An Investigation of Factors Influencing Decision Making for Participation in The Olympic Partners Sponsorship: A Case Study of Samsung

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Abstract

The Olympic Games is one of the largest and most complex sporting events in the world. For the last 25 years, corporate sponsorship has become an increasingly important element in the success of the Olympic Movement. During these years, corporate sponsors became significant financial supporters for all levels of the movement from the International Olympic Committee (IOC), to the Olympic Organizing Committee (OOC), as well as the National Olympic Committees (NOCs) (Giannoulakis, Stotlar & Chatziefstathiou, 2008). Why do corporations invest huge amounts of funds for sports sponsorship? Much has been written on the stated objectives for involvement in Olympic sponsorship. However, a vast majority of this research has been quantitative in nature using surveys to document rationale from lists of predisposed objectives. One might ask “Which of the following objectives best describes your rationale for this sponsorship?” Alternatively questions could be stated regarding the ranking of objectives. The limitation or perhaps the validity of this type of research could come into question as the survey subject would simply respond to the survey questions regardless of their underlying decisions without actually having conceptualized the rationale before being prompted by the survey. Thus, a qualitative study could legitimately discover decision rationale through in-depth interviews on the process.

The purpose of this case study was to determine what factors influenced corporate decision making to participate in The Olympic Partners (TOP) program. By discovering factors influencing corporate decision making via interviews, sport managers would better understand the corporate decision process and thus be able to develop more effective sponsorship programs.

Qualitative research method and case study method were selected to gain the richness and depth of data needed. A purposeful sampling method and a semi-structured interview strategy were conducted and corporate documents were used to investigate the research questions. A core decision maker of a global corporation (Samsung) was selected as a sample. The participant was in charge of sport marketing and sport sponsorship activities at Samsung. Field-based interviews
also occurred on site at the 2010 Vancouver Olympics including an examination of sponsorship activation.

Raw data such as interview transcriptions and documents were used in the investigation. Based on the emerging themes, data were classified into appropriate categories for each factor. To avoid future investigators’ misinterpretation, raw data were classified into several factors and described in detail rather than merely providing descriptions.

Results indicated, three factors, ‘enhancing brand equity,’ ‘building corporate reputation,’ and ‘increasing sales,’ emerged as the most prominent reasons influencing sponsorship decision making in the corporation regarding the TOP program. Corporate social responsibility was revealed as a secondary factor. The results from the study offer sponsorship professionals and international sport organizations with information to more fully understand strategies for sponsorship management.

Key Words: Olympic, Sponsorship, Olympic Programme

Introduction

Sponsorship has become an integral activity for most sport organizations around the world (Stotlar, 2009; Alexandris et al., 2007). According to the IEG sponsorship report (IEG, 2009), over two thirds of the total sponsorship expenditures in North America were spent in sport industries, amounting to $16.51 billion. The trend in sponsorship spending has been well documented for many years. Over the last decade, the total amount of sponsorship expenditures has increased at nearly 10% per year until the recession of 2009. IEG (2009) indicated that 2010 sponsorship expenditures would reach $46 billion worldwide; about $17.1 in North America, $12.7 billion in Europe, $10.4 billion in Asia Pacific, $3.7 billion in Central and South America, and $2.1 billion in all other regions. IEG projected a 4.5 percent increase in 2010.

The Olympic Games continues to be one of the biggest sporting events in the world. The 2010 Vancouver Games were watched by a worldwide audience of 3.5 billion people. The 2008 summer Olympics, with more participating countries and a wider global appeal, had 4.3 billion people watching (IOC, 2010). Furthermore, more than six million people in the U.S. watched the Games on their mobile phones (IOC, 2009). Corporate sponsorship has become increasingly important for the Olympic Movement with just over 30% of the International Olympic Committee’s