Corporate views on sport sponsorship in Tennessee

Ryan Holmes Altizer

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To the Graduate Council:

I am submitting herewith a thesis written by Ryan Holmes Altizer entitled "Corporate views on sport sponsorship in Tennessee." I have examined the final electronic copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Sport Studies.

Pat Beitel, Major Professor

We have read this thesis and recommend its acceptance:

Ralph Jones

Accepted for the Council:

Carolyn R. Hodges

Vice Provost and Dean of the Graduate School

(Original signatures are on file with official student records.)
To the Graduate Council:

I am submitting herewith a thesis written by Ryan Altizer entitled “Corporate Views on Sport Sponsorship in Tennessee.” I have examined the final copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Human Performance and Sport Studies.

Dr. Pat Beitel, Major Professor

We have read this thesis and recommend its acceptance:

Accepted for the Council:

Associate Vice Chancellor and Dean of The Graduate School
CORPORATE VIEWS ON SPORT SPONSORSHIP IN TENNESSEE

A Thesis
Presented for the
Master of Science
Degree
The University of Tennessee, Knoxville

Ryan Holmes Altizer
December 1997
ABSTRACT

This study explores corporate trends in sport-related sponsorships among Tennessee businesses that have previously participated in sport sponsorship. Its primary purpose is to provide major league sport organizations with corporate profiles which would help franchises design their marketing strategies.

No comprehensive list of Tennessee sport sponsors exists, so a sample was drawn from the 1995 Sport Sponsor Fact Book, a reference volume which lists sports sponsors geographically by the state in which they are headquartered. The sample consists of the 18 corporations listed in the book as Tennessee sport sponsors. Twelve of the 18 companies responded, producing a 66.7% response rate.

A survey was constructed based on information other studies felt was important to include, as well as current issues about the relationship between Tennessee corporations and sport organizations. A 7-point Likert scale was chosen as the method by which respondents would answer. Frequencies and percentages were used to evaluate each research question. Conclusions were reached by comparing the responses of each survey question to every other question in the respective category.

The study answers the following five research questions:

1. What is the corporation’s history in dealing with sport sponsorships?
2. What kind of major league sport organizations would the corporation be interested in sponsoring?
3. How important would the sport organization’s name and location be in deciding whether or not the corporation would sponsor that organization?

4. What factors would make a sport sponsorship appealing to corporations?

5. Does the addition of certain services by sport organizations affect the corporation’s willingness to enter into sponsorships with a sport organization?

Results of the study indicated that sport sponsorship is in its premature stages in Tennessee and that in-state corporations are a little uneasy about entering into sponsorships with new franchises. This study determined that major league teams could increase the possibility of securing in-state sponsorships is through careful selection of their name and location. The study also revealed which criteria these Tennessee companies rate as most important in selecting sport sponsorships and that demographics and financial statistics should be part of any major league team’s sponsorship proposal.
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CHAPTER 1
INTRODUCTION

Sport sponsorship is a relatively new phenomenon in the business world, and the reason for its rapid growth as a marketing tool is the subject of much debate among researchers. By now, nearly everyone agrees that sport sponsorship is taken on by corporations in order to expand their business. But many researchers still say that corporations are participating out of social responsibility or for image enhancement. Just what businesses look for in sport sponsorships is a question that sport organizations must answer in order to build a successful marketing strategy.

Scholars in sport sponsorship stress the importance of service excellence for the sponsor, whether it be through including customer profiles in sponsorship requests or comprehensive coverage in the evaluation of a sponsored event. Both Burton (1996) and Jensen (1996) describe the commitment that NFL Properties show to their corporate partners, and indicate the continuing dividends received.

Morris and Irwin (1996) and Komoroski and Biemond (1996) emphasize the importance of providing the sponsor with bottom line information in sponsorship requests and evaluations. This is even given added importance when the corporate perspective is considered. Copeland, Frisby, and McCarville (1996) show that financial concerns are highly considered when it comes to evaluating partnerships, and Cousins and Slack (1996) demonstrate that many businesses, particularly those in chains, must agree to a sponsorship on several different levels.
There is one inconsistency among these papers, however. Although Copeland, Frisby, and McCarville (1996) identify the importance of increased sales and market shares due to sponsorships, they claim that sponsors are more concerned with image enhancement. This is in contrast to Morris and Irwin (1996), who suggest that companies have put image enhancement on the backburner in favor of financial goals.

When it comes to the best ways to go about acquiring and maintaining successful sponsorships, it seems that sport organizations must offer proof of success for bottom line and image enhancement issues, not just one or the other. Also, previous studies dealing with sponsorship trends on the corporate end seem to deal with samples that may not benefit sport organizations in all geographical areas. Even though Copeland, Frisby, and McCarville (1996) explain important beliefs in the corporate community, their explanation focuses on sponsorship trends in Canada. In order for a study of corporate trends to benefit specific sport organizations, it seems that each particular organization must deal with a study of businesses within its target market. Therefore, there is an obvious demand for corporate marketing trends that can help sport organizations design successful sponsorship strategies.

**Statement of the Purpose**

The purpose of this study was to explore corporate trends in sport-related sponsorships among Tennessee businesses who have previously been involved in sport sponsorship. Such information would serve as a blueprint for marketing strategies of professional sport organizations seeking to enter the profitable, but relatively untapped, market of the Volunteer state. Although organizations in Tennessee would undoubtedly
seek sponsorships with national corporations as well, this study will analyze the interest of businesses that are headquartered in this state. Therefore, this paper will be most useful for Tennessee sport organizations who seek local partnerships in addition to the usual national sponsorships. More specifically, the paper will examine the following research questions.

1. What is the corporation’s history in dealing with sport sponsorships?
2. What kind of major league sport organizations would the corporation be interested in sponsoring?
3. How important would the sport organization’s name and location be in deciding whether or not the corporation would sponsor that organization?
4. What factors would make a sport sponsorship appealing to corporations?
5. Does the addition of certain services by sport organizations affect the corporation’s willingness to enter into sponsorships with a sport organization?

Definition of Terms

**Corporation** - Business with a marketing and/or advertising budget which can be considered a potential sponsor for sport-related activities.

**Image Enhancement** - Reason corporations enter into a sponsorship in order to increase their name recognition among the consumer public.

**Social Responsibility** - Reason corporations enter into sponsorships in order to better serve their communities and society as a whole.
Sponsor- Corporation with a marketing or advertising budget which enters into a partnership with another organization in order to enhance its image, serve the community, or increase profit.

Sponsorship Request- Proposal from an organization to gain financial support or other assistance from another corporation. These proposals include details and terms of the event or marketing campaign to be sponsored, and sometimes include demographic and financial data.

Sport- Athletic activity performed for the purpose of entertaining, and often used to gain a profit for an organization.

Sport Marketing- The practice and business of promoting a sport entity, either for profit or recognition. This is mostly accomplished through the help of corporate sponsors, who provide financial support or other assistance.

Sport Organization- Business or other entity functioning in order to manage and promote a certain sport-related activity.

Sport Sponsorship- Partnership between a corporation and a sport organization used to promote a sport-related activity. This is usually done to bring advantages to one or both parties, including, but not limited to, increased profitability.

Assumptions

The following assumptions are made for this study:

1. That respondents answered questions honestly and to the best of their abilities.

2. That the surveys were answered by the intended respondent.
3. That the respondent’s answers adequately reflected his or her corporation’s views on the sport sponsorship process.

**Scope of the Study**

Limitations to the study include the likelihood that someone other than the intended respondent may answer a corporation’s survey. The study’s delimitations include an inability to survey all potential sponsors by not including national advertisers (e.g., Pepsi and McDonald’s) or small businesses within the state. Instead, the subjects are businesses owned and operated within Tennessee and with some history of previous sport-related sponsorships. Although the subjects are selected by a source as reliable as the 1995 Sport Sponsorship Fact Book, the fact that they are not randomly chosen may be a delimitation. Also, an inability to gain enough qualitative data about corporate beliefs and trends could serve as a delimitation as well.

**Significance of the Study**

The completion of this study can benefit any existing or potential major league sport franchise seeking to locate or relocate in the state of Tennessee, as well as those already residing in the state. This study serves as a tool for establishing the sport organization’s marketing strategy within the state, and help it to better reach the needs of its local sponsors. The results can inform the sport organization of aspects which Tennessee corporations value in sport sponsorships.
CHAPTER 2

REVIEW OF LITERATURE

The purpose of this literature review is to identify methods of acquiring and maintaining successful sponsorships for the sport organization. The paper includes the process from the viewpoints of both the sponsor and the sport organization and a research article concerning sponsorship acquisition, followed by a section on evaluating the partnership. Next, the paper concerns how corporations view the sport sponsorship process and includes a case study of one of the most successful sport marketing organizations.

Sponsorship Acquisition

Doug Morris is the Director of Sports Marketing for Morris Advertising in Memphis, Tenn. Richard L. Irwin is Associate Professor and Program Director for the Bureau of Sport and Leisure Commerce at the University of Memphis. This article examines the proper approach to acquiring sponsorship in the increasingly competitive sport sponsorship market. Morris and Irwin (1996) use the conclusions of other relevant articles and their own sport marketing experience as a basis for the article’s content.

Morris and Irwin (1996) use a recent survey of sport sponsors to show how most corporations are using sport sponsorship to increase sales and market share, rather than merely to enhance their image, as had previously been the case. With a growing awareness to the bottom line in sport sponsorships, corporations are beginning to look for sponsorship proposals with audience demographics already included. Therefore, Morris and Irwin (1996) stress the importance of building sponsorship proposals around business
data useful to the targeted corporation. Such information can be compiled from existing customer databases or, if no such information is available, through surveys. When conducting such research, Morris and Irwin (1996) emphasize the importance of getting more from surveys than just demographic data. The sport property should make a list of potential sponsors, and then construct questionnaires to include as much customer purchasing information as possible. This data is an important complement to the sport property sponsorship pitch, which would not only identify potential market penetration, but customer usage rates as well. Morris and Irwin (1996) explain that research showing high product usage among respondents gives corporations a good picture of their customers, and those showing lower usage identifies untapped markets.

Morris and Irwin (1996) highlight four key components of the sponsorship selling process. First, the research must be conducted, allowing six to eight weeks to collect and tabulate it. Next, Morris and Irwin (1996) recommend developing a direct mail piece to send to potential sponsors, briefly stating, through analyzed data, what the corporation could gain by agreeing to a sponsorship. Then, make follow-up calls to each prospective sponsor who was sent a piece of direct mail, in order to make an appointment to further discuss sponsorship opportunities. Finally, Morris and Irwin (1996) explain the proper way to build a sales proposal based on the customer research. The presentation should highlight the data in a way to demonstrate the potential benefits to a sponsorship.

Morris and Irwin (1996) conclude that data-driven sponsorship acquisition is possible once a decision is made as to whether the research should be conducted internally
or by a contracted agency. The key is to demonstrate to prospective clients the value of a sponsorship.

**Sponsorship Evaluation**

Len Komoroski is vice president of sales and marketing for the Philadelphia Eagles and Heather Biemond is a candidate for a master’s degree in sport management at the University of Massachusetts. Komoroski and Biemond (1996) explain possible sponsorship evaluation forms that sport organizations can use to analyze relationships with sponsors. The importance of such evaluations is illustrated with industry testimonials and case studies.

Komoroski and Biemond (1996) stress the importance of evaluations that will allow for open communication between the sport organization and the sponsor. This analysis facilitates the process of sponsorship renewal by providing justification for maintaining the partnership.

The article details the sponsor accountability experiences of Komoroski himself, who has seen the process from both the sponsor and sport organization sides. First, Komoroski and Biemond (1996) detail the evaluation forms the Miller Brewing Company continue to use to analyze their sport sponsorships even after Komoroski’s tenure there. These forms contain pertinent details about the event or promotion itself, and such things as media support and hospitality opportunities. Komoroski and Biemond (1996) point out that the primary use of such forms is to evaluate each sponsorship against the sponsor’s overall objective, which in Miller’s case is incremental case sales.
Next, Komoroski and Biemond (1996) explain how Komoroski, while working for the Minnesota Timberwolves, helped to create corporate partnerships in which sponsors could build their business by using the Timberwolves name. A detailed evaluation system is utilized on the sport organization’s end, in order to give these corporate partners monthly or annual updates on the relationship.

Komoroski and Biemond (1996) also examine the case of the Cleveland Cavaliers who have broken down their sponsor services department into three areas - hospitality, broadcasting, and promotions. Each of these departments provides documentation on sponsorships for corporate partners in their area. Komoroski and Biemond (1996) explain the way the Cavaliers offer detailed information to corporate sponsors on the promotion itself, including documentation and even videotape and pictures to give the sponsor a better idea of fan reaction or participation in the promotion. At year’s end, the organization provides an extremely detailed summary of the partnership, and all of the contractual elements are analyzed. Komoroski and Biemond (1996) explain the overall format of the evaluation, which includes sponsorship descriptions and future recommendations among other things. The authors also point out the way the Cavaliers are varying the presentation of these summaries, including video evaluations.

Komoroski and Biemond (1996) also demonstrate how these evaluations can protect the sport organization from possible breach of contract allegations by providing adequate information to support the organization’s case. Komoroski and Biemond (1996) explain the ways sponsorship evaluation forms can benefit the sport organization-sponsor relationship, and point out ways in which it can be done in a timely manner.
Sponsorship From the Corporate Standpoint

Copeland, Frisby, and McCarville (1996) examine what Canadian sponsors think about the sport sponsorship process by determining criteria used in selecting sponsorship opportunities, post-event evaluation methods, reasons for discontinuing past partnerships, and perceived benefits of the process.

Copeland, Frisby, and McCarville (1996) aim their study at Canadian corporations presently involved in nation-wide sport sponsorships. This includes companies that advertise nationally in Canada, have a combined advertising budget of $50,000 Cdn or more per year, and are actively involved in sport sponsorship. Copeland, Frisby, and McCarville (1996) draw their sample from the National List of Advertisers, which provides information on types of media the companies utilize and their total advertising budgets. This results in 200 companies who meet the first two criteria, and Copeland, Frisby, and McCarville call each of them to determine if they meet the third. One hundred twelve corporations meet all three criteria, all of which are sent cover letters and copies of the survey. After two weeks, the authors make follow-up calls, and Copeland, Frisby, and McCarville (1996) send a second copy of the survey to those companies who have not sent responses.

Copeland, Frisby, and McCarville (1996) break the survey into five sections: (1) sport sponsorship profiles, (2) selection criteria, (3) sponsorship evaluation measures, (4) reasons for ending past sponsorships, and (5) perceptions of the benefits exchanged. Copeland, Frisby, and McCarville (1996) point out that some of the questions in the survey are open-ended due to the complexity of these issues. Yet, most of the survey
allows respondents to choose from a group of possible responses. For instance, the section focusing on potential event selection criteria gives respondents 37 criteria that they might use to select their sponsorships. Copeland, Frisby, and McCarville (1996) list these potential criteria based on a review of the sponsorship literature, and ask subjects to rate the importance of each criterion on a 7-point Likert-type scale. Responses to each range from 1 (not important at all) to 7 (extremely important).

Copeland, Frisby, and McCarville (1996) show an 83.8% response rate to the survey, although 15.8% of respondents indicate an inability to complete the survey due to contract conditions which prohibit them from releasing any information. In all, Copeland, Frisby, and McCarville (1996) report the analysis of 75 surveys, resulting in a 68% return rate.

Copeland, Frisby, and McCarville (1996) explain that in the corporate sponsor profiles, only 8% of responding companies have personnel exclusively responsible for sport sponsorships, with the rest leaving it up to existing areas of the company. Copeland, Frisby, and McCarville (1996) also show that about half of the respondents have been involved with sport sponsorship for at least 10 years, and about the same amount report being involved in only a minor way. Copeland, Frisby, and McCarville (1996) also explain that most companies in the sample tend to support all levels of sport (community, amateur, and professional). Plus, 74% of respondents indicate they prefer to maintain their current length of commitment to sponsorships, rather than extending or decreasing them. When it comes to the annual number of requests that ask for a minimum of $1,000 Cdn support, Copeland, Frisby, and McCarville (1996) show that more than half of these
corporations report getting more than 50 requests per year. The respondents show that
their favorite type of sponsorship involves direct fee support in exchange for rights of
association with an event. Finally, Copeland, Frisby, and McCarville (1996) show that
respondents indicate supporting sport sponsorships with multiple forms of marketing
communication. For example, many companies will use any combination of advertising,
public relations, promotions, etc. to help promote an event.

As for the 37 criteria for selecting sport sponsorship, Copeland, Frisby, and
McCarville (1996) indicate that exclusivity of sponsorship is the most important criteria
for these companies. Exclusivity is followed on the list of importance by increased
awareness, image reinforcement, and signage. Copeland, Frisby, and McCarville (1996)
indicate that the least important criteria are national radio coverage and turnkey event
management.

In evaluating the success of a sponsorship after its completion, Copeland, Frisby,
and McCarville (1996) uses content analysis to group the responses. More than 60% of
the companies indicate that awareness, exposure, and media coverage are the key factors
contributiong to success of a campaign. Copeland, Frisby, and McCarville (1996) also show
that close to half of the respondents point to sales as another key to accomplishing
corporate goals in the partnership.

Copeland, Frisby, and McCarville (1996) explain that most (87.1%) of the
respondents have, at some point, discontinued a sport sponsorship in the past. The most
popular reason for nonrenewal is a lack of return on the company’s investment. Copeland,
Frisby, and McCarville (1996) show that 36.5% of the respondents indicate this reason,
with failure to meet corporate objectives and changes in corporate priorities factoring in on several decisions as well.

In assessing the exchange of benefits in sport sponsorship initiatives, Copeland, Frisby, and McCarville (1996) explain that just over half (56.7%) of the companies think the benefits exchanged are fair or better. More than 20% of the respondents feel the benefits they receive are less than those they provide for the sport organization.

Copeland, Frisby, and McCarville (1996) explain that this study shows corporate involvement in Canada is still in its developing stages. The fact that few of these companies have specific managers for sport marketing suggest that these efforts are usually quite fragmented. Copeland, Frisby, and McCarville (1996) also point out that there is little evidence that sponsors are differentiating between different sports and events. Yet, Copeland, Frisby, and McCarville (1996) explain that the greatest challenge to sponsors lies in evaluation, since the most popular criteria among these companies (exposure, awareness, etc.) are tough to quantify.

Cousens and Slack (1996) examine how fast food franchisees use sport sponsorship to meet local marketing needs while maintaining the consistent image of their restaurant chain as a whole. Cousens and Slack (1996) use an inductive research approach due to the lack of earlier research done on this topic. Data is gathered through in-depth interviews, corporate documents, newspaper articles, and trade literature. Cousens and Slack (1996) use a sample of 16 individuals in fast food management who represent 11 fast food corporations. Eleven interviewees are with local franchisees, one from each company in the study. Four are regional managers and one more is a national
Cousens and Slack (1996) set up each of the 16 interviews over the phone, and all but one is performed in person, either in the restaurant of the local managers or in the offices of the regional representatives. The interview with the national representative is done over the phone. Cousens and Slack (1996) record each interview, all of which last from 25 to 60 minutes, and transcribe it verbatim immediately afterward. The interviews consist of questions Cousens and Slack (1996) develop from background literature relating to the benefits of local versus national marketing campaigns and the role of sport sponsorship in the marketing process. Separate interview formats are developed for the local managers and the regional/national representatives. Cousens and Slack (1996) mostly use open-ended questions in the interviews, but have several prompts which let the authors analyze a number of sponsorship issues.

In the local level interviews, Cousens and Slack (1996) ask questions relating to the ways sponsorship requests are handled and to what extent the franchisee is involved in sponsorship recruitment. In the regional/national level format, questions center more on how the corporation approaches sponsorship.

The interviews consist of close to 160 pages of single-spaced text, with Cousens and Slack (1996) using several key words as descriptors for issues, e.g., which level sponsorship decisions are made, the rationale for using sport sponsorship, and the underlying beliefs that shape the operation of franchises within the chain. The data are pattern-coded to reveal the study's results.

Cousens and Slack (1996) use the data from the interviews to reveal three different approaches to making decisions on matters of sport sponsorship. The first method, called
the independent approach, offers total autonomy to the franchisee on matters of sponsorship due to the local franchisee’s knowledge of the community. Cousens and Slack (1996) label the next type the communal approach, where the franchisee has less control over marketing strategies, allowing instead for joint decision making and a pooling of resources among several local franchisees. The last method in the Cousens and Slack (1996) study, known as the controlled approach, eliminates franchisee control entirely, leaving marketing strategies entirely in the hands of the fast food chain itself.

Cousens and Slack (1996) found two of the 11 restaurants to be followers of the independent approach. Both restaurants in this case were independently owned franchises, showing a set of beliefs supporting individuality and entrepreneurship, and demonstrating creativity and commitment to customer service. Cousens and Slack (1996) explain that both franchisees that employ this method show innovative ways of using sport sponsorship to establish themselves in the community and increase in-store traffic.

In the communal approach category, Cousens and Slack (1996) identify five restaurant chains, although not all of them go about their marketing strategies in the same way. Cousens and Slack (1996) find that in two chains, franchisees joined together in order to wrestle some local marketing control from their corporate offices. In a third chain, the franchisees simply believe that pooling their resources is good for their money. In the last two, Cousens and Slack (1996) find that the decision for franchisees to join together was that of the corporate office and not of the franchisees themselves.

Finally, Cousens and Slack (1996) show that four chains do not allow any sponsorship control to their franchises. Instead, a representative at the local head office or
the regional office is responsible for the approval or disapproval of all local sponsorships. Cousens and Slack (1996) find that, although this system ensures control of sport sponsorships, it simply adds to the workloads of executive staff and eliminates franchisee control.

Cousens and Slack (1996) conclude that the ability of a chain to maintain international consistency while meeting the demands of a local market is shaped by the structure of the local restaurants as well as the culture of the corporation. The ability of local franchisees to enter into sport sponsorships is either enhanced or constrained by these two factors. Cousens and Slack (1996) stress the importance of this research to the further understanding of sport sponsorship, since most of the previous literature on this subject tends to refer to sponsorship as something that is removed or separate from the sponsoring organization. This study, according to Cousens and Slack (1996) uses one industry - fast food restaurants - to demonstrate how the structure and culture of potential sponsors influences their decisions on whether or not to fund the sponsorship.

**NFL Properties: A Case Study**

Rick Burton is the assistant director of the James H. Warsaw Sports Marketing Center at the University of Oregon, and is a former marketing executive for the Miller Brewing Co., and consultant to NFL Properties. Burton (1996) uses his experiences as a former consultant to NFLP as a basis for examining the way NFL Properties maintains multimillion-dollar relationships with its corporate sponsors.

Burton (1996) details the league’s marketing philosophies, which were instituted to maintain the health of all its member clubs, contrasting them to those of other
professional leagues, where each team can negotiate their own marketing deals, thus putting franchises in smaller markets at a disadvantage. Burton (1996) also gives an overview of the existing battle between Cowboys owner Jerry Jones and NFLP over the fairness of this revenue-sharing policy. Burton (1996) explains the organization's service techniques for its sponsors, citing examples of NFLP innovations in their marketing strategies (America’s Favorites free-standing inserts, Visa Quarterback Club Week on Fox, etc.). Burton (1996) examines how the NFL continues to renew corporate sponsorships through in-depth market analysis and constant interaction with their clients.

Burton (1996) concludes that NFL Properties is the leader in sport marketing organizations, and is the organization to which all other league strategies should be compared. According to him, NFLP’s service excellence is the primary reason the league continues to succeed in the competitive world of sport/entertainment marketing.

In Advertising Age, Jeff Jensen (1996) details what qualities make the NFL that magazine’s promotional marketer of the year for 1995, highlighting the marketing innovations new NFL Properties president Sara Levinson employs since coming over from MTV Networks. Jensen (1996) explains how an exhaustive study of the NFL’s fans, engineered by Levinson, is adding sophistication to their marketing program. This study is launching “Play Football,” a huge marketing program for young people to help build the youth fan base all sports leagues covet.

In addition to “Play Football,” Jensen (1996) details how NFLP continues to grow now since Levinson is integrating all of the company’s departments (sponsorship, licensing, etc.) to work together, rather than existing as separate entities as they have
before. Jensen (1996) explains how these integrated departments may encourage the league, if not narrow its field of sponsors, to structure the existing ones to allow for the most promotional support for its highest-paying clients.
CHAPTER 3

PROCEDURES

The purpose of this paper is to explore corporate trends in sport-related sponsorships among Tennessee businesses that have previously participated in sport sponsorship. This will provide major league sport organizations with corporate profiles, which would help franchises design their marketing strategies. Within this chapter, there is a description of entities that will be used to obtain information on corporate beliefs about sport marketing. Next, the rationale explaining the selection of certain information is discussed. This is followed by an overview of scheduling, which provides a brief timeline beginning with the collection of data, and running through the completion of the thesis.

Description of Entities

This study was directed at Tennessee corporations that have been previously involved in partnerships with sport organizations in order to gauge their interest and/or involvement in future sport sponsorships. No comprehensive list of Tennessee sport sponsors exists, so a sample was drawn from the 1995 Sport Sponsor Fact Book, a reference volume which lists sports sponsors geographically by the state in which they are headquartered. The sample consists of the 18 corporations listed in the book as Tennessee sport sponsors.

A survey packet was mailed to the corporation's director of advertising, or, upon the absence of such a person, to an administrator within the corporation with marketing responsibilities. Included in the packet was a cover letter explaining the survey (Appendix
A), an informed consent document for the respondent to review (Appendix B), and the survey itself (Appendix C).

**Rationale**

Only Tennessee businesses with a history of sport sponsorship were included. This is because trends among national advertisers are usually well-known among major sport organizations, who have likely done business with these corporations in the past. In addition, it is pointless to include small businesses which may have previously sponsored a small local sport organization, but lack the resources to become potential sponsors of a major league sport organization.

**Development**

A mail survey is the most feasible option for this research due to time, financial, and geographical constraints. The locations of respondents are most likely too scattered throughout the state to make it possible to conduct face-to-face interviews, and phone interviews usually end up becoming rushed. A mail survey limits the amount of qualitative information this study can extract from respondents, but the survey contains enough thorough questions to gain insight from scaled responses.

The survey questions were written in order to appropriately extract corporate attitudes toward the five research questions. The survey was constructed based on information other studies felt was important to include, as well as on my own curiosities about the relationship between Tennessee corporations and sport organizations. A 7-point Likert scale was chosen as the method by which respondents would answer.
Validity was determined by providing five other sport administration graduate students with the research questions for the study, and asking them to decide which survey questions match each research question. Once these five judges performed this task, the percent of agreement for each survey question was calculated, and the survey was edited prior to performing the check again. This validity test resulted in 100% validity for each survey question.

Overview of Scheduling

A sample was drawn in the spring, and after allotting a month to draw the sample, the survey packets were mailed. After three weeks, a follow-up phone call was made to the corporations that had not yet responded. Surveys were analyzed upon their receipt. Then, four-and-a-half weeks after the survey packet was mailed, the remaining companies which had not responded were faxed another copy of the packet. After waiting an additional two weeks for any more responses, the evaluation was completed. Once this was finished, the results were charted for submission.
CHAPTER 4
RESULTS AND DISCUSSION

The purpose of this study is to determine attitudes toward major league sport sponsorship among Tennessee-owned businesses. To acquire this information, a short, 40-question survey is mailed to the advertising/marketing director of each company in the sample.

With only two exceptions, the survey asks respondents to answer questions using a 7-point Likert scale. This scale provides quantification of the corporate attitudes toward this issue. The two questions where a Likert scale are not used (questions 4 and 5) are designed to obtain background information about each company's history in sport sponsorship which can't be acquired through a scaled format.

A total of 18 surveys were mailed to the Tennessee companies which have previous sport sponsorship experience according to the 1995 Sport Sponsor Fact Book. Twelve of the 18 companies responded, producing a 66.7% response rate. However, four of the six companies that were sent surveys only participate in sponsorships with motor sports such as Nascar. When those four non-applicable companies were removed from the sample, the response rate increased from 66.7% to 85.7%.

Frequencies and percentages are used to evaluate each research question. Conclusions were reached by comparing the responses of each survey question to every other question in the respective category.

The respondents are corporations that do the majority of their advertising and marketing within Tennessee or its local region. When asked to briefly explain their
previous sport sponsorships, respondents usually have given examples of broadcast advertising or stadium signage for a local college or university athletic program. Another trend they have followed was the sponsorship of local sport events, like a tennis tournament or charity race. Only a couple of respondents have ever actually sponsored a major league sport or team.

Only two respondents have someone solely responsible for making sport sponsorship decisions. Every other responding company leaves sport marketing decisions to their advertising or marketing directors, indicating that sport-related partnerships do not make up a large enough portion of companies' sponsorships to require their own manager.

**Research Question 1: What is the corporation's history in dealing with sport sponsorships?**

The first research question examines how often these companies have used sport sponsorships in the past. Respondents are asked questions about the frequency in which they participate in sport sponsorships in general, sponsorships with professional teams, and sponsorships with college teams. These companies respond by using a Likert scale ranging from 1 (*never*) to 7 (*all the time*).

**Results.** Three-quarters of respondents indicate that they engage in some sort of sport-related marketing at least occasionally. In addition, 33.3% of the corporations report that they are involved in such sponsorships very often or all of the time, while only one-quarter of these companies claim that sport sponsorship is something they do rarely (Table 1).
<table>
<thead>
<tr>
<th></th>
<th>1 Never</th>
<th>2 Very Rarely</th>
<th>3 Rarely</th>
<th>4 Occasion-ally</th>
<th>5 Often</th>
<th>6 Very Often</th>
<th>7 All the Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Sport Sponsorship</td>
<td>0%</td>
<td>8.3%</td>
<td>16.7%</td>
<td>33.3%</td>
<td>8.3%</td>
<td>16.7%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Pro Sport</td>
<td>25%</td>
<td>16.7%</td>
<td>8.3%</td>
<td>25%</td>
<td>16.7%</td>
<td>8.3%</td>
<td>0%</td>
</tr>
<tr>
<td>College Sport</td>
<td>8.3%</td>
<td>16.7%</td>
<td>8.3%</td>
<td>33.3%</td>
<td>16.7%</td>
<td>0%</td>
<td>16.7%</td>
</tr>
</tbody>
</table>
Respondents also reveal that they sponsor college athletics more often than any other form of sport. All but one of these corporations indicate that they have partnered with college sport at some time, and approximately 50% report that they sponsor college occasionally to very frequently. Survey responses also show that 16.7% of respondents claim to sponsor college athletics all the time (Table 1).

While Tennessee companies reveal their strong histories of sponsoring college sport, their partnerships with professional teams and leagues are much more scarce. Half of the respondents indicate that they rarely or never sponsor a professional sport organization, and 25% report that they have never done so (Table 1). Only one-quarter of these companies indicate partnering with pro sport more than occasionally, and not one respondent reports sponsoring a professional sport organization all the time.

**Discussion.** Responses to Research Question 1 indicate that sport sponsorship among Tennessee corporations is in its infancy. The very fact that Tennessee has only 18 corporations listed in the 1995 Sport Sponsor Fact Book reflects how rarely companies have used sport to market themselves in the past. Since the respondents are among the few Tennessee corporations that have used sport sponsorship in the past, their responses are indicative of how this form of marketing has been used prior to the appearance of major league teams in the state. The fact that only half of these corporations have used professional sport to market themselves in the past shows how college sport has dominated the sport marketing scene in Tennessee. This study breaks new ground since this is the first research to analyze sport marketing in the Volunteer State. Although other studies have sought to compose sponsor profiles, they are not representative of
Tennessee corporations, which have not been traditionally exposed to major league sport sponsorships.

**Research Question 2: What kind of major league sport organizations would the corporation be interested in sponsoring?**

The second research question addresses the debate concerning which type of franchise has the better chance for success as professional sports move into Tennessee. Two major league franchises (football and hockey) have already entered the state, and more are possible. Therefore, respondents use a 7-point Likert scale ranging from 1 (*no way*) to 7 (*definitely*) to report the likelihood that their company would sponsor a franchise in each of the major leagues.

**Results.** Respondents are neither completely ruling out nor ruling in the possibility that they will sponsor any major league teams in Tennessee. Although no respondents entirely discount joining in a partnership, none report that they are very likely or definitely willing to do so. While half of the corporations indicate at least a possibility of sponsoring a major league organization, half also say they are unlikely to initiate such a plan (Table 2).

Respondents find the most popular professional leagues to be the most appealing sponsorship possibilities, but only NFL and NBA franchises drew responses of "very likely" from these companies (Table 2). Although 25% of respondents claim that they are very likely to partner with an NFL team, half also said they are unlikely, or even very unlikely, to sponsor one (Table 2). Concerning a potential NBA team, two-thirds of respondents report at least a possibility of sponsorship, with 8.3% indicating a strong
<table>
<thead>
<tr>
<th></th>
<th>1 No Way</th>
<th>2 Very Unlikely</th>
<th>3 Unlikely</th>
<th>4 Possibly</th>
<th>5 Likely</th>
<th>6 Very Likely</th>
<th>7 Definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Major League Team</td>
<td>0%</td>
<td>16.7%</td>
<td>33.3%</td>
<td>33.3%</td>
<td>16.7%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>NFL Team</td>
<td>0%</td>
<td>16.7%</td>
<td>33.3%</td>
<td>25%</td>
<td>0%</td>
<td>25%</td>
<td>0%</td>
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<tr>
<td>NBA Team</td>
<td>0%</td>
<td>16.7%</td>
<td>16.7%</td>
<td>41.7%</td>
<td>16.7%</td>
<td>8.3%</td>
<td>0%</td>
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<tr>
<td>Major League Baseball Team</td>
<td>0%</td>
<td>25%</td>
<td>8.3%</td>
<td>33.3%</td>
<td>33.3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>NHL Team</td>
<td>0%</td>
<td>33.3%</td>
<td>8.3%</td>
<td>33.3%</td>
<td>25%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Major League Soccer Team</td>
<td>8.3%</td>
<td>25%</td>
<td>16.7%</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Pro Women’s Basketball Team</td>
<td>0%</td>
<td>33.3%</td>
<td>25%</td>
<td>33.3%</td>
<td>8.3%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
likelihood of doing so. A Major League Baseball club is also at least a possibility for half of these corporations, even though one-quarter reveal that they are very unlikely to include one in their marketing plans (Table 2). More than half (58.3%) of the companies in the survey indicate at least a possibility of sponsoring an NHL team, and one-quarter of the respondents report that they are likely to join in a partnership with such a hockey club. Yet, the two major leagues that rank lowest among respondents are Major League Soccer, which drew the only “no way” response of all leagues in the survey, and women’s professional basketball. Although half of the respondents indicate a possibility that they would sponsor a Major League Soccer team, no company reports a likelihood to do so, and one-third of the respondents indicate a strong unlikelihood of joining in such a partnership (Table 2). Concerning a potential women’s professional basketball team for Tennessee, only 41.7% of respondents reveal that there is at least a possibility of sponsorship. That is the lowest percentage among the leagues listed (Table 2).

**Discussion.** The sudden appearance of major league sports in Tennessee is causing much debate about how well local corporations will sponsor them. For instance, when an NHL franchise was awarded to Nashville in the spring of 1997, much speculation centered around the community’s acceptance of a sport that is all but unknown in the state. Therefore, one purpose of this study is to measure corporate interest in the major league sports that have arrived or may locate in the state.

In general, the NFL and NBA seem to be the most appealing leagues to Tennessee sport sponsors. However, there are some surprises among the statistics. Although an NFL team, like the Oilers, has 25% of the companies in the survey claiming a high
likelihood of joining in a sponsorship, only half of the respondents say that there is a possibility that they will sponsor one. This is particularly surprising since the only major sports that finish as low or lower in that category are women's professional basketball and Major League Soccer. This may or may not be the result of criticism against the Oilers' first season in the state.

As a whole, these corporations, which have a history of sport sponsorship, seem to be less than enthusiastic about the possibility of partnering with a major league franchise. As was the case with an NFL team, only half of the respondents indicate that there is a possibility of sponsoring a major league team in general, no matter which sport. This may be a sign that, overall, local corporations are more comfortable marketing themselves through college or minor league sports which are more established in the community, rather than using major professional teams that have just recently arrived onto the scene.

**Research Question 3: How important would the sport organization's name and location be in deciding whether or not the corporation would sponsor it?**

The third research question is based on something that many people may not realize is an issue in Tennessee sport marketing. Yet, to corporations looking to market themselves through sport, a team's locational name (Tennessee, Nashville, etc.) may make a big difference in the decision-making process. Just how open companies are to sponsoring teams located in other areas of the state, and whether or not these teams are named for the entire state or for a single city have been issues the Tennessee media has recently brought to the public's attention. Respondents use a Likert scale ranging from 1
(no way) to 7 (definitely) to report the likelihood that they would sponsor a major league sport team with different names and locations within the state.

**Results.** Respondents reveal that they are more likely to sponsor major league sport teams with the name “Tennessee” if they are located in their own section of the state. They are less likely to partner with teams named “Tennessee” that are outside their immediate area. Three-quarters of the respondents indicate that there is at least a possibility they would sponsor a team that had the state’s name and was in their area. In contrast, only 41.7% of the respondents say they would possibly sponsor a state-named team located in another part of the state, and one-quarter indicate a strong unlikelihood that they would sponsor such a team (Table 3).

As for teams named after a city, such as “Nashville,” respondents are much more open to sponsoring such franchises if they are located in their area, compared to teams in cities outside their area. More than half of the companies in the survey indicate at least a possibility of sponsoring a city-named team in their area of the state, and one-quarter of them indicate a likelihood that they will do so (Table 3). However, if the team is located in a different part of Tennessee, that percentage drops to only 25%, with no respondents reporting a likelihood of sponsorship.

**Discussion.** Respondents seem to report that the team’s location in the state is more important than the franchise name. Although corporations are open to sponsoring teams named for the state or for a city in their area of the state, they are less inclined to feel that way about teams in a different part of the state, regardless of the name.
TABLE 3
LIKELIHOOD OF SPONSORING TEAMS WITH DIFFERENT NAME-LOCATION COMBINATIONS

<table>
<thead>
<tr>
<th></th>
<th>1 No Way</th>
<th>2 Very Unlikely</th>
<th>3 Unlikely</th>
<th>4 Possibly</th>
<th>5 Likely</th>
<th>6 Very Likely</th>
<th>7 Definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-Named/</td>
<td>0%</td>
<td>8.3%</td>
<td>16.7%</td>
<td>41.7%</td>
<td>33.3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Same Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State-Named/</td>
<td>0%</td>
<td>25%</td>
<td>33.3%</td>
<td>33.3%</td>
<td>8.3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Different Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City-Named/</td>
<td>0%</td>
<td>33.3%</td>
<td>8.3%</td>
<td>33.3%</td>
<td>16.7%</td>
<td>8.3%</td>
<td>0%</td>
</tr>
<tr>
<td>Same Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City-Named/</td>
<td>0%</td>
<td>41.7%</td>
<td>33.3%</td>
<td>25%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Different Area</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
The most popular name-location combination among respondents is for a “Tennessee” franchise residing in their local area. Although corporations seem to be saying that they would primarily partner with teams in their end of the state, they also prefer a franchise that markets itself to all of Tennessee.

City-named teams in other parts of the state seem to have the toughest odds, with only 25% of respondents reporting that they would consider a sponsorship. These statistics suggest that teams that take the name of their home city may be alienating themselves from sponsors in another part of the state.

**Research Question 4: What factors would make a sport sponsorship appealing to corporations?**

The fourth research question is used to gauge which factors are most important to corporations in selecting between sponsorship alternatives. The basis for this section comes from an article by Copeland, Frisby, and McCarville (1996), which ranks similar factors according to the responses of Canadian companies. Although both studies use similar scales and evaluative techniques, Copeland, Frisby, and McCarville (1996) include 37 criteria, while this study includes 20. Respondents in this study rate the importance of 20 criteria on a Likert scale ranging from 1 (least important) to 7 (most important).

**Results.** Overall, image reinforcement is the most important criteria associated with sport sponsorship, with a mean of 6.0 (Table 4). This factor also ranked highly in the study by Copeland, Frisby, and McCarville (1996), coming in third in their research of Canadian sport sponsors. In that study, exclusivity was determined to be the most
<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforce Image</td>
<td>6.0</td>
<td>1</td>
<td>3</td>
<td>6.3</td>
</tr>
<tr>
<td>Increase Sales</td>
<td>5.67</td>
<td>2-t</td>
<td>6</td>
<td>5.8</td>
</tr>
<tr>
<td>Signage at Event</td>
<td>5.67</td>
<td>2-t</td>
<td>4</td>
<td>6.1</td>
</tr>
<tr>
<td>Increase Awareness</td>
<td>5.58</td>
<td>4</td>
<td>2</td>
<td>6.3</td>
</tr>
<tr>
<td>Ability to Quantify Results</td>
<td>5.5</td>
<td>5</td>
<td>7</td>
<td>5.4</td>
</tr>
<tr>
<td>Local TV Coverage</td>
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<td>6</td>
<td>19</td>
<td>4.7</td>
</tr>
<tr>
<td>Spectator Targeted</td>
<td>5.25</td>
<td>7-t</td>
<td>5</td>
<td>5.9</td>
</tr>
<tr>
<td>Community Relations</td>
<td>5.25</td>
<td>7-t</td>
<td>9</td>
<td>5.2</td>
</tr>
<tr>
<td>Exclusivity</td>
<td>5.25</td>
<td>7-t</td>
<td>1</td>
<td>6.5</td>
</tr>
<tr>
<td>Local Radio Coverage</td>
<td>5.17</td>
<td>10</td>
<td>18</td>
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<tr>
<td>Local Print Coverage</td>
<td>5.0</td>
<td>11</td>
<td>11</td>
<td>5.2</td>
</tr>
<tr>
<td>Hospitality Opportunities</td>
<td>4.92</td>
<td>12</td>
<td>15</td>
<td>4.9</td>
</tr>
<tr>
<td>Statewide TV Coverage</td>
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<td>13</td>
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<tr>
<td>Statewide Radio Coverage</td>
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<td>26</td>
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<tr>
<td>Statewide Print Coverage</td>
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<td>14-t</td>
<td>10</td>
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<td>Ownership of the Event</td>
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<td>12</td>
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</tr>
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<td>Charity Association</td>
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<td>22</td>
<td>4.4</td>
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<td>Retailer Interest</td>
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<td>Continuity</td>
<td>4.17</td>
<td>18-t</td>
<td>17</td>
<td>4.8</td>
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<td>Point of sale opportunities</td>
<td>3.92</td>
<td>20</td>
<td>20</td>
<td>4.6</td>
</tr>
</tbody>
</table>
important factor in sponsorship selection. In this study, however, exclusivity tied for seventh. Other than exclusivity, the two studies are quite similar eight of the criteria are ranked in the top tens of both studies. In this study, image reinforcement is followed by increased sales and signage at events (5.67), increased awareness (5.58), and ability to quantify results. The criteria ranked as least important are point-of-sale opportunities, with a mean of 3.92, continuity and retailer interest (4.17), charity association (4.33), and ownership of event (4.67). These criteria also ranked lower in the study by Copeland, Frisby, and McCarville (1996). The complete rankings of all twenty criteria are provided in Table 4.

Discussion. These Tennessee corporation respondents reveal considerable agreement on the criteria they use in selecting which sponsorships to participate in. With the high ranking of both image reinforcement and increased sales on this list, Tennessee corporations indicate that they tend to use sport marketing in its traditional sense (to bolster their image), and in its most modern way (to boost their bottom line). This should serve as a valuable guide for major league sport teams coming into the state. Sponsorship proposals could be strengthened considerably by knowing in advance which criteria local corporations look for, and which do not carry as much weight.

Although the format for this section of the survey is also used by Copeland, Frisby, and McCarville (1996), that article only dealt with attitudes among Canadian companies. Despite the difference in samples, there are some major similarities between the findings of the two studies. For example, point-of-sale opportunities rank twentieth in both studies, and, with a couple of exceptions, the criteria are comparable in both
rankings. One difference that is important to note between sport sponsors in Tennessee and in Canada is the importance they put on radio coverage. Although Tennessee corporations indicate a desire for radio air time, Canadian companies rank these factors much lower in Copeland, Frisby, and McCarville (1996). The rankings from the two studies are listed for comparison in Table 4.

**Research Question 5: Does the addition of certain services by sport organizations affect the corporation’s willingness to enter sport sponsorships?**

The final research question relates to how important factors such as demographics, financial figures and sponsorship evaluations are used when corporations are making decisions on sport sponsorships. The respondent answers using a Likert scale ranging from 1 (*no way*) to 7 (*definitely*).

**Results.** Respondents reveal that they would be more open to sponsoring major league sport teams if the franchise sponsorship proposal includes demographics and financial information. Every respondent indicates that there is at least a possibility that they would join in a sponsorship if the team’s proposal included such criteria, and 25% are very likely to partner with a team that offers up-front statistical information (Table 5). If such information is not included in a team’s proposal, more than half of the respondents indicate that they would be unlikely to consider a partnership, and 41.7% say they are very unlikely or totally unlikely to sponsor such a team (Table 5).

Respondents also report that they would be more likely to consider sponsorships with teams that offer consistent sponsorship evaluations as part of their partnership. More than 90% of respondents indicate that they would possibly sponsor a major league team
### TABLE 5

WILLINGNESS TO JOIN IN SPONSORSHIPS WITH EXTRA SERVICES

<table>
<thead>
<tr>
<th></th>
<th>1 No Way</th>
<th>2 Very Unlikely</th>
<th>3 Unlikely</th>
<th>4 Possibly</th>
<th>5 Likely</th>
<th>6 Very Likely</th>
<th>7 Definitely</th>
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<tbody>
<tr>
<td>Proposal</td>
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<tr>
<td>Without</td>
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<td>66.7%</td>
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<td>Without</td>
<td>8.3%</td>
<td>16.7%</td>
<td>16.7%</td>
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which provided such a service (Table 5). Corporations report that they are less likely to sponsor a team that do not conduct sponsorship evaluations throughout the partnership, with 41.7% indicating an unlikelihood of participation without such a service included. Yet, 58.3% of the respondents indicate that there is still a possibility that they would sponsor a franchise which did not perform the service.

Discussion. What is most revealing about the responses to Research Question 5 is not that corporations would prefer to be presented with statistical proposals and consistent evaluations, since that is fairly obvious. The most valuable information from these responses is gained by determining how important these companies really think these “sponsorship bonuses” actually are.

In the case of proposals with demographics and financial data, every respondent reveals that it would consider a sponsorship if this were present. This is pretty remarkable considering that, earlier in the survey, only half of the same respondents reported any kind of likelihood of sponsoring a major league team in general. Therefore, based on these responses, teams stand to improve their odds considerably with potential local sponsors if they can provide up-front evidence that such a sponsorship will benefit the corporation. In a nutshell, it pays for sport organizations to do their homework.

As for sponsorship evaluations, which the team could provide as a service throughout their partnership for sponsors, it does not seem to be a factor that is in great demand among local businesses. Although 91.7% of respondents indicate that they would consider a sponsorship if such evaluations are included, more than half still hold open the possibility of sponsoring a team that does not include such a service. Therefore,
if a sport organization’s marketing budget is large enough to include individual sponsorship evaluations, it is recommended that they do so. Yet, it does not appear that the absence of such a service is devastating to the team’s prospects of gaining in-state sponsors.
CHAPTER 5

SUMMARY, CONCLUSIONS, AND IMPLICATIONS

Summary

This study explores corporate trends in sport-related sponsorships among Tennessee businesses that have previously participated in sport sponsorship. Its primary purpose is to provide major league sport organizations with corporate profiles which would help franchises design their marketing strategies.

This study was directed at Tennessee corporations that have been previously involved in partnerships with sport organizations in order to gauge their interest and/or involvement in future sport sponsorships. No comprehensive list of Tennessee sport sponsors exists, so a sample was drawn from the 1995 Sport Sponsor Fact Book, a reference volume which lists sports sponsors geographically by the state in which they are headquartered. The sample consists of the 18 corporations listed in the book as Tennessee sport sponsors. Twelve of the 18 companies responded, producing a 66.7% response rate.

The study answers the following five research questions:

1. What is the corporation’s history in dealing with sport sponsorships?
2. What kind of major league sport organizations would the corporation be interested in sponsoring?
3. How important would the sport organization’s name and location be in deciding whether or not the corporation would sponsor that organization?
4. What factors would make a sport sponsorship appealing to corporations?
5. Does the addition of certain services by sport organizations affect the corporation’s willingness to enter into sponsorships with a sport organization?

One conclusion is that sport sponsorship is in its premature stages in Tennessee. In the past, the absence of a major league sport team in their local market mostly influenced companies to look to college or grassroots sport for marketing tie-ins. The fact that very few of the study’s respondents had ever sponsored a major league franchise and that even less had a person solely responsible for sport marketing decisions means that sport sponsorship has much room for growth in this state.

Another conclusion is that Tennessee corporations are a little uneasy about entering into sponsorships with new franchises. Although marketing themselves with a high-profile sports team could mean a big increase in exposure, respondents do not indicate a collective enthusiasm about the possibility of sponsoring a team from any of the major leagues. Even though there is excitement from individual respondents about the possible presence of most leagues, the percentages suggest that new teams have a long way to go in convincing local corporations to commit sponsorship dollars.

One way this study does suggest that major league teams could increase the possibility of securing in-state sponsorships is through careful selection of their name and location. Respondents indicate that a team’s location within the state plays a large factor in determining whether or not corporations would choose to sponsor them. For example, a company in Memphis is unlikely to sponsor a major league team based in Nashville, even if the team were named after the entire state. According to this study, a team is wise to name itself “Tennessee” and locate in the area of the state that better represents
the demographic base it wants to reach. If a team wishes to name itself after a city, it stands a much better chance of securing sponsorships within a 100-150 mile radius of the city.

The study also reveals which criteria these Tennessee companies rate as most important in selecting sport sponsorships. From the corporate standpoint, image reinforcement is found to be the most important aspect of a marketing partnership, followed by increased sales, signage at an event, increased awareness, and ability to quantify the sponsorship’s results. Each of these aspects are features sport organizations must strive to include in their sponsorship packages. Criteria like point-of-sale opportunities, continuity, retailer interest, and charity association are things corporations considered to be less important in a sponsorship. The fact that continuity is ranked low on the list implies that Tennessee companies may not be looking for extended commitments when they enter into sport sponsorships.

Finally, this study concludes that demographics and financial statistics should be part of any major league team’s sponsorship proposal. This suggests that Tennessee corporations are not awed by the possibility of their linkage to a major league team. Instead, they want to be assured that the partnership will produce the desired effect. However, one additional service that this study determines not to be essential in securing sponsorships is consistent evaluations by the sport organization. Respondents reveal that, even though they prefer evaluations, they do not seriously influence their willingness to join in sponsorships.
Although there is still much to be learned about the attitudes of Tennessee corporations related to major league sport sponsorship, this survey serves as a useful tool with which sport organizations can build their marketing strategies in the state.

**Conclusions**

- Sport sponsorship in Tennessee has been primarily focused on college sport.
- Very few Tennessee corporations employ someone whose sole responsibility is sport marketing.
- Response is mixed concerning corporate willingness to sponsor major league sport.
- NBA and NFL franchises are the most attractive sponsorship possibilities to Tennessee corporations among potential major league teams.
- Major League Soccer and women’s professional basketball have the toughest odds of attracting in-state sponsors.
- A major league team locating in the state should name itself “Tennessee” and base itself in the most attractive demographic region of the state in order to bring in the most potential in-state sponsors.
- If a major league team names itself after a city, it should concentrate its marketing efforts within its region of the state.
- Tennessee corporations want image reinforcement and increased sales as a result of sport sponsorships.
- Tennessee corporations do not necessarily want continuing sponsorship deals with sport organizations.
• If a franchise’s sponsorship proposal includes appropriate financial statistics, it stands a much better chance of securing a sponsorship.

• Although continuous sponsorship evaluations are preferred among Tennessee companies, they do not heavily influence a corporation’s willingness to sponsor.

**Implications**

• Evaluate the sport marketing relationship from the sport organization’s perspective. This will enable researchers to get a more accurate view of how the sport sponsorship process unfolds in Tennessee. Such a study would be particularly revealing now that the Oilers have played their first season in the state, and the Nashville NHL club has started selling tickets. Their insight into their efforts to secure sponsorships would shed a lot of light on this topic.

• Explore differences in sponsorship attitudes between companies in west Tennessee and those in eastern and middle Tennessee. Such a study could possibly expose ways to make sponsorships with Nashville-based teams more appealing to corporations in the Memphis area.

• Investigate the impact of major league sports on the marketing strategies of college athletic programs. Research into that area should reveal what changes, if any, the sport sponsorship landscape has undergone since the appearance of the Oilers.

• Determine if there may be some backlash because of the Oilers’ public relations problems. A new study on this topic could reveal if corporate attitudes about sponsoring major league teams have changed now that the Oilers have arrived in Tennessee.
REFERENCE LIST
REFERENCE LIST


APPENDICES
Dear [Name]:

My name is Ryan Altizer, and I am a graduate student in Sport Administration at the University of Tennessee, Knoxville. I am conducting a study for my M.S. thesis concerning the attitudes and beliefs of Tennessee businesses in regard to sponsoring a sports-related organization or event, such as a professional team or league.

I have enclosed a questionnaire dealing with this topic, and I hope you will find a few minutes to complete it and return it to me in the stamped addressed envelope I have enclosed. In addition to the questionnaire, I have also enclosed the purpose of this study and an assurance of the confidentiality of your company and yourself. Please read it over. Completion of the questionnaire will serve as your informed consent.

Thank you for your time and your professional insight. If you have any questions, or need further information, please feel free to call me at (423) 539-4086.

Sincerely,

Ryan Altizer  
Master's Candidate

Patricia A. Beitel, Ed. D.  
Professor and Advisor  
Sport and Physical Activity Unit, 1914 Andy Holt Ave.  
University of Tennessee, Knoxville  
Knoxville, TN 37996-2700
APPENDIX B

Informed Consent

TITLE
Corporate views on sport sponsorship in Tennessee.

PURPOSE OF THE STUDY
This study consists of one 40-question survey to be completed at a time suitable for the respondent. Only the researcher, Ryan Altizer, will see the answers of each respondent. The survey will take approximately ten minutes to complete. The focus of this survey will be on the sport sponsorship process as seen from the viewpoint of the participant.

Participation in this study will be completely voluntary. If at any time, you do not wish to answer a question or would like to stop, you may skip the question or conclude the survey. There will be no penalty for failing to complete the survey. The point of the survey is to gather perceptions about sport sponsorship from the corporate viewpoint.

CONFIDENTIALITY
Your name should not be included on the survey itself to ensure confidentiality. Your name and your company’s name will never be shared or connected with your survey, so complete confidentiality will be maintained. Only one individual, Ryan Altizer, will have access to the surveys. All related information about this study will be kept in a locked filing cabinet.

POTENTIAL RISKS
Participation in this study does not involve any anticipated physical or emotional risks. You, the participant, are under no obligation to answer the questions or complete the survey. You may finish the survey at any time.

POTENTIAL BENEFITS
Participation in this study will help sport organizations, particularly major league sport teams, have a better idea of what Tennessee corporations want and expect from their participation in sponsorships and promotions.

I HAVE READ THE ABOVE STATEMENTS AND UNDERSTAND THE RESEARCH PROCEDURES, MY ROLE IN THE PROJECT, AND THE POTENTIAL RISKS INVOLVED IN MY PARTICIPATION. COMPLETION OF THE SURVEY SERVES AS MY INFORMED CONSENT.

For further information or questions please contact:
Ryan Altizer or Patricia A. Beitel, (423) 974-1277 or (423) 974-5111
Sport and Physical Activity Unit, 1914 Andy Holt Avenue
The University of Tennessee, Knoxville 37996-2700
Appendix C

Survey, p. 1

- Please circle the most accurate answer using the following scale:

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<tr>
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<th>5</th>
<th>6</th>
<th>7</th>
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<tbody>
<tr>
<td>Never</td>
<td>Very Rarely</td>
<td>Rarely</td>
<td>Occasionally</td>
<td>Often</td>
<td>Very Often</td>
<td>All The Time</td>
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</table>

1. In the past, how often has your corporation sponsored a sports organization or event?
   1  2  3  4  5  6  7

2. In the past, how often has your corporation sponsored a professional sports team (minor or major league)?
   1  2  3  4  5  6  7

3. In the past, how often has your corporation sponsored an college or university sports team?
   1  2  3  4  5  6  7

- Please answer the following questions in your own words:

4. Presently, what is the title of the person who is, or would be, in charge of making sport sponsorship decisions?

5. Briefly describe some sport-related sponsorships or promotions your corporation has participated in.

- Please circle the most accurate answer using the following scale:

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<tbody>
<tr>
<td>No way</td>
<td>Very Unlikely</td>
<td>Unlikely</td>
<td>Possibly</td>
<td>Likely</td>
<td>Very Likely</td>
<td>Definitely</td>
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</table>

6. How likely would your corporation be to participate in a sponsorship or promotion with a major league sports team located in Tennessee?
   1  2  3  4  5  6  7
Survey, p. 2

- Please circle the most accurate answer using the following scale:

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<tr>
<td>No way</td>
<td>Very Unlikely</td>
<td>Unlikely</td>
<td>Possibly</td>
<td>Likely</td>
<td>Very Likely</td>
<td>Definitely</td>
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7. How likely would your corporation be to participate in a sponsorship or promotion with an NFL football team located in Tennessee?
   1 2 3 4 5 6 7

8. How likely would your corporation be to participate in a sponsorship or promotion with an NBA basketball team located in Tennessee?
   1 2 3 4 5 6 7

9. How likely would your corporation be to participate in a sponsorship or promotion with a Major League Baseball team located in Tennessee?
   1 2 3 4 5 6 7

10. How likely would your corporation be to participate in a sponsorship or promotion with an NHL hockey team located in Tennessee?
    1 2 3 4 5 6 7

11. How likely would your corporation be to participate in a sponsorship or promotion with a Major League Soccer team located in Tennessee?
    1 2 3 4 5 6 7

12. How likely would your corporation be to participate in a sponsorship or promotion with a professional women's basketball team located in Tennessee?
    1 2 3 4 5 6 7

13. How likely would your corporation be to participate in a sponsorship or promotion with a major league sports team that had the name "Tennessee" and was located in your area of the state?
    1 2 3 4 5 6 7

14. How likely would your corporation be to participate in a sponsorship or promotion with a major league sports team that had the name "Tennessee" but was located outside your area of the state?
    1 2 3 4 5 6 7
• Please circle the most accurate answer using the following scale:

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<td>No way</td>
<td>Very Unlikely</td>
<td>Unlikely</td>
<td>Possibly</td>
<td>Likely</td>
<td>Very Likely</td>
<td>Definitely</td>
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15. How likely would your corporation be to participate in a sponsorship or promotion with a major league sports team that had the name of a Tennessee city in it, such as “Nashville” and was located in your area of the state?

1 2 3 4 5 6 7

16. How likely would your corporation be to participate in a sponsorship or promotion with a major league sports team that had the name of a Tennessee city in it, and was located outside your area of the state?

1 2 3 4 5 6 7

• The following section is used to identify the level of importance for each of the factors listed below when your corporation makes a decision to enter into a sport sponsorship. Please circle the most accurate level of importance each factor has to your corporation, using the following scale:

1 - Least Important
2 - Not Important At All
3 - Relatively Unimportant
4 - Sometimes Important
5 - Somewhat Important
6 - Very Important
7 - Most Important

17. Ability to quantify results
18. Charity Association
19. Community Relations
20. Continuity
21. Exclusivity
22. Hospitality Opportunities
23. Increase Awareness
24. Increase Sales
25. Local Print Coverage
26. Local Radio Coverage
27. Local Television Coverage
28. Ownership of the Event
29. Point-of-sale opportunities
30. Reinforce Image
31. Retailer Interest
32. Signage at Event
33. Spectator Targeted
34. Statewide Print Coverage
35. Statewide Radio Coverage
36. Statewide Television Coverage

* Please circle the most accurate answer using the following scale:

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<td>Very Likely</td>
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37. Would your corporation be more willing to join in a sponsorship with a major league sports team if the team’s sponsorship proposal included demographics and financial figures?

1 2 3 4 5 6 7

38. Would your corporation be at all willing to join in a sponsorship with a major league sports team if the team’s sponsorship proposal did not include demographics and financial figures?

1 2 3 4 5 6 7

39. Would your corporation be more willing to join in a sponsorship with a major league sports team if the terms of the partnership included sponsorship evaluations throughout the partnership?

1 2 3 4 5 6 7

40. Would your corporation be at all willing to join in a sponsorship or promotion with a major league sports team if the partnership did not include sponsorship evaluations throughout the partnership?

1 2 3 4 5 6 7
VITA

Ryan Holmes Altizer was born in Richlands, Virginia, on May 26, 1974. He graduated from Richlands High School in May of 1992, and entered the University of Tennessee, Knoxville the following August. He received his Bachelor of Science Degree in Journalism after graduating Magna Cum Laude in August 1996. That month, he entered the Master’s program in Human Performance and Sport Studies (Sport Administration) at the University of Tennessee, Knoxville. He officially received his Master’s degree in December of 1997. Altizer served as a public relations assistant at Super Bowls XXIX, XXX, and XXXI.