

Corporate Sponsorship in the Marketing Curriculum: A Preliminary Investigation

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Abstract

Corporate sponsorship of sports, the arts, community events, and causes has been recognized as a marketing communications tool. Corporations and organizations have embraced sponsorship as a vital component of their marketing strategy. The use of corporate sponsorship has increased over the last twenty years and it now provides an economic impact nearing \$200 billion, when sponsorship fees and related advertising, sales promotions, and client entertaining are included. Yet despite its widespread use among practitioners, sponsorship continues to receive little attention in the academic environment. This study examined the coverage given corporate sponsorship/events marketing in several current promotion/advertising textbooks.

Keywords: corporate sponsorship, marketing curriculum, event marketing

Introduction

Corporate sponsorship of sports, the arts, entertainment and causes has been recognized as marketing communications tool. In 1986, the International Events Group (IEG,) estimated the amount of sponsorship spending in North America at approximately \$1 billion (Ukman, 1996). By 2005, sponsorship, defined as a cash and/or in-kind fee paid to a property in return for access to the exploitable commercial potential associated with that property, accounted for worldwide spending in excess of \$30 billion, with spending in North America alone reaching \$12 billion ("Events," 2005). In 2007, sponsorship spending reached \$37 billion worldwide (Cornwell, 2008). In 2008, U.S. and Canadian companies spent \$16.61 billion, up 11.4% from \$14.91 billion in 2007 (Armstrong, 2008). These amounts represent fees paid for sponsorship rights. They do not include, for example, the additional expenditures incurred for advertising, promotion, and client entertainment. It is generally assumed that a sum at least equal to the property rights, if not double or even triple the amount, is spent on other forms of promotion that are used to leverage the initial investment. Even in the current economic crisis facing the United States in 2009, the total amount of corporate sponsorship dollars is not expected to decrease. IEG predicts 2.2% growth in spending for North American companies for 2009, the smallest growth rate in the last 24 years (Armstrong, 2008).

Sponsorships can range in scope from the international, such as the Olympic Games, to the very local, such as a community 10-K road race. In its earliest days, sponsorship was almost exclusively the domain of sports properties. In 1984, according to the International Events Group, 90% of all sponsorship went to sports (Ukman, 1996). At 69% in 2008, sports still account for the majority of sponsorship activity (Armstrong, 2008). But other forms of sponsorship are steadily increasing their share. Other areas of sponsorship include: entertainment tours and attractions; festivals, fairs, and annual events; causes; and the arts. Beer and tobacco companies were originally the major users of sponsorship but have been joined in recent years by packaged goods, retail, and financial services companies. Sponsorships may be directed toward a variety of targets including consumers, channel members, financial institutions, government, community, and employees (Gardner & Shuman, 1988).

Corporate sponsorship has been defined as the support (monetary and in-kind services) that is provided to various events by corporations with the intent of achieving specific promotional and/or marketing objectives (Gardner & Shuman, 1987, 1988). In a survey of sponsors from Fortune 1000 firms, Kuzma, Shanklin and McCally (1993) identified the following ranking of objectives, from most to least important, of why companies get involved in sponsorship: increase awareness of company, improve company image, demonstrate community responsibility, increase awareness of corporate products, provide a forum for customer entertainment, improve product image, increase short-term sales revenue, increase long-term sales revenues, and foster employee pride and motivation. Ukman (1996) identified what the IEG consider to be the most common reasons companies use sponsorship to include the following: heighten visibility, shape consumer attitudes, communicate commitment to a particular lifestyle, differentiate product from competitors, merchandising opportunities, showcase

product attributes, combat larger ad budgets of competitors, drive sales, achievement of multiple objectives, business-to-business marketing, and entertain clients.

Sponsorship support has been provided to a number of different activities including sporting events, concerts, festivals, dance programs, theater performances, museum exhibitions, charitable events, public television programs, and community events. Although the recipient of sponsorship may be non-profit, sponsorship should not be confused with philanthropy. Philanthropy is support of a cause without any commercial incentive. Sponsorship is undertaken for the purpose of achieving commercial objectives.

Impact on Marketing Communications and Marketing Strategy

Practitioners have long recognized the use of sponsorship as a marketing tool. Although the major upsurge in corporate investment in sponsorship has occurred over the last two to three decades, sponsorship activity has been evident for hundreds of years. A number of factors appear to contribute to the recent growth in sponsorship spending. One reason is the decreasing efficiency of the traditional promotional mix. Quite simply, consumers are not paying attention to advertising as they once did. Television viewers in particular are able to choose when, where, and if they wish to view a commercial. In addition, the fragmentation of the traditional mass market and mass media has forced many companies to look for alternative methods to communicate their marketing messages (Ukman, 1996).

Meenaghan (2001) described the abundance of research that suggests that public attitudes toward advertising are largely ambivalent. Moreover, large numbers of consumers believe advertising to be dishonest, deceptive, and manipulative. Clearly marketers have had to develop different ways to reach the consumer. Sponsorship offers marketers an opportunity to create an interactive, or two-way, form of communication that allows them to connect and deepen relationships with customers. Consumers increasingly are interested in knowing where a company stands on various social issues such as the environment before purchasing its products. Sponsorship of community activities and non-profit organizations allows companies to demonstrate their social responsibility in a very visible way. By the same token, many non-profit organizations have become much more aggressive, and marketing-savvy, about the use of sponsorship (Collins, 2005). Rather than merely wait and hope for a philanthropic-minded company to come to the rescue, non-profits have had to acquire the same marketing skills as for-profit organizations. The resulting partnership benefits both, and allows consumers to “kill two birds” as well. For example, a consumer wants to buy M&M candies anyway, so why not buy the bag with the pink breast cancer symbol prominently displayed? During October, nationally recognized as Breast Cancer Awareness Month, for each specially marked bag, M&Ms donates 10% of the sales to the Susan G. Komen Breast Cancer Foundation (“Mars,”, 2008) The consumer enjoys the product and makes a contribution to cancer research at the same time.

Sponsorship can be employed by almost any type of organization, no matter what it manufactures, or its financial resources. Numerous objectives can be sought, and the form that the sponsorship takes is only limited by the imagination.

Role of Sponsorship in the Marketing Curriculum

Given its explosive growth over the past twenty years, it may be somewhat surprising to learn that the amount of academic research focused on corporate sponsorship has been limited. The early research in this area dealt mainly with description of the development of sponsorship as a promotional medium. Much of the research done in the 1980s and early 1990s attempted to clarify the distinction between sponsorship and advertising. Indeed, there is still no consensus on what exactly distinguishes corporate sponsorship from other forms of promotion. Cornwell and Maignon (1998) suggested that without a clear specification of the topic of interest, researchers have difficulty moving from descriptive to explanatory analyses. They called for more conceptual work to legitimize sponsorship as an activity differentiated from traditional promotion. Since their international review and analysis of the literature in 1998, the academic research has increased somewhat but can still be described as being in its early stages. Nowhere is this more clearly observed than in a comparison with the range and number of studies in advertising. Certainly this is not surprising, given that advertising might be considered to be much older and is clearly more important, particularly in monetary value.

While the academic research in the area of corporate sponsorship is growing, but still limited, a great deal of practitioner-based research exists. It is not difficult to find case histories of organizations and their experiences with a variety of corporate sponsorships. Many veteran corporate sponsors have shared their experiences in the form of "do and don't" lists in popular practitioner business and advertising publications (e.g., Business Week/Golf Digest Spring/Summer, 2005). At the same time, a number of news articles and reports have examined various facets of corporate sponsorships. For example, a report from the Commercialism in Education Research Unit at Arizona State University that highlighted the negative aspects of various marketing activities within schools, including sponsorships, was picked up by the mainstream media (McEvoy, 2005).

For all of its increased emphasis within the communications strategies of large and small organizations alike, sponsorship is unlikely to be an important component in the typical undergraduate marketing curriculum. This lack of coverage may be due in part to the limited academic research described above. Topics such as e-commerce and internet marketing, however, have moved very quickly into prominent positions within the marketing curriculum, with many undergraduate programs developing specialized.

courses that focus on these areas. It can certainly be argued that research is in its early stages regarding these topics. What is it then, that determines if and when a topic is important to the marketing curriculum?

An Assessment of Marketing Textbooks

One approach to analyzing the treatment of a topic within the curriculum is to review the textbooks that could likely be adopted for specific courses. Yudelson (1999) suggested that McCarthy's Four Ps were due for a change, but no replacement seems

to have taken hold. Even a cursory examination of a few of the many introductory marketing textbooks confirms that product, price, promotion, and place are still the most popular organizing structure. Given this, many marketing programs reflect the four Ps as well.

Butler and Straughn-Mizerski (1998) examined the marketing curriculum of 110 colleges and universities offering either a major or concentration in marketing and compared the

the results to earlier studies done in 1973 and 1983. A course in promotion was offered by 54.5% of the schools, with almost 11% requiring it for their programs.

Advertising was offered by an even higher percentage, 59.1%, with 9.1% requiring it for their students (Butler & Straughn-Mizerski, 1998). To meet this need, a number of textbooks that focus on the promotion aspect of the Four Ps have been developed over the years. Within the promotion area, textbook authors have traditionally described the promotional mix which consists of advertising, personal selling, sales promotion, and

public relations/publicity. Many publishers offer texts on advertising, promotional strategy, public relations/publicity. Many publishers offer texts on advertising, promotional strategy, and integrated marketing communications.

Five texts were examined for their corporate sponsorship content. The texts chosen were current editions of top-selling textbooks in the areas of advertising and promotion. The specific titles were:

Advertising and Integrated Brand Promotion, 5th edition, by Thomas O'Guinn, Chris Allen, & Richard Semenik, Thomson-Southwestern, 2009 (768 pages).

Kleppner's Advertising Procedure, 17th edition, by W. Ronald Lane, Karen King, & Thomas Russell, Pearson-Prentice Hall, 2007 (864 pages).

Advertising, Promotion, and Other Aspects of Integrated Marketing Communications, 7th edition, by Terence Shimp, Thomson-Southwestern, 2007 (629 pages).

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Advertising Principles and Practices, 8th edition, by Sandra Moriarty, Nancy Mitchell, & William Wells, Prentice Hall, 2009 (640 pages).

Integrated Advertising, Promotion, and Marketing Communications, 4th edition, by Kenneth Clow & Donald Baack, Prentice Hall, 2010 (454 pages).

Overall, treatment of corporate sponsorship was rather light in the above textbooks. In a few cases, sponsorship was barely discussed at all and when it was, the discussion was limited to a definition and a few examples. By contrast, the use of the internet as a promotional medium was discussed in much greater depth and detail. It was clear from the examination of the texts that what sponsorship is, lies in the eye of the beholder. Sometimes it was listed as merely another tool of sales promotion, sometimes as a form of public relations. Each text is discussed below:

Advertising and Integrated Brand Promotion, 5th, O'Guinn, Allen, & Semenik, 2009.

This text has a chapter on event sponsorship, product placements, and branded entertainment with about seven pages devoted to definition, objectives, guidelines, and examples of sponsorship. The discussion of the value of sponsorship was articulate and current and it was presented as a stand-alone promotional tool. Sponsorship, however, was somewhat confined to event sponsorship.

Kleppner's Advertising Procedure, 17th edition, Lane, King, & Russell, 2007. This text, first published in 1925, was included in the analysis, but it should be noted that the subject matter tends to be confined to advertising alone and makes no claim to include all forms of promotion. Some marketing programs, however, may only offer courses in advertising, rather than promotion and marketing communications and so this book was included to provide some insight into what students might be exposed to in that situation. Not surprisingly, very little of the text dealt with sponsorship. About two pages of discussion in the chapter on sales promotion described event marketing in terms of examples and spending patterns. Event marketing and sponsorships were listed separately as both being forms of sales promotion, but only event marketing was defined. The definition, which only appeared in the glossary, described event marketing as a promotion sponsored in connection with some special event such as a sports contest or musical concert.

Advertising, Promotion, and Other Aspects of Integrated Marketing Communications, 7th edition, Shimp, 2007.

Certainly the title of this text is promising in that it seems to indicate a more comprehensive view of promotion. Sponsorship marketing was listed as one of the major forms of marketing communications along with personal selling, advertising, sales promotions, publicity, and point-of-purchase communications. The discussion on sponsorship was contained in a chapter on marketing public relations and sponsorship marketing with about eight pages devoted to sponsorship. This coverage included definition, examples, reasons for growth, guidelines for selection, and statistics on spending. A separate discussion of cause-related marketing was included in the section on sponsorship.

Advertising Principles and Practices, 8th edition, Moriarty, Mitchell, & Wells, 2009. Sponsorship was covered in less than two pages in this text's chapter on sales promotion. In contrast to some of the other texts, however, these authors more clearly distinguished sponsorship from event marketing. Specifically, this text offered the following:

Sponsorships occur when companies support an event, say a sporting event, concert, or charity either financially or by donating supplies and services. Event marketing means building a product's marketing program around a sponsored event, such as the Olympics or a golf tournament.

(Moriarty, Mitchell, & Wells, 2009, p.491)

A short description of spending and some examples concluded this coverage.

Integrated Advertising, Promotion, and Marketing Communications, 4th edition, Clow & Baack, 2010.

Sponsorship was included in the chapter on public relations with about three pages describing forms and objectives of sponsorships and another three pages that covered event marketing. According to the authors, the major difference between the two was that sponsorship marketing involves a person, group, or team and event marketing occurs when the company supports a specific event.

Discussion

As indicated by the above examination, corporate sponsorship is not given much coverage in textbooks that deal with promotional subject matter. There is no agreement on exactly how sponsorship should be labeled, or even what it means for that matter. Event marketing and corporate sponsorship are terms that seem to be used interchangeably by some authors, while others do not. Sometimes authors cite the total spending for sponsorship rights alone, without mentioning the additional spending in other forms of promotion to support the sponsorship.

Little was provided about the reasons for the explosive growth in sponsorship, nor was much offered in terms of decision-making and measurement of effectiveness. More often than not, the authors described some current examples of sponsorship and let it go at that. The examples were usually a variety of sports, cause-related, and entertainment events and they often included smaller, local events in addition to examples representing larger budgets.

As noted earlier, the limited academic research in this area may account for the lack of coverage in the textbooks. Authors may not believe the research is sufficient to justify inclusion in a text and therefore, only descriptive information is provided. One of the major issues in corporate sponsorship research is the measurement of sponsorship effectiveness. Simply put, it is not easy to determine whether the millions spent by a company on sponsorship rights are accompanied by an increase in awareness, image, or sales. One text, not included in the above analysis, was quite critical of the use of sponsorship and described its "alarming rate of failure" (Rossiter & Bellman, 2005, p. 376). They go on to state that "most sponsorships do not show any demonstrable effect on company stock prices or on sales" (Rossiter & Bellman, 2005, p. 376). They suggest

that the reason for this failure is that sponsorships are conceptualized poorly and their effects are either measured wrongly or not at all. These authors felt compelled to include some limited coverage of sponsorship anyway, probably because the amount of spending simply cannot be ignored.

Another possibility that might explain the amount of sponsorship coverage is that sponsorship itself is a somewhat fluid concept. This is not strictly a marketing tool. Sponsorship reaches into public relations, sports management, philanthropy, mass communications, etc. Successful sponsorships, therefore, are truly the product of an integrated communications program. For example, a company obtains sponsorship rights to an event which involves a non-profit organization, around which they develop an advertising campaign, with a public relations/publicity effort that targets the same market and additional markets. This integration is what makes the measurement of sponsorship effectiveness so difficult. Measurement tools may be able to isolate specific aspects of the sponsorship promotional effort, but have more difficulty addressing the synergistic effects that sponsorship creates. So coupled with the lack of research/measurement techniques, we can add the possibility that because sponsorship does not belong to any one field exclusively, it is assumed that it is covered elsewhere.

Finally, it must be acknowledged that sponsorship receives only light coverage in textbooks because it is not perceived to be as important as the other topics traditionally associated with this area. Authors seem more than willing to assign sponsorship to the sales promotion miscellaneous category, along with coupons, sweepstakes, and premiums. It does share many characteristics with the other forms of sales promotion and it is certainly easier to assign sponsorship to an existing category rather than develop a new paradigm to explain marketing communications and promotion.

Limitations

The purpose of this study was to conduct a preliminary investigation into the coverage of sponsorship within the undergraduate marketing curriculum. A number of limitations should be identified that affect the interpretation of the analysis. First, marketing courses are not necessarily textbook-driven, in that only material presented in the text will be covered in a class. To assume that texts alone describe the curriculum would be erroneous. Many faculty do not even assign a textbook as required reading in a course. In addition, only a few texts were included in this assessment. Certainly there are dozens more that are available that were not evaluated. The texts that were selected were all published by major companies within the past few years and are widely used.

Conclusions

This study is only intended as a first step into the examination of the topic of corporate sponsorship within the marketing curriculum. A more thorough and comprehensive assessment would include an evaluation of more textbooks and materials and a survey of marketing faculty. In addition, as is often the case with new techniques and strategies, a variety of terms are often used to explain the same

practice. As noted earlier, some authors use the terms corporate sponsorship and event marketing interchangeably, while others make distinctions. Strategic philanthropy and philanthropic marketing have lately been added to this list (Collins, 2005). This could lead to some confusion as to what is actually being discussed and can limit dissemination throughout the discipline. Cornwell (2008) has suggested that the term "indirect marketing" describes various activities such as sponsorship-linked marketing, product placement and ambient marketing.

The broader question that could be addressed, however, is how is the content of a marketing curriculum determined? If a real-world practice is never, or very lightly, included within a marketing student's program, is the student being shortchanged? Or is the goal of a curriculum to provide a general, somewhat timeless, approach to the subject? In the case of sponsorship, this may not be enough. A career in sponsorship means developing skills in a variety of areas including media advertising, direct marketing, public relations, business-to-business marketing, project management, negotiation, joint ventures, and crisis management (IEG Sponsorship Report, 2001). Would the typical marketing graduate receive the necessary preparation to pursue a career in sponsorship, or would such preparation be too limiting? Marketing faculty have the responsibility to address these issues as marketing itself continues to evolve.

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