

**AN EXPLORATORY INVESTIGATION OF SPORT SPONSORSHIP  
BY SMALL BUSINESS IN AUSTRALIA**

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**ABSTRACT**

There is a growing volume of academic literature examining sports sponsorship. Most of this has examined large organisations use of sponsorship as a promotional tool. This paper takes a different focus and examines the sport sponsorship activities of smaller organisations and is designed to provide a broad overview of small business sport sponsorship activities in Australia. The study examines the views of 18 of the 28 key informants within small organisations in Australia who were engaged in the sponsorship of rugby league teams in one regional competition. Given the exploratory nature of the study a number of sponsorship issues were examined, including: 1) Responsibility for the sponsorship arrangement; 2) Firms objectives for choosing sponsorship; 3) Types of other sponsorship activities; 4) Perceived sponsorship effectiveness; 5) Sponsorship and the promotional mix; and 6) Sponsorship entitlements.

Questions relating to these six issues were taken from the growing sports sponsorship literature. Given the exploratory nature of the research, the study utilised both interviews and surveys to collect the data. Questions were asked using a number of different approaches including likert scales, check lists, point allocation and open ended questions. More in-depth analysis needs to be taken into each of the six issues.

The findings of this exploratory work tend to suggest that small businesses and large businesses behave in a similar fashion when undertaking sports sponsorship arrangements. In most cases the driving force behind the sponsorship activity was the firm's owner or manager, though there were also other influencers involved in the sponsorship decision. This study found that firms objectives for sponsoring activities fell into two groups, 1) to create and enhance the brand, product or corporate image; and 2) to increase the customer base. In most cases respondents felt that sponsorship activities assist them in achieving their objectives. Though there were some specific objectives for which this was not always true. For example, respondents indicated that one objective of the sponsorship arrangement was to increase sales, yet the respondents were not overly satisfied that this objective was achieved.

The sample indicated that they classified sponsorship as an advertising or promotion activity within the promotions mix, although they did not "exploit" their sponsorship arrangement in other promotional activities. These results appear to indicate that sports sponsorship activities of small business are not thoroughly integrated into the firms overall marketing plans. Thus small businesses may not be achieving the maximum value out of their sponsorship arrangements. If this problem is not remedied small organisations may not continue to sponsor sporting activities, as they may perceive other promotional tools to be more effective.

Further research is warranted into small business sport sponsorship activities. This research needs to examine if these trends exist across small business and sports within Australia. It would also be worthwhile to determine if these results are generalisable internationally. More detailed quantitative examination of sports sponsorship by small business also needs to be undertaken.