

# *The Impact of Sports Sponsorship and How to Maximize the Effect of Sports Sponsorship*

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**Abstract:** The purpose of this study is to examine sports sponsorship to promote sporting events. Sports sponsorship is an equal and mutually beneficial combination between sports and enterprises. Sports sponsorship plays a positive role in the development of sports: it expands the financial resources of sports, releases the charm of sports, activates all kinds of competitions; satisfies people's viewing experiences and promotes mass sports; at the same time, it beautifies the corporate and brand image and improves the brand awareness and brand image of enterprises. To gain the wide goodwill and attention of the community. It creates a favorable environment for the survival and development of different enterprises. This paper discusses the origin and development of sports sponsorship through the literature analysis method analyzes the role of sports sponsorship in the sports industry and the benefits to the participating enterprises, as well as the development of countermeasures, and puts forward some suggestions on how to make sports sponsorship more effective.

**Keywords:** sports sponsorship, brand image, sponsor physical culture, physical industry, enterprises

## 1. Introduction

Sports sponsorship is one of the elements of sports economic activities and a method of self-promotion for companies, so it is becoming an important marketing tool for companies, while the integration of competitive sports and sports sponsorship is an emerging sports economic phenomenon. At the same time, sports sponsorship is now playing a very important role in the sports industry as a form of public relations sponsorship activities. This paper analyzes the significance of sports sponsorship, the origin of sports sponsorship, the role of sports sponsorship, and the countermeasures of sports sponsorship and how to maximize the effect of sports sponsorship. This paper uses the literature review method to explain that sports sponsorship is not only a benefit to the sponsor and the sponsored company, and the sales of the company's products, but also a link to the participation of fans in the team, which is much more significant than the economic benefits brought by sports sponsorship.

## 2. Literature Review

Yupin and Goldfarb point out that sponsorship of sporting events is not a new project phenomenon ancient Greece sponsored the athletes at the first Olympic Games in the year 776 BC [1]. Since then,

sports sponsorship has gradually developed into a business opportunity. In recent years, sports sponsorship has steadily increased the amount of investment has grown exponentially. As Koronios et al. point out, the growth of sports sponsorship is due to the increased awareness of people by sponsors (sports organizers) and sponsors (companies) to carry out marketing techniques, the use of mass media technologies to customers to create strong brand loyalty. At the same time the emergence of new technologies has contributed to the commercialization and globalization of sports worldwide by the popularity of sports events.

Companies have a variety of reasons to engage in sports commercial sponsorship, but what they ultimately seek is to promote their unique merchandise and some kind of benefit in line with their corporate culture. Sports commercial sponsorship activities are more public service than any advertising, and they help a lot to improve the trust and image of the company and increase the awareness rate. Because sports sponsorship can be seen as the most favorable springboard to enter the world market [2]. Sports can create a great impact and can break through cultural, social and linguistic boundaries to achieve very good results.

### **3. The Role of Sports Sponsorship**

#### **3.1. Sponsor Awareness and Marketing Performance Will Be Broken Through Sports Sponsorship**

Consumer satisfaction through the quality, style and reputation of the sponsored company's product is a key factor in improving corporate visibility, while brand awareness and marketing performance are the basis of corporate survival, sports give people a sense of health, youth, vitality, competition and happiness. Sports have become an important part of social life in today's world, through sports sponsorship can be a positive corporate and sports in the minds of people Through sports sponsorship, we can link the positive image of enterprises and sports in people's minds and increase the popularity of enterprises. Before Samsung sponsored the Asian Games in Seoul in 1986, it was an unknown company in Korea, and its sports sponsorship greatly increased the popularity of "Samsung". Since then, Samsung has been sponsoring other major sports events such as the Asian Games and the Olympic Games. According to the survey results of the world-class brand survey agency in 2001, the brand value of Samsung was US\$6.4 billion, ranking 42nd in the world; in 2002, its brand value was US\$8.3 billion, jumping to 34th; in 2003, it ranked 25th, becoming the second largest brand in Asia and the largest brand value increase in the world.

#### **3.2. Target Groups Are More Likely to be Favored by Sports Sponsorship**

Some consumer groups audience to the products offered by companies, but because the audience is large and scattered, it is difficult to focus on the target audience and communicate effectively. Sports can transcend age, race, gender, occupation and other restrictions to unite people, different sports will have a large group of viewers. Companies that produce high-end men's clothing always sponsor more masculine, modern, high-spending sports events like tennis and golf. Coca-Cola is a well-known popular beverage, and it was through its status as a top sponsor of the Olympics that Coca-Cola marketed its products around the world and effectively curbed the sales of its strong rival Pepsi. Watching the nation's attention on television

Yao Ming, the Little Giant, will hear the commentators mention "Toyota Sports Center" many times during the NBA basketball games at the Rockets' home court, and will see the "Toyota" logo on the court. The reason why the Japanese company Toyota named the Rockets training center, one of the important reasons is to take advantage of the Chinese people's concern for Yao Ming , and strengthen the "Toyota" for China's publicity.

### **3.3. The General Audience of Sports Competitions Is the Beneficiary Group of Sports Sponsorship**

Various sports sponsorship activities in sports competitions will gradually come to the forefront of people's minds as they become more and more interested in the competitions [3]. This connection between sports and the general public and the great influence on the general public to strengthen social bonds through sports is exactly what business is looking forward to.

## **4. The Benefit of Sports Sponsorship**

### **4.1. Sports Sponsorship Is Conducive to The Establishment of a Good Brand Image of the Company**

With the halo effect of sports activities themselves to enhance the brand awareness and reputation. A survey in the United States showed that 64% of respondents were more willing to buy products from sports sponsors, which is rooted in the public interest of the manufacturers [4]. Some statistics show that for a company to increase its brand recognition worldwide, every 1 percent increase in brand recognition is a good thing. For every 1 percent increase in brand recognition worldwide, it costs \$20.1 million in advertising dollars, and the cost of advertising through major sporting events such as the Olympics and the World Cup is \$20 million. The brand recognition can be increased to 10% through major sports events such as the Olympic Games and World Cup. The cost of advertising is \$20,000,000 for every 1% increase in brand awareness, while through major sporting events such as the Olympics and World Cup, this awareness can be increased to 10% with good economic benefits. Therefore, large companies are willing to spend a lot of money to become partners of major competitions, so as to develop the market and The economic benefits can be exploited.

### **4.2. Sports Sponsorship Benefits Sales of Corporate Products**

Many companies do not only use sponsorship of sports to build their brand image, but also combine sponsorship with marketing, making sponsorship activities more colorful and a long-term and stable investment in building reputation and gaining benefits for the company.

### **4.3. Sports Sponsorship Helps Companies Build Closer Relationships with Government or Social Groups**

Such action create a social environment that is more conducive to their survival than can be achieved through simple business practices. Business activities in society are not only influenced by the public, customers, competitors and substitutes [5]. It is also influenced by political, legal, demographic, cultural and other macro-environmental factors. It is no longer just a product manufacturer that affects a company. Its market behavior will be guided and regulated by the government, social groups and the public. However, a good partnership with the government or social groups, especially sports organizations, will make a big difference. The situation is very different. In the World Cup, there were duels between companies such as KTF vs SK Telecom, Adidas vs Nike, and IVC vs Olympus. In Korea, one of the hosts, IF is committed to cooperating with the Korean government and the parent sports organization, and is the leading sponsor of the World Cup ahead of the first company, Telecom. The official sponsor, Hyundai Motor, paid about 100 billion won in sponsorship fees, but strategically received 60 times more than 6 trillion won in post-event benefits through advertising.

## **5. How to Increase the Effect of Sports Sponsorship**

### **5.1. Choosing the Right Form of Sports Sponsorship**

The main targets of sports sponsorship are: sports events, title rights, sports obviously and sports public welfare. The level, project and scale of sponsorship depends on the sponsor's reasonable positioning with full and correct knowledge of its own characteristics, status, strengths and strategic objectives. For example, Adidas is keen to sponsor important and major competitions and clubs, such as the Olympic Games, the European Football Championship, the World Cup, etc. The full use of these strategies allows Adidas to create a brand image that is perfectly suited to exciting sporting events. It conveys the spirit of Adidas' active and inspiring participation. At the same time, Nike is positioned as an outstanding athlete, usually through the athletes' courage to face challenges, face difficulties and dare to show their excellent qualities to highlight their brand characteristics.

### **5.2. Long-term Investment and Systematic Organization**

Since sports sponsorship is based on psychological effects, various functions can only be achieved through long-term and unremitting efforts, and it is difficult to achieve them overnight. Therefore, sports sponsorship is important to persist, both the target and the sponsor should be patient. Samsung Group was only a second-rate enterprise in Korea in the 1980s, but it seized the opportunity to promote the Seoul Olympics in 1986 and received good results. Then in 1988, it became a global sponsor of TOP, and in the next decade, Samsung Group has been committed to investing in the Olympic Games, and in 2002, its brand value was \$8.3 billion, ranking 24th in the world; in 2003, it ranked 25th, becoming the second largest brand in Asia, and the largest brand value increase in the world [4]. This is arguably the greatest return on long-term investment. In addition, sports sponsorship is a complex and systematic activity. Only when all four parties involved, in the sponsor, the sponsored, the media and the intermediaries, are on par, united, working together and cooperating closely, can a sports sponsorship be effective.

### **5.3. Strengthen the Importance and Establish the Mechanism of introducing, Training and Motivating Sports Sponsorship Marketing Talents**

First, to attract the introduction of outstanding talent. Generally speaking, only the top talent will create first-class marketing performance. Second, international sports sponsorship marketing management needs to pay attention to the training of talent. Establish a good training system, although it is necessary to train experienced employees. But managers with rich international trade experience should not be taken lightly. Because when managing foreign markets or leading employees of foreign organizations. Attention should be paid to a balanced analysis including domestic marketing situation, foreign situations, prior international training and strong ability to participate in globalization and the ability to adapt to cultural differences in globalization. Third, the incentive mechanism of talent. The incentive mechanism of talent is good or bad to determine the upper limit of a company's development. People take it for granted that good talents deserves good rewards, but if the incentive mechanism is not good enough and does not meet the actual requirements, there will be many negative effects such as negativity. Therefore, a series of incentive mechanisms must be developed, such as creating a working environment for them to play to their strengths. To build a career ladder and platform for them, and to develop a reasonable compensation system, which will have a positive effect on the long-term operation of the enterprise.

#### 5.4. Other Marketing Activities Can Add to the Sports Sponsorship

Companies should use sports sponsorship as a platform, combined with advertising, promotion and public relations and other means of communication with consumers closely, and complement each other's strengths, and strive to form a channel of efficient communication with the company within a certain time and space, creating greater value. Sports marketing also requires the use of a variety of sports-related content (products, people, events, services) as a vehicle, so that the company and consumers can establish a brand culture system with sports culture as the core, is a multi-level integrated marketing use, must be integrated into the company's existing marketing plan, in order to maximize the effect [6]. Regardless of the number of spectators and attendees at the event, it only represents part of the company's target market [4]. The true marketing value of a sporting event needs to be explored and amplified through mass media and related marketing activities, as well as strategic extensions. The marketing integration of sports sponsorship requires, on the one hand, the coordination of activities between different departments within the company and, on the other hand, the importation of the activities and the objectives of the company at the time. In the process of implementing of the activities, we must coordinate the overall situation, grasp the progress, and adjust the plan in a timely manner. It is necessary to establish a systematic monitoring system to coordinate the performance of the activities of various departments, the progress of various activities and the consistency with the objectives of the situation. Only by paying sufficient attention to the integration of complementary marketing activities can huge amounts of sports sponsorship funds be used to create a strong impetus to enhance the company and its brand.

#### 5.5. Long-term Vision of Sports Sponsorship

Insist on continuous innovation in sports sponsorship to keep up with the trend of the times and the different needs of fans. Nowadays, the sports industry has gradually become globalized, and the accompanying sports sponsorship strategy needs to be aligned with the international sports market and not limited to the popular sports events in the country. Companies can combine sports sponsorship with their product marketing strategies through the popularity of stars, for example, China Kejian Co. Through the comprehensive cooperation with Everton, a series of promotional activities were launched to enhance the corporate image and brand awareness, as well as to pave the way for Cogent to develop the international market. The move coincided with the start of the broadcast of the English Premier League (EPL) on CCTV sports channels in China, where Everton and Manchester City, the three Chinese players in the EPL, saw Chinese branding in Chinese and Hanyu Pinyin on the chests of players in the top five European leagues for the first time [7]. The marketing effect was remarkable and there is no doubt that CKJ was the biggest beneficiary of this sports sponsorship. The competition in the field of sports sponsorship is intensifying. Continuous innovation and recognition by the public will be an effective means and way for companies to enhance their competitiveness in the field of sports sponsorship. Chinese companies have to gradually adapt to the commercial sponsorship operation mode of world sports, and at the same time, they have to keep pushing forward new ideas in the form of sponsorship, marketing performance and communication channels, and marketing support activities [8].

### 6. Conclusion

By understanding the origin of sports sponsorship and its significance of sports sponsorship, we understand that sports sponsorship plays a pivotal role in the visibility of sponsors, brands and target groups, while the countermeasures of sports sponsorship include choosing a reasonable form of sports sponsorship, long-term investment, systematic organization, clear At the same time, the countermeasures of sports sponsorship include choosing a reasonable form of sports sponsorship,

long-term investment, systematic organization, clear selection and positioning of the target market and strengthening the policy of introducing, training and motivating sports sponsorship marketing talents which should not be neglected.

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