Original Article

Sponsorship communication and the sport sponsorship market in Poland

JAROSŁAW KOŃCZAK

The Faculty of Journalism, Information and Book Studies University of Warsaw, POLAND

Published online: April 30, 2020

(Accepted for publication: April 15, 2020)

DOI:10.7752/jpes.2020.s2170

Abstract:

Just over two decades of the history of sports sponsorship in Poland show that it can be an useful tool of communication, but its full potential has not been unlocked yet. Nowadays, the market depends mostly on the state, because it attracts private capital to a lesser extent. In large companies it is usually treated as a secondary communication tool, but sponsorship's communication potential is constantly growing, even though such an event as Euro 2012 did not help in spreading the awareness of sponsorship in Poland. However, brands no longer see it as a tool for presenting logotypes and building themselves around it, but today it resembles 360-degree communication which covers a range of marketing and communication tools.

There are two important ways of financing sports in Poland: state support and private sponsorship. Club teams and national federations are the ones receiving most sponsorship. Even though sponsorship activities are considered to be strategic from the companies' perspective, over one-fifth of the surveyed companies do not have a long-term sponsorship strategy, and nearly half of them map out their actions for a period of 2 to 3 years.

The sponsors considered the most important goals: building brand awareness and brand recognition, increasing brand loyalty, changing or strengthening the image and positioning of the brand, and increase in sales of own products and services. Sponsors in Poland now declare that the most important for them are branding rights, used in the sponsor's communication of license to titles, logos, including the display of logotypes on the sportswear and equipment of sponsored persons and on-site exposure. Marketing exclusivity in the industry and the right to use images are no less important. By activating sponsorship projects, companies usually carry out promotional activities directly at events, use hospitality packages, tickets and gadgets to build and maintain relationships with business and key individual partners.

Key Words: sports sponsorship, sponsorship communication, sport, sport associations, sponsors,

Introduction

Just over two decades of the history of sports sponsorship in Poland show that it is a communication tool which potential is still not sufficiently used. Although the market value is slowly growing, it is increasingly dependent, not on private, but state capital and, more importantly, it is heavily dependent on companies with ownership supervision from State Treasury [Sport Life 2018]. Without their involvement, the market would probably face a deep breakdown.

Positive changes can be seen in the approach to sponsorship, which has largely ceased to be associated solely with the display of the sponsor's logos. Nowadays effective sport sponsorship is not just the right choice of sponsorship package, but first and foremost, a way of communication. Their goal is to reach stakeholders and cause appropriate behaviour, reaction, reception, and involvement in sponsorship activities [Weeks, Cornwell & Drennan, 2008, p. 639]. Passive brand advertisement is not enough for the stakeholders. They want to get involved and experience the emotions offered by sponsors [Chadwick, Donlan, Anagnostopoulos, 2017]. That is why sponsorship today is similar to 360-degree communication, which covers a number of marketing and communication activities, including building image, brand awareness, brand loyalty, corporate social responsibility, product and service promotion, sales support or building relations with stakeholders [Chadwick, Donlan, Anagnostopoulos, 2017, p.5; Sponsoring Insight 2019 and 2018; Kończak 2020, p. 2017]. The purpose of the publication is to present selected elements of the sponsorship market in Poland, the most attractive forms of sponsorship, sponsor's choice of disciplines, goals of the sponsorship, its communication channels and rights. These factors determine the development of sports sponsorship in Poland and their coverage is crucial in this field of study.

Materials and methods

This publication is a research report presenting selected elements of the sponsorship market and sponsorship communication in Poland. The research used in the publication consists of quantitative methods, including three of the author's own research, carried out using the CAWI method.

- *Development, financing, communication of sports associations in Poland* - 39 of 70 sports associations in Poland participated (questionnaire consisting of 25 questions).
- *Sports and sponsorship communication in Poland* - 35 large Polish companies involved in sponsorship (questionnaire consisting of 26 questions).
- *The role of corporate communication* - 120 largest companies in Poland, employing over 250 people (questionnaire consisting of 29 questions).

These questionnaires were supplemented by qualitative research entitled *Sponsorship communication and trends* and *Development, financing, communication of Polish sport* in the form of 20 in-depth interviews with business representatives, presidents of sports associations and representatives of PKOl and the Ministry of Sport. This research was conducted between years 2016 and 2018. Own research has been juxtaposed with the results of other analyses conducted by other research centers monitoring Polish sports sponsorship market.

Results

Value and the most important entities and lines of businesses on the sponsorship market.

There are two important ways of financing sports in Poland: state support and private sponsorship [Jedel, Kończak 2018, p. 121-125]. Sports associations named sponsorship in second place (65.8%) immediately after budget funds (76.3%). At the same time, they almost unanimously (97.4%) claimed that the state did not create sufficient conditions for private entities to support sport. The value of transactions on the sponsorship market, has developed a slight upward trend in recent years, except for a decrease in 2016. In 2012, the value of the sponsorship market was 743 200,000, in 2013, 761 100,000, in 2014 - 802 500,000, 2015 - 836 600,000, 2016 - 832 400,000, 2017 - 870 700 000 (EUR 1 = ~ PLN 4.2). In turn, in 2018 this value was 916 100,000 [Sponsoring Insight, 2019].

State sponsorship, is becoming more and more important. The credit for that should be received by state-owned companies which are the main contributors to the market. In 2017, the astonishing number of 11 state-owned companies were among the TOP 20 sports sponsors, including: Energa, Grupa Azoty, Lotos, Tauron, JSW SA, KGHM, Polski Cukier, PGE, PGNiG, Orlen, Totalizator Sportowy. The other nine sponsors were private entities, which are: Comarch, Fortuna, Asseco Poland, Impel, Kulczyk Investments, Lyoness, Nike, Plus, Trefl. In comparison, in 2018 this list included 12 state-owned companies and only eight private ones. The strength of the top twenty sponsors in Poland is evidenced by the fact that in 2017 they shared 58% of the entire market, and in 2018 this number already increased to 59.8%. [Sponsoring Insight, 2019 & Sponsoring Insight 2018]. In case of state-owned companies' sudden departure from sponsorship, not an improbable event at all, a deep collapse of the market is likely to occur. At the same time, Polish citizens claim that without a doubt, state-owned companies should engage in sport. More than half of the respondents accepted the idea, and only less than 3% were against it [Pentagon Research and Deloitte, 2012, p. 32; Sport Life 2016]. Small changes in the structure of the most active sponsors are another characteristic of Polish sports sponsorship landscape. 62.86% of them are companies that have been dealing with sponsorship for over 10 years, 8.57% for over five and less than 10 years, 22.86% of them have been active from over 3 to 5 years in the market and only less than 3% of them have been on the list for less than three years.

In turn, the most active sponsorship industries by sports associations are fields of energy and raw materials, betting operators, telecommunication and IT companies, sports clothing and equipment, providers of financial services, insurance companies and FMCG [Sponsoring Insight, 2019 & Sponsoring Insight 2018, cf. Jedel, Kończak 2018, pp. 141-145].

The most popular types and entities of sponsorship

In Poland, club teams and national federations are the ones receiving most sponsorship, followed by national events, individual sponsorship, involvement in local and regional events, international events, creation of sponsor's own team and lastly, naming rights [Datko M., 2012, pp. 55-56; Sponsoring Insight 2019 and 2018; Sport Life 2018]. When it comes to the popularity of sports, football comes first (96.65%). Volleyball comes second (58.62%), and the third place on the podium - which may come as a surprise to many people - esports (34.48%). The following disciplines listed in terms of sponsorship attractiveness are ski jumping, speedway and other motorcycle sports, running and naming rights sponsorship.

Taking into consideration which sports disciplines are actually sponsored by companies in Poland, football is taking the first place once again (79.31%), but the second are running and athletics (31.03%), which in the list of the most attractive disciplines for sponsorship took only eighth position. The following place was taken by volleyball and handball (27.59%), which in comparison with the former, received six times worse result in the ranking of the most attractive disciplines for sponsors. On the other hand, esports, which in the ranking of the most attractive disciplines took third place, in this ranking has already dropped to 11th place. It was overtaken by speedway and other motorcycle sports, rally events, winter sports and cycling tours. The latter was considered one of the most attractive only by 6.9% of sponsors, and despite infrastructural deficiencies, cycling is the most frequently chosen form of sport activity by Poles.

Strategy, goals and rights in sponsorship

Even though sponsorship activities are considered to be strategic from the companies' perspective, over one-fifth of the surveyed companies do not have a long-term sponsorship strategy (20.8%), and nearly half of

them (45.8%) map out their actions for a period of 2 to 3 years. Every fifth surveyed company (20.8%) develop strategy for 3 to maximum 5 years, and only 12.5% make plans for a period of over five years. The market has been dominated by contracts which last from one to four years. Over a quarter of sponsors support more than ten entities at a time, one-fifth of them is involved in 5 to 10 projects at the same time. However, most companies declare supporting over one and a maximum of three projects in the same period of time, and only slightly over 3% of them focus exclusively on one project.

The major issue for sponsorship is that, especially in large companies, it is not perceived as one of the most important communication tools and disciplines in corporate communication, which is usually included [Cornelissen, 2012, p. 25; Dolphin, 2003, pp. 173-186; Cheblia & Gharbib 2014, p.915]. In Poland, sponsorship was only placed as the sixth most important tool in corporate communication and it was preceded by public relations, internal communication, CSR, corporate brand management and organisation of events [Kończak, 2020, pp. 38-39]. Nevertheless, sport sponsors seem to be largely optimistic. Almost two-thirds say that the importance of sponsorship has increased in recent years, and only a representative of every tenth company said the opposite. However, even potential interest of companies does not always translate into real contracts. More than half of sports associations have recently noticed an increased interest of sponsors, and yet, it did not translate into greater financial support. Only less than 8% of sports associations noticed an increase in finances. The selection of sponsored entities depends mostly on the compliance of the project with the brand strategy and company communication (73.33%), popularity of the sponsored entity (56.67%), knowledge and intuition of the companies' communication teams (56.67%) and frequency of live TV coverage for the entity (46.67%). Only less than a third are guided by market research, the number of people practicing the sport and the success of athletes in a given discipline. Also, amount of gathered funds is not a significant premise, and decisions on this basis are being made by only 30% of sponsors. Research conducted from the beginning to end of the current decade confirms that for its entirety brand-related goals [Sport Win 2011] are the most important for sponsors [Sponsorship Insight 2019] This is consistent with the perception of the role of sponsorship worldwide. [Deitz, Evans, Hansen., 2013, p. 1427, IEG 2018; Hohenberger, Grohs, 2019]

The sponsors considered the most important: building brand awareness and brand recognition (70%), increasing brand loyalty (63.33%), changing or strengthening the image and positioning of the brand (60%). The increase in sales of own products and services was also pointed out as crucial element (60%). Other goals were rated much lower, including CSR (30%), transfer of value and image (26.67%), establishing and maintaining relationships with key stakeholders (23.33%), becoming a platform for sensory/sensational branding (20%), presentations, testing products and services (16.67%), providing entertainment for clients (16.67%), user activation in social media (13.33%), personal aspirations of managers (10%), willingness to help sportsmen and sports organisations (6.67%) and database creation (6.67%).

Although sponsorship in the sphere of communication has undergone a fundamental change, a significant part of sponsorship rights has remained unaltered for ten years. The exceptions are those associated with dynamic development of social media and mobile applications. Sponsors in Poland now declare that the most important for them are branding rights, used in the sponsor's communication of license to titles, logos, including the display of logotypes on the sportswear and equipment of sponsored persons (66.67%) and on-site exposure (53.33%). Marketing exclusivity in the industry (66.67%) and the right to use images (63.33%) are no less important. These five categories above definitely stand out from other rights of interesting sponsors. Another categories are the rights to use tickets and hospitality packages in the promotional activity (25%), licensing rights to own products and services related to the sponsored project (20%), rights to PR cooperation (16.67%), content rights (13.33%), using the name of the sponsor in the official name of the team, naming rights (13.33%), license to sell own products during events (10%).

Communication and monitoring activity effectiveness

For years modern sponsorship has no longer been associated only with the display of the sponsor's logos. Nowadays it resembles 360-degree communication, covering a number of marketing and communication activities e.g. building brand image and brand awareness, loyalty, corporate social responsibility, product and service promotion, sales support or caring about relationships with stakeholders [Kończak J 2017, s. 59]. In recent years, there has been a significant increase in the number of communication and promotional activities which allowed sponsors to contact their stakeholders and more importantly, their supporters in a much more effective way [O'Reilly, Lafrance Horning, 2013, p. 424-437].

Rights expenses are the beginning of the sponsorship project and this is something most experts agree with. However, examples from the market show that purchase of the rights is often the beginning and end of the investment. Only every tenth company in Poland spends twice as much on activation than on rights, and only 13.33% of organizations spend between 100% and 200% on activations. The other two-thirds of companies spend more on rights, of which every third spends 50 up to 99% of funds allocated to rights, and more than a third of organizations only from 10% to 49% of the funds. Every tenth company is almost not activating its efforts, or does so with a minimum own contribution, allocating at most 10% of the budget spent on rights. By activating sponsorship projects, companies usually carry out promotional activities directly at events, use hospitality packages, tickets and gadgets to build and maintain relationships with business and key individual partners. Other common forms of project activation include the use of the image of sponsored people in

advertising campaigns and sponsorship of media relations. Changes in communication are accompanied by changes in the media market. These processes are extremely fast and revolutionize the entire sponsorship market. The most important communication channels taken under consideration by sponsors are social media (86.67%), the world wide web (83.33%), communication channels resulting from the sponsorship agreement (70%), television (53.33%), events (53.33%), press (33.33%), outdoor (23.33%), own corporate media (23.55%), (23.33%), mobile (16.67%), customer service points (13.33%), radio (3.33%). According to corporate communication studies, only 43% of companies surveyed sponsorship activities in the last year. Companies which monitored the effectiveness of their activities chose social media analysis as the most important tool. This method's popularity may result primarily from the relative ease of obtaining such calculations without incurring any costs. Other popular efficiency measurement tools were sponsorship awareness surveys (46.43%), media reports with quantitative and qualitative analysis (46.43%), KPIs - key performance indicators (46.43%), research on the impact of sponsorship on brand image (39.29%), ROI - project costs vs. return (39.29%), AVE advertising equivalent (35.71%). In addition to research, the assessment of the effects of sponsorship activities is influenced by the perception of cooperation with sponsored entities. Nearly 40% of respondents assess it as better than years ago, and more than half of them say it depends on the organization. Only a few percent rated this collaboration as inferior. The optimism of sponsors is moderate when it comes to satisfaction with the results. Only every tenth demonstrates a definite satisfaction, and almost half of them say that they evaluate the effects rather positively, and nearly 40% declare that depending on effects of the research. However, only 3.45% declare some dissatisfaction with sponsorship activities.

Discussion

Sports sponsorship is effective only if it is supported by adequate sponsorship communication, a primary factor that decides on the success of a taken action. So, in modern sports sponsorship, the question is not whether to activate it, but how to do it. Communication in sponsorship is a trend that has been seen for years [O'Reilly, Lafrance Horning, 2013]. Its promotional potential has also been noticed in Poland [Sznajder 2015; Datko 2012]. However, when most of the companies in the world spend more on communication than on rights [IEG 2018, IEG 2017], in Poland a significant part of sponsors still spend much less on activating rights than on rights themselves [Sponsoring Insight 2019, Sport Life 2018]. This can be an indicator of low awareness of the strategic role of sponsorship that occurs on both the sponsored and sponsorship sides. Lack of personal competence and creativity in sponsorship has also been noticed by research agencies [Sponsoring Insight 2019]. In addition, most decisions in this area are not made by sponsorship managers, but by boards of directors. This is usually a negative situation for the market, because people managing the company are usually not specialists in sponsorship, they do not always know its specificity and are not prepared for substantive decisions in this respect [Sport Life 2018]. In addition, sponsorship usually found in the structures of corporate communication is considered a secondary communication tool [Jedel, Kończak 2019, p.154]. The value of the sports sponsorship market in Poland reaches nearly 1.000.000 PLN [Sponsorship Insight, 2019]. Sponsorship is one of the two most important ways of financing sport, and yet, there is still a lack of cyclical research in this area. They are actually ran by two private research centers, and there is no commodity involvement in the subject of academic centers. It is also a chance for researchers who want to explore this wide, and at the same time poorly described sport market in Poland. Experts emphasize that sport and business speak two different languages in Poland and, apart from other issues, this is why the state's participation is so strong, including in the form of state-owned companies in financing sport [Sport Life 2018].

Conclusions

The sports sponsorship market in Poland is in slow but constant development. Overdependence on state sponsorship and lack of strong private capital involvement may prove to be a problem in the future. On the other hand, sponsorship awareness has increased in recent years and today it is increasingly used as a strategic communication tool [Walraven. 2013, pp. 22-30; Plewa, Carrillat, Mazodier, Wuester. 2016, pp. 796-815]. However, the world of sports and sponsorship is currently undergoing rapid change, in a landscape of growing importance of social media, mobile communication and demands of new generations that communicate differently and expect new content [Thorpe H, Dumont G. 2019, pp. 1639-1654]. This is superimposed on the centralization of rights in many sports, new formulas and the expansion of new tournaments, especially in the world of esports [Buser, Woratschek, Galinski, 2019, pp. 456-460; Elasmri-Ejjaberi A., Rodriguez-Rodriguez S. Aparicio-Chueca P., 2020, pp. 852 - 861]. This is a challenge for all market participants in Poland: sponsored entities, sponsors and the state itself which thus contribute not only to the development of business and sponsorship communication, but also to general growth of sport in the country. From the perspective of the future of sponsorship, sport has, however, one additional unique trait. It provides genuine feelings among millions of fans not only in Poland and connects people from different backgrounds, social classes, property and age groups [Biscaia, Correia, Rosado, Maroco, & Ross, 2012, pp. 227-242]. There are millions of potential customers, who can be reached through broadly understood sponsorship communication, on the basis of connecting emotions, interests and values. Understanding this can lead to building long-term relationships

between the sponsoring brands, sport and clients [Cunningham, Cornwell, Coote 2009, pp. 65-86; Alonso-Dos-Santos M., Vveinhardt J., Calabuig-Moreno F. & Montoro-Rios F., 2016, p. 79].

References

- Alonso-Dos-Santos M., Vveinhardt J., Calabuig-Moreno F. & Montoro-Ríos F., (2016), *Involvement and Image Transfer in Sports Sponsorship*. Engineering Economics, 27(1), 79
- Biscaia R., Correia A., Rosado A., Maroco J. & Ross S., (2012) *The effects of emotions on football spectators' satisfaction and behavioral intentions*. European Sport Management Quarterly, vol 12, 227–242;
- Buser M., Woratschek H., Galinski L. (2019), *E-sports: The Blue Ocean In The Sport Sponsorship Market* Buser, University of Bayreuth, 456-460
- Chadwick S.M., Donlan L., Anagnostopoulos C., (2017), *Social media based sponsorship activation – a typology of content*, Sport, Business, Management: an International Journal, 5.
- Cheblia L., Gharbib A. (2014), *The impact of the effectiveness of sponsorship on image and memorizing: Role of congruence and relational proximity*, Procedia - Social and Behavioral Sciences (109), 915
- Cornelissen J., (2012) *Corporate communication. Guide to theory and practice (polish: Komunikacja korporacyjna. Przewodnik po teorii i praktyce)*, Warszawa, 52;
- Cunningham S., Cornwell T.B, Coote L.V., (2009) *Expressing Identity and Shaping Image: The Relationship between Corporate Mission and Corporate Sponsorship*, Vol. 23 Issue 1, s. 67-86;
- Datko M, (2012), *Sponsorship. The key to modern marketing (polish: Sponsoring. Klucz nowoczesnego marketingu)*, Wydawnictwo Placet, Warszawa, 55.-56;
- Deitz G. D., Evans Jr. R.D., Hansen J. D., (2013) *Sponsorship and shareholder value: A re-examination and extension*, Journal of Business Research 66, 1427.
- Dolphin R.R. (2003) , *Sponsorship: Perspectives on its Strategic Role*, Corporate Communications. An International Journal Vol. 8 No.3, 173-186
- Elasri-Ejjaberi A., Rodriguez-Rodríguez S. Aparicio-Chueca P. (2020), *Effect of eSport sponsorship on brands: an empirical study applied to youth*, Journal of Physical Education and Sport, Vol.20 (2), 852 – 861
- Hohenberger C. Grohs R., (2019) *Old and exciting? Sport sponsorship effects on brand age and brand personality*, Sport Management Review,
- IEG, (2018) *What sponsors want and where dollars will go in 2018*, Sponsorship Report 2018, ESP Properties
- IEG, (2017) *What sponsors want and where dollars will go in 2017* Sponsorship Report 2017, ESP Properties
- Jedel J, Kończak J, (2018), *The sport and sport sponsorship market in Poland, (polish: Rynek sportu i sponsoringu sportowego w Polsce)*, Akademia Wychowania Fizycznego i Sportu, Gdańsk, 121-125 & , 141-145;
- Kończak J. (2017), *Storytelling - sponsorship communication in sport*, Quality in Sport 4 (3), 59
- Kończak (2020), *Sponsorship communication in sport in the 21st century, (polish: Komunikacja sponsoringowa w XXI wieku)*, Wydawnictwo Naukowe i Dydaktyczne SBP, Warszawa
- O'Reilly N., Lafrance Horning D., (2013) *Leveraging sponsorship: the activation ratio*, Sport Management Review, Vol 16 No. 4, 424-437;
- Pentagon Research, Deloitte (2012), *Report, Sponsorship - the basic marketing tool, (polish: Raport, Sponsoring – podstawowy instrument marketingu)*, Warszawa, 32;
- Plewa C., Carrillat F.A., Mazodier M., Wuester P.G. (2016), *Which sport sponsorships most impact sponsor CSR image?*, European Journal of Marketing 2, 50(5/6), 796-815
- Sport Life (2016), *Polish sport. Development, financing, challenges, (polish: Polski sport 2016. Rozwój, finansowanie, wyzwania)*, Warszawa, Fundacja Promocji i Rozwoju Sportu
- Sport Life (2018) *Polish sport. Sport Sponsorship, (polish: Polski sport 2018. Sponsoring sportowy)*, Warszawa, Fundacja Promocji i Rozwoju Sportu
- Sponsoring Insight, (2019) *Sports sponsorship market report 2019, (polish: Raport Rynek sponsoringu sportowego 2019)*, Warszawa
- Sponsoring Insight, (2018) *Sports sponsorship market report 2018, (polish: Raport Rynek sponsoringu sportowego 2019)*, Warszawa
- Sponsoring Insight, Havas Sports & Entertainment, SportWin, Evolutio, (2017) *Raport Rynek sponsoringu sportowego 2018*, Warszawa;
- SportWin (2011), *Sports sponsorship in Poland (polish: Sponsoring sportowy w Polsce)*, Poznań.
- Sznajder A (2015), *Sport marketing (polish: Marketing sportu)*, Polskie Wydawnictwo Ekonomiczne, Warszawa
- Thorpe H, Dumont G., (2019) *The Professionalization of Action Sports: Mapping Trends and Future Directions*, Journal Sport in Society, vol 22, 1639-1654
- Walraven M. (2013), *Sports sponsorship effectiveness. Investigating awareness, sponsor equity and efficiency*, University of Groningen, 22-30
- Weeks C.S., Cornwell T.B. & Drennan J.C. (2008), *Leveraging Sponsorships on the Internet: Activation, Congruence, and Articulation*, Psychology & Marketing, Vol 25 No. 7, 639