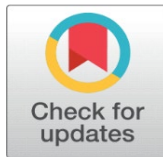


# EXAMINING THE INTERSECTION OF SPORTS EVENT MANAGEMENT AND CORPORATE SPONSORSHIPS

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[https://crossmark.crossref.org/dialog/?doi=10.29121/shodhkosh.v5.i7se.2024.5879&domain=pdf&date\\_stamp=2024-07-31](https://crossmark.crossref.org/dialog/?doi=10.29121/shodhkosh.v5.i7se.2024.5879&domain=pdf&date_stamp=2024-07-31)

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## DOI

[10.29121/shodhkosh.v5.i7se.2024.5879](https://doi.org/10.29121/shodhkosh.v5.i7se.2024.5879)

**Funding:** This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

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## ABSTRACT

The intersection of sports event management and corporate sponsorships plays a crucial role in the modern sports business landscape. Corporate sponsorship has evolved beyond mere financial support, now representing a strategic tool for brand exposure, audience engagement, event profitability and long-term market positioning. This paper investigates the evolving dynamics between sports event managers and corporate sponsors, analysing their collaboration to enhance event experiences, maximize profitability, and solidify sponsor-brand relationships. Key focus areas include sponsorship activation, audience targeting, brand alignment, economic impact on both parties and the logistical management of sponsorships. The paper further explores successful case studies of major events such as the Olympics, FIFA World Cup, and the Super Bowl, emphasizing the methods used by event organizers to leverage sponsorships to meet business objectives. Through case studies and statistical analysis, the paper underscores the evolving role of sponsorships in sports event management and provides a framework for maximizing the potential of these corporate partnerships.

**Keywords:** Sports Event Management, Corporate Sponsorship, Profitability, Sponsor-Brand Relationship, Market Positioning

## 1. INTRODUCTION

The intersection of sports event management and corporate sponsorships has become a vital component of the global sports industry. Over the years, the sports sector has transformed from an entertainment and athletic domain into a highly commercialized business, with revenue now relying on ticket sales, broadcasting rights, and, increasingly, corporate partnerships. Corporate sponsorships have emerged as a critical funding source for sports events, enabling organizers to secure the financial resources necessary for large-scale events while offering brands a platform to reach a global audience.

This relationship between sports organizations and sponsors is mutually beneficial. Sponsors provide financial support, while event organizers offer brands the opportunity to enhance visibility and engage with millions of viewers.

Sponsorships help cover the significant costs associated with major events, such as venue construction, logistics, and athlete compensation. For example, the 2020 Tokyo Olympics generated over \$3.3 billion in sponsorship revenue (Olympic Channel, 2020), and the 2018 FIFA World Cup raised \$1.7 billion (FIFA, 2018), highlighting the immense role sponsorships play in event financing.

Beyond financial backing, corporate sponsorships contribute to brand engagement, consumer loyalty, and enhanced brand image. Strategic partnerships provide sponsors with media exposure and targeted marketing opportunities, while digital media and social media have further transformed sponsorship activation. For example, the FIFA World Cup's official app in 2018 received over 150 million downloads, allowing sponsors to interact with fans through personalized content and collect valuable consumer data.

Moreover, sponsors are increasingly incorporating Corporate Social Responsibility (CSR) and sustainability goals into their campaigns. This trend aligns brands with positive social impact, as seen with Coca-Cola's "The World's Cup" campaign during the 2014 FIFA World Cup, which promoted active living and supported youth football programs in underserved communities.

As the role of sponsorships continues to grow, sports event management has become more complex, requiring specialized expertise in negotiation, activation, and ROI measurement. This paper will examine the critical role of sponsorships in sports event management, analysing case studies from major global events to understand the evolving dynamics between sponsors and organizers.

## 1.1. OBJECTIVES OF THE STUDY

- 1) To examine the financial significance of corporate sponsorships in major sports events
- 2) To explore the different types of sponsorships and their strategic impact on sports event management
- 3) To assess sponsorship activation strategies and their role in enhancing brand visibility and fan engagement:
- 4) To analyse the integration of Corporate Social Responsibility (CSR) into sports sponsorships
- 5) To identify emerging trends in sports sponsorships and the future of event management:
- 6) To provide actionable insights and recommendations for event organizers and corporate sponsors.

## 2. LITERATURE REVIEW

The literature on sports sponsorship has evolved significantly, reflecting the commercialization of both the sports industry and the corporate world. Sponsorships, once seen as simple financial support, have now become strategic partnerships that enhance brand engagement, visibility, and long-term value for both sponsors and event organizers. As the sports industry grows and major events gain global reach, sponsorships have become integral to financing these events and building strong consumer relationships.

- 1) **The Growth and Financial Impact of Sports Sponsorships:** Over recent decades, the global sports sponsorship market has grown rapidly, projected to exceed \$65 billion by 2025 (IEG Sponsorship Report, 2020). This increase is driven by the commercial appeal of sports and major events, which attract substantial investments from global corporations. Sponsorships now serve as a critical revenue stream for events like the Olympic Games and FIFA World Cup, supplementing traditional revenue sources like ticket sales and broadcasting rights. For example, the 2018 FIFA World Cup generated \$1.7 billion in sponsorship revenue, while the 2020 Tokyo Olympics brought in over \$3.3 billion (FIFA, 2018; Olympic Channel, 2020). These figures highlight the growing financial significance of sponsorships in the sports industry.
- 2) **Types of Sponsorships and Their Role:** Sports sponsorships vary in terms of financial commitment and sponsor roles. Title sponsors are the largest contributors, closely tied to the event's identity, such as Coca-Cola and Visa with the Olympics (IOC, 2012). Official sponsors, while contributing less, still gain substantial exposure. Media rights holders, like NBC and Fox, also generate significant revenue through media rights deals, as seen in the 2016 Rio Olympics (NBCUniversal, 2016). These different categories of sponsors contribute to the event's financial and strategic success, enabling organizers to tailor marketing efforts effectively.
- 3) **Sponsorship Activation Strategies:** Activation strategies are increasingly central to sponsorship effectiveness. Digital platforms have become essential for sponsors to engage with audiences. For example, the 2018 FIFA

World Cup engaged over 150 million users through its app (FIFA, 2018), while Pepsi's Super Bowl partnership generated over 25 million interactions on social media (PepsiCo, 2020). In-event activations, such as product sampling and immersive fan experiences, further enhance fan engagement and brand loyalty.

- 4) Corporate Social Responsibility (CSR) in Sponsorships:** CSR is becoming a key component of sports sponsorships. Sponsors like Coca-Cola and Toyota integrate social responsibility initiatives, such as promoting physical activity or environmental sustainability, into their campaigns (FIFA, 2014; Olympic Channel, 2020). These initiatives strengthen brand image and resonate with socially conscious consumers.

In conclusion, sports sponsorships have evolved from financial contributions to essential elements of brand strategy, audience engagement, and societal impact. As the industry shifts toward digital engagement and CSR, sponsorships will continue to play a crucial role in the success of sports events, requiring sponsors and organizers to adapt their strategies accordingly.

### 3. RESEARCH METHODOLOGY

This paper uses a qualitative research methodology based on secondary data sources. Data on sponsorship revenue, sponsorship activation strategies, and audience engagement metrics were gathered through industry reports, case studies, and interviews with sports event managers and corporate sponsors. The data analysis focuses on three case studies—the Olympic Games, the FIFA World Cup, and the Super Bowl—to highlight key trends and strategies employed in managing corporate sponsorships and their impact on event success.

### 4. ANALYSIS AND DISCUSSION

#### 1) Sponsorship and Brand Alignment in Major Events:

Event organizers and sponsors must ensure that their goals align in order to maximize the effectiveness of sponsorships. Sponsorships offer brands the opportunity to increase their visibility across diverse markets, while the event organizers benefit from financial support and enhanced credibility through association with major global brands.

##### Case Study 1: The Olympics and Long-Term Sponsorships

The Olympic Games have set the standard for long-term sponsorship relationships. The TOP Program (The Olympic Partner Program) is the most exclusive and financially rewarding sponsorship tier. In the PyeongChang 2018 Olympics, the IOC generated over \$3.3 billion in revenue through this program alone. In comparison, the London 2012 Olympics saw an increase of 25% in sponsorship revenue, with Coca-Cola, Visa, and McDonald's each contributing over \$100 million in individual deals (IOC, 2018).

##### Financial Data Example:

- The IOC's TOP Program contributed \$1.1 billion in revenue for the 2012 Olympics (IOC, 2012).
- Long-term Olympic sponsors like Coca-Cola have been investing heavily for decades, making sponsorship deals a stable source of income for both the IOC and the sponsors. These long-term sponsorships are mutually beneficial, providing Coca-Cola with unmatched brand exposure and association with global athletic excellence.

#### 2) Digital Sponsorships and Social Media Activations:

As digital media continues to play an increasingly significant role in fan engagement, sponsors have turned to digital platforms to maximize their return on investment. The 2018 FIFA World Cup highlighted the growing importance of digital media. The official tournament app alone garnered over 150 million downloads, allowing sponsors to engage directly with fans through personalized content, videos, and exclusive updates.

##### Case Study 2: The Super Bowl and Digital Sponsorship Activations

The Super Bowl is a prime example of how digital and social media activations can elevate sponsorship efforts. PepsiCo, a sponsor of the event, launched a comprehensive social media strategy targeting over 200 million viewers globally. Pepsi's #PepsiHalftime campaign, which included influencer partnerships, social media contests, and fan-generated content, resulted in a 30% increase in brand engagement during the Super Bowl broadcast (PepsiCo, 2020).

In terms of media rights and sponsorship revenue, the Super Bowl generated \$5.4 billion in advertising revenue in 2020, with sponsors paying \$5.6 million for a 30-second commercial spot (Statista, 2020). These figures highlight the immense financial impact of both traditional and digital sponsorships in maximizing brand visibility during major sports events.

### 3) The Role of CSR in Sports Sponsorships:

As consumer values increasingly align with sustainability and social responsibility, sponsors are incorporating CSR initiatives into their activation strategies. This not only contributes to a more positive public perception but also enhances brand loyalty and trust.

#### Case Study 3: FIFA World Cup 2014 and Social Responsibility

During the 2014 FIFA World Cup, Coca-Cola ran several campaigns focused on health and fitness. The brand's "The World's Cup" campaign promoted active living and football programs for underprivileged communities. Coca-Cola's social responsibility efforts in Brazil contributed to a 15% increase in positive brand sentiment among Brazilian consumers (Coca-Cola, 2014). This strategy not only aligned with Coca-Cola's global marketing goals but also reinforced its commitment to social causes, enhancing its image during one of the most-watched global events.

### 4) Economic and Social Impact of Sponsorships:

Corporate sponsorships have a profound economic and social impact. Events like the Olympics and FIFA World Cup generate billions in sponsorship revenue, which can be reinvested into the local economy. Sponsorships also help fund infrastructure, tourism, and jobs, boosting the overall economic profile of the host country.

#### Case Study 4: London 2012 Olympics and Economic Impact

The London 2012 Olympics provides an example of how effective sponsorship management can positively impact the local economy. Sponsorships from brands like Visa, Coca-Cola, and Adidas helped to finance a significant portion of the event's budget, which amounted to over £2.1 billion in sponsorship revenue. Additionally, these sponsorships contributed to the regeneration of East London, creating jobs, improving infrastructure, and increasing tourism during and after the Games.

## 5. THE FINDINGS OF THE STUDY

- 1) **Significant Financial Impact:** Sponsorships have become a major revenue source for events like the Olympics and FIFA World Cup, surpassing traditional income streams.
- 2) **Strategic Brand Engagement:** Sponsorships offer brands opportunities to increase visibility, engage global audiences, and build brand loyalty.
- 3) **Diverse Sponsorship Models:** Various sponsorship types, such as title sponsors and media rights holders, contribute differently to event success, depending on investment.
- 4) **Digital Transformation:** Digital media and social platforms enhance sponsorship activation, allowing brands to engage fans through mobile apps, social media, and in-venue experiences.
- 5) **Corporate Social Responsibility (CSR):** Sponsors are increasingly aligning with CSR initiatives, improving their brand image by focusing on social and environmental responsibility.

These findings highlight the growing importance of sponsorships in sports management, impacting both financial stability and brand engagement.

## 6. RECOMMENDATIONS

### For Event Organizers:

- 1) **Align Sponsorships with Event Goals:** Ensure sponsors' values match the event's mission for a meaningful partnership.
- 2) **Leverage Digital and social media:** Use online platforms to engage fans and offer sponsors direct connections.
- 3) **Diversify Sponsorship Packages:** Offer different levels to attract various brands.
- 4) **Measure ROI:** Provide sponsors with data on brand visibility and engagement.

- 5) Incorporate CSR: Emphasize sustainability and social responsibility to appeal to ethically conscious consumers.

**For Corporate Sponsors:**

- 1) Ensure Brand Alignment: Choose events that resonate with the brand's values and target audience.
- 2) Create Interactive Experiences: Go beyond advertising with fan activations and exclusive content.
- 3) Activate Across Platforms: Use social media and digital channels to enhance reach and engagement.
- 4) Measure Impact: Track campaign effectiveness through engagement metrics.
- 5) Commit to Long-Term Partnerships: Build lasting relationships for sustained brand loyalty.
- 6) With these strategies, both organizers and sponsors can maximize fan engagement and brand success.

## 7. CONCLUSION

The research into the intersection of sports event management and corporate sponsorships underscores the critical role that sponsorships play in the financial success and operational efficiency of major sports events. Sponsorships have evolved from traditional financial support to comprehensive partnerships that drive brand visibility, enhance fan engagement, and contribute to the long-term sustainability of sports events. The financial importance of corporate sponsorships is undeniable, as evidenced by the significant contributions from global sponsors to high-profile events like the Olympic Games, FIFA World Cup, and Super Bowl. These sponsorships now account for a substantial portion of event revenue, allowing organizers to cover growing costs while providing sponsors with invaluable access to global audiences.

Moreover, the different types of sponsorships—ranging from title sponsors to media rights holders—play distinct yet interconnected roles in the overall success of an event. The strategic activation of these sponsorships through digital media, social platforms, and in-event engagements has become a vital tool for maximizing brand exposure and fan interaction. Innovative activation strategies, such as personalized social media campaigns and immersive in-event experiences, ensure that sponsors connect with the audience on a deeper level.

Another significant aspect explored in this study is the increasing role of Corporate Social Responsibility (CSR) within sports sponsorships. Sponsors are leveraging their partnerships to promote social causes and environmental sustainability, aligning their brand values with those of consumers. This shift is not only enhancing brand loyalty but also positively influencing consumer perceptions in a socially conscious marketplace.

In conclusion, corporate sponsorships have become a cornerstone of sports event management, and their strategic integration into event planning will continue to shape the future of global sports. As digital platforms, new technologies, and CSR initiatives evolve, both sponsors and event organizers will need to innovate and adapt, ensuring that their partnerships remain mutually beneficial while driving financial success and positive brand engagement.

## CONFLICT OF INTERESTS

None.

## ACKNOWLEDGMENTS

None.

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