

# Sport Sponsorship from a Small Business Perspective

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## Abstract

Within a reasonably short timeframe sponsorship has morphed from a passive form of marketing that was often philanthropic in nature (Morgan et al., 2014), to a legitimate element of the promotional mix (Segium & O'Reilly, 2007), and a key strategic business partnership initiative (O'Reilly & Horning, 2013). Sport sponsorship has been defined as the provision of assistance by commercial organisations (sponsors), in cash or kind, to a sports property (sponsee), in exchange for the rights to be associated with the sports property for the purpose of gaining commercial and economic advantage (Triodi, 2001).

While substantial research has been directed towards large organisations and corporate sponsorship, little interest has been focussed on the relationship between small businesses and sport sponsorship (Mack, 1999, Jing 2010). Small businesses are extensively involved in the sponsorship of sports organisations, teams, individuals and events (Slack & Bentz, 2010). As more and more local and regional sport organisations look towards sponsorship as a means to financial support their organisations this relationship will continue to grow.

This research aims to address the gap in literature, by seeking to gain an insight into the rationale for small business involvement in sport sponsorship. The study examines the objectives, practices and perceptions of small business related to sponsorship decision making. For the purpose of this study a small business is defined as any enterprise with less than 20 employees.

The research applied a qualitative, exploratory approach in order to explore small business perceptions and experiences with sport sponsorship. A series of in-depth semi-structured interviews were conducted with relevant personnel from the selected small businesses. Interviews were recorded, transcribed and then analysed using grounded theory coding techniques, allowing for key themes to emerge.

The research is still on-going, however preliminary findings indicate that there is generally a lack of long term strategic planning; researching and differentiating between sponsorship opportunities; and little or no formalised internal policies to guide the small business sport sponsorship decisions. Decisions are also often based on personal preferences and/or a sense of "giving back" to the community.

This research is particularly relevant in the New Zealand context as 97% of all enterprises are deemed to be "small" and the sport industry is a major contributor to the New Zealand economy (NZ Government, 2014). As sponsors become more and more a part of the social context that shapes and sustains local and regional sport it is important that both sport organisations and small businesses understand better what motivates, attracts and sustains small business sponsorship.