COVID-19 and Sport Sponsorship: Impacts and Foe

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The sport industry has been impacted at a significant level by the coronavirus that has affected the world in almost every facet of human life. Sport, particularly the aspects related to live events and in-person group training, has been one of the hardest hit industries in most countries. Sport sponsorship, where brands invest resources in sport properties, in return for the marketing benefit that they provide (Cornwell, 2019), is an area of particular concern from the point of view of sport properties (i.e., leagues, federations, clubs, athletes, training centres, etc.). Sport properties rely on sponsorship as an important source of financial and non-financial resources to support their activities and operations (Cornwell & Kwon, 2019; Foster, O’Reilly & Davila, 2020). In an effort to assess the impact of COVID-19 on sport sponsorship, this research reports on four round of surveys of industry professionals, complimented by 10 interviews with global sport sponsorship industry executives.

The four rounds of data collection took place in each of April, May, June/July, and September of 2020. A total of 627 useable responses from 15 countries were received, with most being from North America (93.5%), balanced between Canada and the United States. The 10 interviewees were from 5 different countries. The respondents and interviewees were from brands, properties and agencies in order to gather input from each of the three key stakeholder groups in sponsorship. The survey questions were qualitative in nature with a mixture of open and closed ended questions. Topic covered included impact on budgets, forecasts of a return to normalcy, strategic recommendations during COVID-19, esports, mega-events, minor events, trends in sponsor investment, and more. The data analysis has been conducted by two researchers employing an inductive approach. The emergent themes were compared, and differences were discussed until an agreement was reached and an adjustment made.

A segmentation analysis was undertaken around normalcy, with 4 segments of professionals emerging around their expectations no timing, including ‘realists’, ‘optimists’, ‘re-launchers’, and ‘pessimists’. Interestingly, the four segments held throughout the 4 iterations of the study, but the specifics of their responses changed considerably. In addition to the identification of relevant segments of sponsorship professionals, a number of additional results were observed. First, each of sponsors, properties and agencies reported an expectation of decreases (between 36% and 59%) in the expected financial outcomes (i.e., sponsor investment, property revenue, agency billing) from sponsorship for 2020 related to both rights fees and activation. Second, respondents informed rapid changes in the focus of sponsorship to first-line workers and social justice over the course of the pandemic. Third, in terms of new platforms, digital activation, esports, streaming and social media were identified as areas of growth. Finally, industry professionals informed on a series of tactical aspects, including taking a cautious approach to a return, pivoting your organization only if you can do so authentically, focus on building new assets, and re-tooling your sponsorship offerings for a new reality post-COVID. Detailed findings will be presented at NASSM conference.