect
from sponsorship, their perception of the success and failure of their sponsorship and the reasons for the discontinuation of sponsorships.

**Selecting a Sport for Sponsorship**

My study (Tanglang, 2003) revealed that the companies I investigated preferred mostly team sports that are famous and extremely popular. Other studies did not bother about the nature of sports they intended to sponsor. They did not mind whether they were team sports or individual sports. They only applied certain criteria for the sports to fulfill to be sponsored. For example, Abrahamsson, Forsgren and Lundgren (2003) preferred the sport that has broad public interest, has the compatibility with the sponsor, has long term relationship, has been popular with the local community, has been successful in most of the competitions and has been sharing the same broad vision as the sponsors, for sponsorship.

On the other hand, Sport Australia (2010) was of the view that sports organizations to be sponsored, must be able to satisfy the marketing needs of the sponsors with a brand and/property they own or control. This is because sports sponsorships are business partnerships where two parties add value to each other through their association. Central to property identification is determining those properties that would best meet the needs of potential sponsors and thus attractive. My study has revealed that the selection criteria they used in selecting a sport or event for sponsorship were media coverage of company products and services,
ability to enhance government relations, usefulness in advertising campaigns, management interest and ability to increase sales. In general, the main criteria used in selecting a sport for sponsorship were the popularity of the sport, the successes of the sport and the public image of the sport that can fit in with the image of the sponsor.

**Objectives of Sponsorship**

As the field of sports sponsorship does not yet have a precise and exact purpose, many authors and researchers are yet to give a clear concept on the whole objectives of sponsorship of a sporting event. Thus sponsorship success of a company is defined by its objectives and the extent of the benefits of the sponsorship. Andreff and Szymanski (2006) identified two types of objectives, which included direct and indirect objectives. In the direct objectives, the sponsor expects a rapid change in the behavior of its existing and potential customers. The indirect objectives are primarily for increasing visibility to brands and products, contact with a particular segment of the client base and enhancement of the image of the sponsor, alongside growth in sales. The direct objectives have primarily a short-term goal, whereas indirect objectives have only long-term goals. The objectives of sports sponsorship vary from investigator to investigator. In general, direct sponsorship objectives are expected to have an immediate impact on sales as well as impacting the level of the customer behavior, whereas the indirect sponsorships are
regarded as a long-term commitment, which requires a high level of generating awareness and company image before the company can reach their set indirect objectives. Most authors find that most companies have the objectives of promotion of brand image by creating exclusivity, building goodwill, relationship marketing, securing entitlements, image building, overcoming competitions and increasing sales.

In my study, most companies expected to achieve active media coverage, image building, increased sales, awareness, and public relations, in addition to the criteria of broad public interest, image compatibility, long-term relationships, interest of local community, success of sport, and sharing the same long-term vision as the sponsor.

**Evaluation**

Most companies I studied expressed the view that measuring the effectiveness of sport sponsorship is very difficult. However, they felt that they can strengthen their brand if the sport entity they sponsor is successful in the competitions. On the other hand, the sport entity could detect a direct connection between the sponsorship relation and increased revenue as well as achieve the sales objective. I also found that the sponsor and the sponsored can measure the effect of sport sponsorship by examining changes in media coverage. I also found that the companies I studied did not evaluate the awareness and their markets before entering a sponsoring
relationship, nor did they evaluate their relationship during the sponsorship agreement continuously in both formal and non-formal ways.

**Identifying the sponsor target market**

My study did not attempt to examine the process of sponsor target market identification. However, I feel that a careful identification of the target market of potential sponsors will minimize waste of time and ensure that good potential sponsors are not overlooked.

This can be achieved by following four important steps: These include:

a. Preparation of a list of suitable companies operating in the area

b. Estimating the value of one’s property

c. Revising the list to include only those companies that have the potential to afford to sponsor one’s property and,

d. Researching the businesses.

**Keys for effective sponsorship**

I have not attempted to examine in my study the guidelines that can be used to improve management of effective sponsorship agreement. However, experts like Aaker et al (2000) and Department of Health and Children (2010) used seven keys as guidelines to ensure effective sponsorship agreement. These include, identifying clear communications objective for the brand, need for the company to be pro-active, identifying the sports entity that is exceptionally fit, owning sponsorship,
identifying publicity opportunities, considering multiple sponsorship payoffs and managing the sponsorship actively.

Discontinuation of Sponsorship (Divorce)

Most of the corporate sports sponsors I studied had sponsored a particular event for less than four years a period too short to develop an enduring relationship. For any relationship to be considered as enduring and sustainable the duration of the relationship must exceed five years. Unfortunately, it wasn’t the case in the companies I studied.

My study revealed that different companies gave different reasons for discontinuing sponsorship. However, the most common reason was the economic downturn. The other reasons given for their discontinuation were difficulty in evaluating the sponsorship objectives, decreased budget allocation, and little return on investment. Two of the corporations I studied discontinued sponsorship because of the attitude of the event organizers, availability of new partners and increased cost of sponsorship. Other investigators found similar reasons for discontinuing sponsorship but not increased cost of sponsorship and the negative attitude of organizers. These companies would have done better had they considered sponsorship as a real resource that can be developed into a distinct competence. The companies I studied never looked at sponsorship in this perspective.

Theoretical Framework for Sports Sponsorship
The theoretical bases for sport event sponsorship have been discussed previously. I would now like to discuss the theoretical framework for sports sponsorship. Sports sponsorship is often described as a strategic activity as it involves the allocation of scarce resources to achieve organizational objectives (Carter, 1996; Gilbert, 1998; Otker, 1988). I would like to argue that sports sponsorship is a strategic investment as conceived by Amis et al (1997). In this regard, it is my feeling that any company entering into a sponsorship agreement should treat sponsorship as a resource, which can be developed either singly or in combination with other resources, as a resource that can be developed into an area of distinctive competence, which in return would give the company a competitive advantage as viewed by Amis, Slack, and Berrett (1999).

**Sponsorship as a resource**

There have been two major paradigms within the strategy literature that explain sustained superior performance of a sponsoring company. In the 1980s the principal focus of studies on strategy was on the link between strategy and the external environment (Porter, 1985,1989). Recently there has been a departure from these theories based on industrialization, which explain only eight to fifteen percent of variance in the performance of a company (Black and Boal, 1994). Presently, scholars have now revived interest in the resource-based view of the company and its underlying tenet that competitive
advantage is created through the accumulation and development of proprietary resources. Of course some sources of competitive advantage are more lasting than others. Tangible, non-tacit resources will quickly diffuse through a particular company resulting in any advantages held by an incumbent company not remaining unique for very long (Wright, 1994). The extent to which companies can obtain similar resources and transfer them efficiently to the industry and market in question will determine the relative decline of the advantage of the incumbent. The most potent proprietary assets are therefore intangible and tacit (McGarth et al;1995; Nelson and Winter, 1982; Prahalad and Hamel, 1990). Resources that are not articulable, not observable in use and not understandable are the longer-term sources of advantage (Wright, 1994). As they depreciate relatively slowly and are extremely company-specific, two most important intangible resources are company or brand image and reputation (Conner, 1991; Grant, 1991; Hull, 1992). Similarly, the most important reasons for a company to enter into a sponsorship agreement are increasingly the public awareness of a company and enhancing company and brand image. Image and reputation are therefore the resources that may enable a company to secure a competitive advantage. Sport sponsorship has been shown to be an effective tool to enhance the image and reputation of a company. Therefore, I very strongly feel that sport sponsorship should be considered a very important resource that can help companies to gain competitive advantage.
The sustainability of such advantage depends on the development of the sport sponsorship into a distinct competence within the company.

Companies and firms that have developed a sustainable competitive advantage have been shown to concentrate on becoming world leaders in a small number of core competencies (Prahalad and Hamel, 1990; Hamel and Prahalad, 1994). Here, a core competence is defined as a bundle of skills and technologies that enables a company to provide a particular benefit to customers (Hamel and Prahalad, 1994). For a small number of companies, like Milo and Guilder companies, the time, effort, and money invested in sport sponsorship could give it a skill in which it is worth striving for international leadership. For most companies and firms to be more realistic, is to regard sponsorship as only one of a number of skills that, when bundled together with other activities, can contribute to an area of competence within the company such as marketing and communications. I would like to mention here that experts like Selzick (1957) and Amis, Slack and Berrett (1999) used a term “Distinctive Competence” in place of the term “Core competence” to denote a resource which has been developed sufficiently so that it can provide, either on its own or in combination with other resources, a position of sustainable competitive advantage. I also used the term “Distinctive Competence” to denote the same meaning as expressed here.
**Sponsorship as Distinctive Competence**

In view of what has been stated here, a sponsorship opportunity should be accessed as to its potential of helping a company to gain a position of competitive advantage. Some firms or companies enjoy superior financial performance because they occupy market place position of competitive advantage resulting from a competitive advantage in resources. This is what actually happened to the corporations that I studied in my work. However, once reached, this position of advantage is subject to constant attack as competing companies attempt to close the gap between themselves and the leader of the industry. This may not be perceptible immediately because of societal institutions like patents or contracts, causal ambiguity, social complexity, tacitness, or time compression diseconomies (Diercks and Cool, 1989; Nelson and Winter, 1982; Peteraf, 1993; Wermerfelt, 1984).

The imitation of the activities of a company by another, for instance, the sponsorship of marathon race by Food Companies like Horlicks are the phenomenon of ambush marketing which are examples of tactics used to negate competitive advantages based on sponsorship. Therefore, if a company or firm does not attempt to maintain its position, any advantage it has gained would be lost. This may take several weeks, months, or even years, depending on the magnitude of the initial advantage and how well the position is protected. Therefore, sustainable competitive advantage is not a static but a dynamic condition depending on the continuous
movement of a company from one position of advantage to another (D’sAveni, 1994; Gronhaug and Nordhung, 1992). In my own study, the companies I investigated did not appear to follow the fundamental principle of moving from position advantage to another advantage in order to maintain the position of advantage. It is perhaps one of the reasons why there has been deterioration in sponsorship activity in this country. I would like to elaborate these points later when I discuss factors attributable to the success and failure of sports sponsorship in Nigeria.

In order to achieve this sustainable advantage with the limited supply of resources that companies have, they require a clear-cut understanding of the factors on which their advantage depends. It is only then consideration can be given as to how the competencies developed from their resources can be exploited and developed in new and productive ways. I strongly believe, on the basis of the work of Hamel and Prahalad (1994), that for a sport sponsorship agreement to be developed into a distinct competence, it should have three component parts. The first requirement is that the sponsorship is to provide a significant increase to the perceived customer value of the product or service offered by the firm. This can be achieved by ensuring that it produces a significant quality or cost advantage (Hamel and Prahalad, 1994). The second requirement is that the distinctive competence that the company develops must be unique that differentiates it from its competitors. The
third requirement is that the competence must be usable in different areas, in other words, should be extendable. It is in this regard that companies should avoid the idea that sponsorship is valuable only in a single area. It is thus necessary for companies to develop and sustain the competitive advantage by ensuring enhancement of perceived customer value of their product or service, customer differentiation by creating a capability gap between them and others and the competence developed should be usable in different ways.

**Perceived Customer Value**

One of the most important purposes for which companies sponsor sports events is to raise the perceived customer value of their products and services through an increase in brand equity (Aaker, 1991; Keller, 1993; Leuthesser et al; 1995). Available research evidence clearly supports this purpose of sponsorship (Keller and Lehmen, 2006; Maddel, Fehle and Fournier, 2006; Kim, 2006; Jober, 2007; Amis, 1999; Department of Health and Children, 2010). However, there are differences among companies in their emphasis on the achievement of this particular purpose. Whatever may be the particular differences, all of them believe that endorsements of a sporting event or championship by a famous league or celebrity creates a positive attitude towards particular brand and ultimately, as they perceived as better value, they are more likely to be chosen by customers (Amis et al; 1999; Cornwell and Maignan, 1998; Mullin et al; 2007; Kaminas et al; 1999; Ohinan,1991). Although
this may be one of the ways to create sustainable advantage, I strongly feel that sponsorship should be integrated with other marketing initiatives of a firm or company to deliver a clear and consistent message to the customers. This implies that an association with a well known championship or a celebrity may have a temporary positive effect. However, if the sponsorship is not continued for a longer period of time to provide a coherent image about the product, any advantage that the company has gained will be short-lived.

This is what happened in the case of some companies I studied, In other words, such loss of advantage or gain leads to discontinuation or divorce. For example, Milo wanted to get across the message that its product is healthy and nutritious. By using recognized sports championships, like Marathon race or football to promote its product and ensuring that it was closely associated with the championships, it built up its brand equity to serve as a proxy vote for quality, and thus created a positive image in the minds of the customers and consumers. It appears that there are two elements in increasing perceived customer value through sponsorship. First, an association with a very popular championship or celebrity endorsing the sponsorship can have a temporary positive effect on perceived customer value. However, in order for the sponsorship to be capable of assisting the company to a position of sustainable competitive advantage, it must improve the perceived image of the company or brand and thus can be developed in to an area of
distinct competence. Therefore, the more time and effort spent in building up positive image, the greater the halo effect around the company (Amis et al, 1999; Leuthesser et al; 1995).

The more that the company and its sponsorship become intertwined in the eyes of the public, the more that the company will benefit from the positive characteristics attributed to the entity being sponsored and the more likely for the two to combine to produce a coherent marketing image that would be of great value to the firm. In my study, the companies confirmed that the sponsorship contributed to the increase of sales. For example, Coca-Cola, Milo, Guilder- all have shown an increase in their sales. These findings are in agreement with those of Shank (1999) McCauley (1993), Madden et al (2006), Kim and Chang (1997), McCook et al (1997) and Copland et al (1996) according to which the more time and effort spent in building up positive image, the better were the sales.

**Competitor Differentiation**

The company sponsoring the event or sponsorship should ensure that the advantage it gained from sponsoring cannot be negated through imitation. In other words, the nature of the sponsorship should be such that it differentiates the company sponsoring from its competitors. One way of doing this is by demanding exclusivity, thus precluding any other company from the same industry. In my study, I did not find any company insisting on this kind of exclusivity. Moreover, both the
successful and unsuccessful companies were very similar in this regard. It only shows that the sponsoring companies should be innovative in order to differentiate themselves from their competitors. This is because of the fact that any sponsorship resource that can be easily imitated will not produce a sustainable advantage (Barney, 1991; Grant, 1991; Peteraf, 1993). This is achieved by cooperating with the organizers of the championship to limit the total number of sponsorships at the championships, thus avoiding clutter. Although some companies, like Gulder were involved in more than one championship, they always work in cooperation with each other to promote a common image. For example, Gulder was involved in sponsoring football, table tennis and other championships but, it always conveyed to all their championships the same message.

**Extendibility**

Even when a competence meets the criteria of enhancing perceived customer value and differentiating a company from its customers, a company cannot maximize its investment benefits unless the benefits of investment are extended across the company. Available research evidence clearly shows that successful companies ensured that the benefits of investment were extendable across all their endeavors (Sports New Zealand, 2010; Simon and Sullivan, 1993; Madel et al; 2006). In my study, none of the companies investigated followed these criteria. This is perhaps one of the reasons why there was a decrease in sponsorship.
In my review of related research I found two ways in which the companies followed these criteria in order to extend their sponsorship. One is externally oriented by utilizing their sponsorship in customer oriented promotions, and the second one is internally by involving employees and helping in building the culture of the companies (Amis et al; 1999).

The successful companies continually try to find new ways in which they could make more and better use of their sponsorships. Externally, for example, the Milo company could bring Olympic athletes to the point of sale, conduct a recipe contest that can be promoted in a television show and organize several workshops in collaboration with National Sports Organizations. It could also organize school education programmes. These types of things are very important because the more the competence is used and developed, the more valuable it becomes to the company. (Bhardwaj et al, 1993; Gronhaug and Nordhaug, 1992; Hamel and Prahalad, 1994). Internally, each company should use its sponsorship to shape the culture of the company. The Milo Company, for example, could put on regular demonstration at its factory sites, take employees to events to meet sports men and women and encourage the staff to look at the sponsored teams as their own teams. It is not coincidence that the successful companies spend so much time and money using their sponsorship to build a strong corporate culture. It can itself, according to Bhardwaj et al (1993), be a source of competitive advantage as it enhances the
morale of the employees and indicate in crystal-clear terms to the employees where the company is heading.

Together, perceived customer value, competitor differentiation, and extendibility can turn a potentially useful resource into a distinctive competence capable of assisting the company to a position of sustainable competitive advantage. However, it is not something that can be achieved easily. The companies I studied had to divorce its partner because they used sponsorship on an ad hoc basis and not with any pre determined objectives and criteria. This was further complicated by the fact that the companies I studied were not involved in the sport organization which they were sponsoring for a number of years. Moreover, they did not play an active role in shaping sponsorship with contact between the two organizations regularly. Important as these three criteria are, nothing would be possible without the time and effort that hold these three criteria together and make a sustainable advantage possible, and reunite the partners.

**Mutual Beneficial Relationships in Sports Sponsorships**

Traditionally, product and service quality is the common standard in many industries. However, this practice lacks competitive advantage. Today the core of marketing is relationship management. For organizations to differentiate themselves, relationship marketing approach has become the main practice, because it is less expensive to retain satisfied customers than attracting new ones. Effort is
on gaining and sustaining profitable, loyal customers by building long-term and mutually beneficial relationships.

Nowadays, relationship marketing is becoming an acceptable practice in the sports sector with sports clubs and associations adopting the concept of relationship marketing.

The changing focus of marketing approach from the traditional transactional marketing to relationship marketing has been illustrated by Rennhak and Nufer (2009) in figure 2.

![Figure 2: The Changing foci of marketing](Adopted from: Harwood, Garry and Broderik (2008), p.9; Christopher Payne and Ballanyne (2008), p.XIV in Rennhak, H.V.C. & Nufer Gerd (2009))

Figure 2 illustrates the trend of the main marketing foci over the last 100 years, demonstrating the dominance of the product over a long time, followed by the
market focus and from the 1990s the relationship marketing has taken over, which has been in practice since the 1990s up to the present time.

This development has been viewed by most marketing experts as a ‘paradigm shift’ from the traditional transactional marketing to the relationship marketing approach. For customers to be retained for a long time, marketing exchange needs to be seen not just as transaction between seller and buyer but a set of activities in which relationship is being developed. It is not, therefore, surprising today to see that almost every industry or commercial enterprise you go and even in the public sector, you find a customer care desk. The qualities of relationship marketing combine service, quality and marketing philosophies (figure 3).

![Diagram](image)

**Figure 3:** The relationship marketing orientation (Adopted from: Christopher, Payne and Ballantyne (2008), Harwood, Garry and Broderik (2008) in Rennhak, H.V.C. and Nufer, G. (2009)
Transactional marketing approach sees satisfying of customer needs as an exchange of goods and services for money with its short-term goal of making the sales through a single transaction with little or no communication or interaction.

On the other hand, the relationship marketing has a long-term goal of establishing a durable relationship with a high level of interaction and communication focusing on the maintenance of existing customers rather than acquiring new ones.

Relationship marketing is centred on the customer concerning relational marketing activities involving many parties other than buyer and seller or the sport fan and the sporting organization. Relationship marketing, therefore, fits in very well in sports sponsorship activities. Relationship marketing in sports, therefore, refers to the establishment and maintenance of positive, enduring and mutually beneficial relations between sporting organizations and their stakeholders (Rennhak and Nufer, 2008). By implication, the definition affirms the fact that the relationship in sports sponsorship can be likened to the one in marriage hence the more reason why the choice of the topic of this inaugural lecture was - *Marriage and Divorce in Sports Sponsorship: Sustaining the Relationship*. 
Stakeholders of Professional Sports Organizations

Professional Sports Organizations differ in size and the type of sport they are involved in and so they differ in the products and services they provide, which in turn differ in terms of the various market players.

Figure 4 summarizes the various players or stakeholders of a professional sporting organization.

![Diagram of professional sporting organizations and their main stakeholders](Source: Bühler & Nufer (2009), p.53)

If customers are generally referred to as someone who purchases a product and/or service, then only three major customers of a sport entity can be identified which can be regarded as the major or primary stakeholders of a professional sports
organization. These are fans, sponsors and the media. All other stakeholders are regarded as either secondary or minor customers or stakeholders. The major stakeholders pay the sporting organization for the services they get in return. Fans/supporters/spectators purchase tickets, sponsors buy exclusive communication rights while television channels purchase broadcasting rights (Bühler & Nufer, 2009).

The secondary stakeholders do not pay the sporting organization, rather the sports organization pays them. For instance, employees and sports equipment suppliers get paid.

The Nature of Relationships between the Sporting Organization and their Stakeholders

Fans/Spectators

This group of stakeholders is one of the major stakeholders of a sport entity. Their relationship is akin to customer-supplier relationship because they are a group prepared to pay money for the goods and services provided by the sporting organization. Sports organization should, therefore, strive to establish a stable and lasting relationship with fans/spectators by having a well organized competition on a well constructed playing arena. Basically, their relationship can be explained in terms of customer-supplier relationship.
**Sponsors**

What was regarded as patronage by sponsors in the past has now become a commercial venture, with companies realizing the potential powers of sponsorship as a veritable communication tool hence as part of the marketing mix. On the other hand, professional sports will not survive without revenues generated through sponsorships. With the increase in sponsorship fees and number of sponsors, sports organizations are now dealing with different and various relationships. The basic relationship existing between the two is that of business-to-business nature because both of them are enterprises. They all need each other and, therefore, need to establish a longer lasting relationship that will be discussed in detail in the next section.

**Media**

The mutual relationship that exists between the media and sports organizations is that of the business-to-business relationship. The various media organizations struggle for contents for their audience while sports organizations need to publicize its activities to be able to develop their products for their customers to know them and patronize them better. Here, too, there is need for longer lasting relationship for the mutual benefits of the two bodies.
**Competitors**

These are the stakeholders of sports organizations that compete for people’s time and money. We have competitors within the same sports like clubs of the same national league and those competing in the same international competitions. Even within the national league they can be categorized into the lower league and international leagues. There are also competitors of different sports, for instance, basketball competing with soccer for people’s time and money. The competitor that gets more attention depends on how they manage their relationship with the customers.

**Agents/Agencies**

There are agents that work as a link between the sponsors and sports organizations. They specialize in selling marketing rights on behalf of the sports enterprise, while there are agencies that are involved in strategic areas like marketing, PR, advertising, management and market surveys on behalf of sponsors and sports organizations. In Nigeria we have very few of such agencies.

**Employees**

Organizations exist because of its employees because it is through them that they achieve their goals. Top among the employees of a sports organization is the athlete or player and other staff employed on full time. The entire professional sports organization’s achievement wholly depends on the performance of its players.
A sports organization that attracts and retains good players is the organization that attracts good sponsors and spectators, as well as good media coverage. It then means that apart from looking for high potential top management employees, to keep or retain professionals, sports entities have to seek a positive relationship with their employees.

**Government/Authorities**

Government and authorities have interest in professional sports for the very fact that major international sports like the Olympic Games, FIFA World Cup, Commonwealth Games, All Africa Games and other international sports needs not only put the respective government or country in a global spectacle and thereby enhancing the image of such country, but it also attracts millions of tourist to visit the country or city which is a source of revenue to such country or city. Moreover, sports entities are major tax payers as well as employers of labour. The other areas of collaboration between sports organizations and government are with the security agencies. The sports entity needs the support of security agencies like the Police and Civil Defense Corps for instance, to have a secured and successful match or competition. In addition, professional sporting organizations are beneficiaries of government spending in the provision of playing arenas. So therefore, there is a need for the two to have a cordial working relationship.
**Other Stakeholders**

Other stakeholders that professional sports organizations need to establish and maintain positive relationship with are investors, shareholders, suppliers, producers and retailers of sports equipments as well as the local community who are the immediate consumers of sports services and products.

**The Basis for Marriage (Sponsorship)**

The success of any marriage depends mainly on the basis that brings the intending partners into wedlock. In the context of this paper, successful sponsorship seems to depend on the consideration of sponsorship as a valuable resource that develops sponsorship into a distinctive competence. The successful companies in sponsorship achieve their success by making a long-standing commitment to whatever was sponsored and incorporating it into their strategic planning. This indicates that sponsorship should constantly evolve to fit their ever changing environment with which the company is faced.

I used marriage and divorce in the context of sports sponsorship in Nigeria. I used the term “Marriage” in this paper to refer to the involvement of Nigerian companies in the sponsorship of sporting events and championships and the term “Divorce” to refer to the discontinuation of sport sponsorship. In order to appreciate and understand this concept, it is necessary to find the fundamental differences
between companies or firms that are successful and unsuccessful in sport sponsorship.

The most obvious difference between those companies whose sponsorship efforts are successful and those that are unsuccessful is the recognition by the former of the potential of sponsorship as a valuable resource.

In my study, (Tanglang, 2003), no company I studied recognized sponsorship as a valuable resource. Resources are fundamental determinants of the performance of a company (Rumelt, 1991). Therefore, the essence of strategic-decision making of a company should be the identification of resources and the determination of how it could use them to its advantage (Gronhaug and Nordhung, 1992). This was clearly apparent in my review of companies which regarded the sponsorship as successful. In my study of Nigerian sports sponsoring companies, most companies appear to have made their decision to sponsor on an *ad hoc* basis because they had money or because their chief executive had interest. Hence, the ‘marriage’ of the company with the sports organizations. They did not link their sponsorship efforts to their broader corporate strategy which is unlike the case with the successful companies. I should also mention here, however, that the identification of a resource does not in and of itself give a company a sustainable competitive advantage. Of course, it cannot be denied that superior resource allocation can help a company to a position of advantage. But, once reached, the companies come under attack from other
competitive companies. Therefore, truly sustainable advantage is not a static condition but a dynamic one with the company constantly moving from one position of advantage to another (D’sAveni, 1994; Dickson, 1996; McGarth et al; 1996). The successful companies achieve this by developing their sponsorship into a distinctive competence, which the unsuccessful ones cannot. As I said earlier, the most essential requirement for a company to make its sponsorship a success is to develop a distinct competence of perceived customer value, competitor differentiation and extendibility. The companies, I studied did not fulfill this requirement. With the economic downturn, the companies had few resources to invest in sponsorship and hence the divorce.

**Sustainable Sponsorship Relationship**

With the global growth of sports sponsorship, time has come to consider sponsorship as an enduring partnership akin to relationship found in marriage with the International Olympic Committee (IOC) changing their worldwide sponsorship programme from ”The Olympic Program” to the Olympic Partners” (Cheng and Stotlar: http://fulltext.ausport.gov.au).

Professional sports organization usually has a number of sponsors. This means dealing with different relationships. There is, therefore, need to understand the relationship aspect of sports sponsorship in order to effectively manage such relationships.
The sponsorship literature (Cornwell & Maigan, 1998 and Walliser, 2003) is full of describing sports sponsorship as pure transaction based on contractual agreement between the sponsor and sponsee. Moreover, most sponsorship definitions found in Laggae (2005), Shank (1999) and Maeghan (1983) reduced sports sponsorship to that of a discrete transaction that involves the exchange of financial resources and some communication rights. Time has come to reconsider sports sponsorship as a durable relationship. The relationship between sports organizations and sponsors goes beyond mere potential benefits just as love in a personal relationship goes beyond infatuation or “first sight” impression. The two require long-term commitment for the mutual fulfillment.

Based on recent studies (Farrelly and Quester, 2005; Bühler, 2006 and Cheng & Stotlar, 1999) identified six main principles for successful partnership (marriage). These are love, mutual understanding, long-term perspective, communication, cooperation and trust.
1. **Love**

The most important aspect of marriage is probably love. Most people decide to get married more on the basis of feelings of “love” than other considerations. The success of any marriage is judged or evaluated more often by love. Sponsorship has the potential power of love uniting sports organizations with corporations. Without the support of Corporations, the professional sports industries would hardly survive. The corporation themselves would be less competitive without differentiating themselves through the use of sports sponsorship as part of the marketing mix. Corporations and sports organizations, therefore, need each other through the symbiotic relationship derived from sponsorship.
True love is achieved whereby two people create an atmosphere that brings out the best in each other and must be based on mutual respect and trust. The true love for sponsorship is not the philanthropic giving to sports by companies without any commercial incentives.

For instance, VISA’s involvement with sponsorship of the Olympic Games is based on increased market share and sales volume, while the Olympic Games as well retains VISA due to the support it is getting from the relationship with VISA and other sponsors.

2. **Mutual Understanding**

To ensure an enduring relationship, the two partners must understand each other’s objectives. Sports organizations should ensure they understand the needs and objectives of the sponsorship partner so that they will organize their events to enable their partner achieve their objectives. On the other hand, sponsors need to understand the requirements of the sports bodies especially their financial needs and the pressure being faced by sports organizations in view of the public and media interests.

3. **Long-Term Perspective**

Today’s business world is seeking for long-term alliances with their partners. This is done by building up relationship with each other and by adopting relationship marketing concepts rather than transactional marketing.
strategy. For example, Bühler and Nufer (2009) reported the relationship between Carlsberg and Liverpool FC as lasting for almost seventeen years (1992-2009) which has been considered as the most enduring brand sponsorship in football at a club level. Similarly, Leverkusen, the Bundesliga Club shirt sponsor (RWE), has been in relationship for seven years. Even though Leverkusen has dropped out of sports sponsorship but its parting message put in an advert in German’s leading sports business magazine is an indication of a ‘sweet’ relationship, which reads: *seven years on the chest, forever in the heart – many thanks for a great partnership* (Bühler and Nufer, 2009).

4. **Communication**

Effective communication is one of the bedrock of a successful relationship. Communication removes suspicion. Sponsorship partners could keep in touch in various ways. It could be through phone, e-mail or face-to-face get together. It is through these media that relevant information about the two partners and recent developments are conveyed to each other. Some sports organizations have established regular newsletters for their sponsors where past events, birthdays of key decision makers are published in such newsletters.
5. **Cooperation**

Cooperation is another important factor for a successful relationship between sponsors and sports organizations. The two partners can support each other with skills that one partner has which the other do not have. For instance, sponsors usually have better marketing skills than sports organization; in this case, the sponsor could assist the sports organizations in marketing issues, while sports organizations could provide sponsors with sports-related issues for the sake of improving communication with sports fans.

6. **Trust**

The common church marriage vow is “for better for worst” or “till death do us part.” Trust is the feeling among partners which they can depend on and confide in each other. Keeping promise is one key element of trust.

Sponsorship partners are capable of instilling trust among them by fulfilling those obligations they both assumed to have. There are certain accountable actions that show trustworthiness. These are: present the accurate numbers, keep promises, protect official sponsors’ privileges from ‘ambush marketing’ and consistent demonstration of respect and dependability.
Summary

Modern marketing has generated great interest both in theory and practice especially in the area of relationship marketing as it affects the partnership that exist between sports entities and corporate sponsors. Sports organizations have been challenged by this new marketing strategy which has caused them shift from the traditional transactional marketing which is narrow and of short duration relationship to a long-term relationship with a broad range of stakeholders with sponsors being of central interest.

Sports sponsorship is now an important source of income to professional sports organizations as well as effective marketing tool to sponsors. The success of any sponsorship is based on good relationship between the sponsor and the sponsee. There must, therefore, be conscious effort by the sponsorship partners to commit themselves in a long-term relationship by emotionally attaching themselves in the relationship, with mutual understanding, long-term perspective, effective communication, cooperation and trust, which are effective elements in a marriage so as to make their connection a win-win relationship.

Conclusion

My study has not shown anything original in suggesting that the companies I studied as sport sponsors should not entertain the need to abandon the notion of one off, piecemeal sponsorship campaigns conducted on an ad hoc basis. Of course, this
is a message which many companies still ignore. The most important thing to do in order to revive and sustain sports sponsorship is to consider that sponsorship can be an extremely valuable resource with great potential in the quest of a company for a sustainable competitive advantage. This can only be achieved when a sponsoring company approaches any sponsorship agreement as a potentially valuable resource worth spending time, money and effort on developing. When this commitment is made, the idea of developing the sponsorship agreement into an area of distinctive competence becomes viable. Of course, there would be a temporary increase in the brand value if it is associated with a popular championship, individual or event, which appeals to the target market of the company. Longer term advantage, however, depends on integrating the sponsorship with the rest of the marketing mix to produce a common and powerful image for the company or firm. This is what the companies I studied had to do in order to revive and stabilize their sponsorship. The development of such an image enhances perceived customer value by increasing brand equity and differentiate the company from its competitors. However, differentiation depends on non-limitability of the resource, which in return depends on the development of the powerful image of the sponsorship and other marketing mix within the firm. The ultimate goal for the company is that it becomes synonymous with the party that it is sponsoring. This level of resource development depends, to a large extent, on the fact that the sponsorship is extendable. The more
often a competence is used the stronger it becomes, which consequently leads to an increased advantage to the holder of the resource, not only in terms of the economies of scale that result from the sponsorship but more importantly, because of the way in which the two parties evolve together (Hamel and Prahalad, 1994). Therefore a sponsorship that is used in a variety of different ways across the company will prove much more valuable than one that is used simply to produce an advertising image. Therefore, it is my very humble but strong opinion that any company wishing to make a sponsorship agreement a distinctive competence must commit time, money, effort and other resources to it. Those companies that do this would definitely achieve a position of sustainable competitive advantage.

**My Contributions**

Mr. Vice Chancellor, Sir, in the early 1990s there was an increased pressure on Sports Associations, as they were called then, now Sports Federations, to seek for ways of funding its activities.

The implication of this pressure was that Sports Federations would have to turn to corporate Sport Sponsors for financial support. Yet it was doubtful at that time, that the Sports Associations had an insight into the ways in which corporations select and evaluate sports to be sponsored.

Motivated by this fact, I embarked on several studies of how corporations select sports to be sponsored, because I felt that an understanding of the exchange
process of sports sponsorship will no doubt, enhance and increase the ability of the sports organizers negotiate successful sponsorship activities. Some of these studies are mentioned here.

In an effort to enhance the relationship between corporate sports sponsors and even organizers, I made my views known in the NUGA Games Seminar held in Ahmadu Bello University, Zaria in 2001 where I presented a paper on *Corporate Sponsorship and NUGA: Sustaining the Relationship in the New Millennium*. I made it clear that the key elements in sustaining relationships between sponsors and NUGA organizers are: love, respect and trust for each other. I am glad to say today, that NUGA activities have been attracting and maintaining many sponsors as a result of good relationship sustained by love, respect and trust.

In Tanglang (2002), a study of 34 corporations involved in sports sponsorship was carried out by correlating sports sponsorship selection criteria and reasons for sponsorship attrition using Pearson Product Moment Correlation. The result showed that sponsorship selection criteria correlated positively and significantly with the reasons for sponsorship attrition with the implication that if sponsorship selection criteria are not strictly applied, sponsorship attrition is bound to happen. This implies that corporations which intend to sponsor an event must ensure that they strictly apply the criteria they used in selecting sports to be sponsored to avoid dropping out of sponsorship.
In Tanglang and Ladani (2003), we conducted a research on the criteria used by corporate sponsors in selecting sports to be sponsored. The result showed that corporation’s objectives of sponsoring sports are: national media coverage, ability to enhance government relations, ability to increase sales, especially for those in the Food and Beverage Companies, usefulness in advertising campaign and management interest. The implication of this result is that sports organizations that seek for sponsorship support will have to be knowledgeable of the demands of its sponsoring partners and tend to develop their sponsorship proposals in line with the need of its sponsors.

In the same year (Tanglang, 2003) another research was conducted to determine the process of identifying a sport event to be sponsored by companies. The result revealed that decisions about sponsorship are made at different levels of an organization. An understanding of which level has final authority for decision making can obviously help sport managers target their sponsorship requests.

Post-sports sponsorship evaluation criteria used by corporations were studied (Tanglang, Adeyamu and Venkateswarlu, 2003) and our findings revealed that post-event evaluation criteria have impact on sports sponsorship selection process in Nigeria. An indication that an event to be selected for sponsorship would be determined by previous successes of sponsored event. Event organizers need to
organize their events to ensure success if they wish companies to continue sponsoring their events.

In a related study in Tanglang (2004), the relationship between corporate sports sponsorship objectives and discontinuation of sponsorship in Nigeria was determined. The study did not find any positive relationship between discontinuation of sports sponsorship and the objectives of sponsorship, implying that whether sponsorship objectives are achieved or not discontinuation of sponsorship is certain. Some corporations may have others reasons for dropping out of sponsorship which might not have been stated in the objective set at the beginning. This shows the volatility of sponsorship which event organizers must know so that they will not depend on only one sponsor who may one day, ‘divorce’ them. There is, therefore, the need for sports organizers to have multiple sponsors.

We (Tanglang and Venkateswarlu, 2004) studied the benefits of sports sponsorship as perceived by 38 corporate sports sponsors in Nigeria. The result showed that the perception of the corporations on the benefits of sports sponsorship varied. Majority of the perceived benefits revolve around marketing and media objectives. The implication of this is that event organizers, who want to benefit from corporate sponsors, may have to understand and know what their potential sponsors stand to benefit from the exchange relationship when they are presenting their request for sponsorship.
The implication of all these studies, Mr. Vice Chancellor, Sir, is for sports organizations to have an understanding of the demands of their potential sponsors in terms of their sponsorship objectives, the benefits they stand to get and who has a final say in approving sponsorship.

My Opinion

Mr. Vice Chancellor, Sir, distinguished guests, ladies and gentlemen; I will relay my opinion in the form of recommendations.

1. Sports sponsorship is an indispensible source of income for professional sporting organizations as well as effective marketing tool for companies. Sports organizations should be proactive in ensuring a stable relationship; they should also commit resources such as time and personnel to the sponsorship. Key to this is by appointing responsible and appropriate staff to look after the sports organization’s sponsor. These staff should have the necessary marketing and personal skills to communicate effectively with the sponsor’s key decision makers. This will ensure stable and sustained relationship thereby avoiding frequent divorces.

2. Professional sports should be included in the National Policy for Sports in Nigeria.

3. There should be specific ways of encouraging the private sector involvement in funding sports.
4. Government should provide the enabling environment for private sector participation in sports development.

5. Professionals should handle sports management and organization in the Nigeria.

6. There should be constant training and re-training of sports handlers in the art of sports management.

7. Corporate sports sponsors should consider sports sponsorship as a corporate social responsibility in addition to using sports sponsorship as one of their marketing tools.
ACKNOWLEDGEMENTS

This journey could not have been successful without the contributions of loved ones. Mr. Vice Chancellor Sir, it will not be possible to acknowledge all those who contributed in one way or the other, in making me what I am today. Mentioning names does not necessarily mean exceptional contribution nor does it mean belittling those whose names are not mentioned here. Due to human limitation, I cannot remember every contributor to my success.

My thanks first go to God almighty, the father of our Lord Jesus Christ, because in everything I am enriched by him in all utterance and in all knowledge.

I am indebted to my parents, Mal. Gaude Dogo and Mrs. Kainago Gaude who have painstakingly taken good care of me and enrolled me into school at a time when most parents were adamant about sending their children to school. Even though my father is no more, he did not live to enjoy the labour of his hands, my mother is still living, I still enjoy her company and inspiration, even though she is approaching 100 years in age. I enjoyed the familial support of my siblings in the persons of Mrs. Ramiya Yusuf, Mrs. Rachel Shehu of blessed memory, Mrs. Sussanna Haruna Baki, Mr. Joshua Gaude, my late twin sister, Mrs. Saraya Maiwuya, Mrs. Litty Simon Bawa and Mr. Mamman Guade Dogo. I appreciate the support of the District Head of Tanglang, Mr. Audu Tahir and his family and by
extension, the families of Mr. Kwambo Beli and all Sarmuto Clan and the entire Ka’ampanti people.

Permit me Mr. Vice-Chancellor to acknowledge the support I enjoy from my In-laws, the Lazarus family, my late father and mother in-laws Mr. & Mrs. Lazarus Kelmi, my brother and sister in-laws: Dr. John Tal, Mr. Kelmi J. Lazarus, Mrs. Latisia Juma, Mrs. Rifkatu Daure, Mrs. Lois S. Babale, Mrs. Lola Enoch and Miss Helen Lazarus, their support have been tremendous.

There is a foundation to every building. I wish to thank all my teachers at the primary and secondary school level, particularly Mr Shamgar Tuduk, Mr. Yunana Lauronson, Mr. Bega Bature, Mr. Abba Zoka Aba, Mr. Y. B. Tadi all of blessed memories, they have been responsible for the foundation of my academic pursuits. My teachers at the Advance Teachers College, Kano, notable among them are Mr. Onekata, Dr. Ogundokun and Prof. Kamiole who were the ones that inspired me to study Physical Education. At the University level, I appreciate the contributions of Dr. Quarashe, Professor B. A. Ladani, Prof. K. Venkateswarlu, Prof (Mrs.) F. B. Adeyanju, Prof. (Mrs.) P. B. Ikulayo who were my supervisors at different levels. I will not forget the contributions of Prof. J. A. Gwani, Prof. Kabido and Dikki, Dr. A. A. Adebayo, late Prof. A. F. Folawiyo. I hold in high esteem all the Professors in Tangale Land of Billiri LGA who had been professors before me and those that came after me. These are Prof. Alhassan Yakubu, Prof. S. L. Kela, Prof. Maxwell P.
Amlai, Prof. Lazarus Tekdek, Prof. Ezra Amans, Prof. Solomon Lamai, Prof. James Kaltho, Prof. O.K.Likatson, Prof.A.Elsa Teleh, Prof.Mansfield Mela Danzariya and late Prof. N. B. Molta. They have been an encouragement to me.

I cannot forget the friendly atmosphere I enjoyed from my colleagues in my former place of work, University of Maiduguri, in the persons of Prof. A. A. Fajonyomi, Prof. I A. Njodi, Prof. M.W.U. Gaya, Prof. S.S. Hamafyelto, Prof. B. Mshelia, Prof. (Miss) A. Kaidal, Dr. A. A. Sanusi, Mr. D. W. Bwala, Dr. A. Balami, my younger colleagues, Mal. Z. Nayawo, Mal. K. Gana, Mr.J.Buro, Mal. A. Mukhtar, Mr. U. Garba, Mrs. E. A. Haruna, Mrs. Ruquayat Abdul. I feel honoured and appreciative to Prof. J. D. Amin the former Vice Chancellor, University of Maidugurri, under whom I became a Professor as well as a Head of Department. He is now the Vice Chancellor, Federal University of Dutse, Jigawa State. I appreciate the warm fellowship of the Christian Community in the University of Maiduguri, especially those in the Chapel of Grace.

I owe so much to my friends, classmates and close associates at various levels in life, among them are: Hon. Abdu Garba Talasse (121), Mal. Bala Bello, Mr. Kastner Tele, Mr. Abiram Arabs Rukujei, Prof. R. O. Okuneye, Prof. C. O. Fasan, Mr. Jothan L. Tuduks. Worthy of mentioning are Mrs. Ronas L. B. Mela, Mrs. Ramatu M. Mamuda and Abraham Yona (Man) who were my class mates in the secondary school. I will not forget the contribution of Dr. Emmanuel Chom for the
part he played in gathering some of the information for this lecture, your contribution is appreciated. I appreciate the support of Dr. Ilya Sale Barau a good friend indeed. They were my course mates at the PhD level at Ahmadu Bello University, Zaria.

Mr. Vice Chancellor Sir, I want to specially acknowledge the contribution of my mentor in making me what I am today. He is no other person than Prof. K. Venkateswarlu, an erudite Scholar per excellence. He, though being the second Supervisor of my Ph.D, had contributed immensely as though he was the first supervisor. He was also instrumental in inspiring me to present this inaugural lecture in addition to the substance he contributed in this manuscript. I owe so much to him.

I am most grateful to Dr. M. Mongaring of blessed memory, a classmate of mine, who had supported me during my Ph.D programme. May God be with his family.

I appreciate the moral support of the Royal fathers of Tangale land especially His Royal Highness, the Mai Tangle, Mr. Abdu Buba Maisheru, the 15th Mai Tangle, all the District Heads in Billiri Local Government in Gombe State and the Village Heads of Lawishi Tanglang and Kulgul as well as that of Distinguish Senator Joshua Lidani and Hon. Manu Swa representatives of Gombe South Senatorial District and Billiri/Balanga Federal Constituency respectively.
I wish to register my profound gratitude to the present Vice Chancellor, Prof. Vincent Ado Tenebe, a man with a large heart, kind hearted, accommodating, and benevolent who has been encouraging me to present this lecture ever before this time. I also appreciate the good working relationship I enjoyed and still enjoying with the following Principal Officers of NOUN: Prof. Mba O. Okoronkwo, OON, former DVC (Academics), Mrs. Josephine O. Akinyemi, the Registrar, Mr. Monday Onyeme, the Bursar and Mr. Uko O. Igwe, the University Librarian. I also thank all the Deans, Directors and Head of Units of NOUN for their cooperation since I became the DVC (Admin) and for being present in this inaugural lecture.

Mr. Vice Chancellor Sir, this acknowledgement will be incomplete without recognizing the NOUN community. I am appreciative to the entire staff of NOUN particularly Mrs. Edeama Onwuchekwa of the NOUN Library for her immense contributions in providing relevant library data bases consulted for this manuscript.

Allow me Mr. Vice-Chancellor sir to appreciate the support and cooperation I received from my office staff, Mr. Effiong Akpan, a very committed Secretary, who was responsible for typing this manuscript, Mr. A. Aranmolate the Admin. Officer and Mrs. Mafeng Shut the Clerical Officer none of them goes home at the close of working hours if I am in the office. I wish to appreciate the former Vice Chancellor, Prof. Olugbemiro Jegede in whose tenure I joined NOUN.
I invite you all to join me publicly in showing appreciation to my lovely wife, Mrs. Ladi N. Tanglang and our two children, Mailama Nebath, a Computer Engineer (now a Banker) and Mr. Michael Nebath who is awaiting university admission. I pay tribute to my late son Musa Nebath who died at a tender age of 16. He had wanted to be a lawyer but God loved to have him back home. Without the support of my nuclear family particularly my wife who has stood solidly behind me during our hard times, God helping us, it would not have been possible for me to reach the level where I am today. Thank you mama na.

Lastly, I wish to appreciate my spiritual fathers in the persons of Pastor W. F. Kumuyi, the General Superintendent of Deeper Life Christian Ministry World Wide, whose inspiring messages and teachings have shaped my life since I joined the Ministry. I am also appreciative to Pastor Nwosu, Pastor Amosun Dele, Pastor Badmus Adeyemi, Rev. Ibrahim Jodah and the entire members of Victory Location Church and Keffi District of Deeper Life Christian Ministry, Lagos. I am appreciative to my brother in the Lord Prof. J.Olaleru and his family; they have always remembered my family in their prayers.

Mr. Vice-Chancellor Sir, ladies and gentlemen, sports sponsorship undoubtedly, is the major source of developing sports in any country. To ensure the sustenance of this source, the partners involved in sports sponsorship need to be
encouraged to stay together for the mutual benefits of the partners and sports development generally.

I sincerely thank you for listening. May God bless you.
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