

## A study of corporate sponsorship in Taiwan table tennis teams

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**Abstract:** corporate sponsorship is currently one of the fastest growing forms of marketing communication. Corporations are hoping to achieve goals through sponsorship. Without corporate sponsorship, it is very difficult for sports teams to survive. Therefore, it is very important to develop corporate sponsorship in the field of sports. However, corporate sponsorship has decreased and has diminished the ability to cultivate professional athletes in Taiwan. The field of table tennis should be concerned about this issue in order to increase the willingness of corporate sponsorship for table tennis teams and achieve a win-win situation for corporations and table tennis teams alike. Therefore, the purpose of this study was to explore the current state of corporate sponsorship in Taiwan table tennis teams. An in-depth interview was used for this study to collect data. Relevant documents were used as data which included corporate websites, the internet, newspapers and handout information from corporate representatives. Content analysis was used to analyze data. The interview subjects were those in charge of corporate sports sponsorship. The results indicated the following: (1) Goals of corporate sponsorship included the contribution to society, the cultivation of table tennis players, the building of positive image, and the development of the table tennis environment; (2) Consideration factors of corporate sponsorship were brand image, exposure, public welfare, and marketing promotion; (3) Prevention factors of corporate sponsorship were budget, corporate leader's favorite teams, effectiveness of corporate sponsorship, and shareholder's willingness to accept corporate sponsorship. Suggestions of this study were as follow: (1) Table tennis teams should manage their team actively in order to attract corporate sponsorship; (2) Table tennis teams need to provide and cooperate with corporate marketing promotion in order to increase sponsorship effectiveness; and (3) Table tennis teams should communicate with sponsors in order to encourage and promote willingness of sponsorship.

**Keywords:** corporate sponsorship, sport sponsorship, table tennis teams.

### 1. INTRODUCTION

Corporate sponsorship is currently one of the fastest growing forms of marketing communication. Sport sponsorship is a unique component in an integrated market communications approach and affects the behavior of its target audiences so it begins to be viewed as strategic investments [8]. Sport sponsorship not only can benefit corporations from targeting consumers exclusively but also might play a role in the customer decision-making process [14]. Therefore, corporations are paying more attention to sport sponsorship in order to attract the target consumers.

Since government funds to support sport programs are limited in Taiwan, it is important for sports teams to obtain support from outside resources, such as money, facilities and equipment. A long-term relationship between a corporation and a sports team can provide a steady revenue stream for the sports program, and corporate sponsorship becomes a prime source of revenue for a sports team [7]. In general, if sports can provide a vehicle to marketing corporate products and services to potential customers, corporations will demonstrate an interest in sponsoring it [22]. Seaver's study [20] revealed that sales and market objectives were considered the most critical components in a sponsorship. He further indicated that creating new customers' ability, increasing sales quantifiably, and fitting with the current marketing strategy were three items of sponsorship objectives rated by corporate

executives. Ukman [24] also identified that the 5 top objectives of sponsorship were as follows: increasing brand loyalty, increasing awareness, changing / reinforcing image, and driving sales. Thus, corporation sponsorship is a mutual benefit between a corporation and a sports entity.

Table tennis in Taiwan is one sport that often receives medals at the Asian Games and the Olympic Games [9]. Corporate sponsorship plays an important role in developing the table tennis field. Without corporate sponsorship, it is very difficult for table tennis teams to survive. Corporate sponsorship has a long history in the Taiwan table tennis field. However, corporate sponsorship has decreased and has caused a decline in the ability to cultivate professional table tennis athletes in Taiwan. It is necessary for the field of table tennis to be concerned about this issue in order to increase the willingness of corporations to sponsor table tennis teams and achieve a win-win situation for both corporations and the table tennis teams. Cordiner [3] noted that the relationship between corporate sponsors and sports entities needs to be nourished and developed to make sponsorship work and for it to be effective. Understanding corporate sponsorship goals, consideration factors and the effectiveness of sponsorship are the primary components to encourage and promote the willingness of sponsorship [5]. In fact, corporate sponsorship has received more attention in the sports marketing literature recently but there is little depth to the coverage in corporate sponsorship [14].

Therefore, the purpose of this study was using an in-depth interview to explore the situation of corporate sponsorship in Taiwan table tennis teams, such as goals, consideration factors and prevention factors of corporate sponsorship in order to create win-win strategies to increase interest in corporate sponsorship.

## 2. PURPOSES

- (1) The first purpose of this study was to identify goals of corporate sponsorship.
- (2) The second purpose was to understand consideration factors of corporate sponsorship.
- (3) The third purpose was to analyze prevention factors of corporate sponsorship.

## 3. METHODOLOGY

A qualitative research methodology reflecting a realism paradigm [16] was adopted. An in-depth interview was used for this study to collect data. Relevant documents were used as data which included corporate websites, the internet, newspapers and handout information from corporate representatives. A pre-structured methodology [25] was used to develop an interviewer's guide which was then implemented through in-depth interviews. This approach facilitates some deduction based on prior theory. Participants were asked to complete the consent form before they were interviewed. A coding procedure was used to analyze the interview data and content analysis was used for the corporate websites, the internet, newspapers and handout information from the corporate representatives. The interviews were conducted during January and February 2013. The two hours of personal interviews were followed by the interview questions. The interview subjects were people in charge of sports sponsorship in the company. Triangulation was used through these multiple data sources. An analysis of data identified emerging patterns and themes, including goals, consideration factors, and prevention factors of corporate sponsorship.

## 4. RESULTS AND DISCUSSION

### 4.1 Goals of corporate sponsorship

The results of this study found that the goals of corporate sponsorship through sponsors performed content analysis on the interview to create categories of explanations. The five categories that emerged are as follows: (a) Contribution to society; (b) Cultivation of table tennis players; (c) Building positive corporate image; (d) Development of the table tennis environment; and (e) Brand awareness of the corporation. Su [23] mentioned that objectives of corporate sport sponsorships are: (1) Promoting corporate image, fame and exposure opportunities; (2) Fulfilling social responsibility; and (3) Increasing product sales. According to Masterman [14], there are two forms of sponsorship: philanthropic sponsorship and commercial sponsorship. Philanthropic sponsorship is a tool for

improving corporate image and social recognition. Commercial sponsorship is used to achieve business objectives such as increased awareness or sales. Furthermore, Boone and Kurtz [1] and Masterman and Wood [15] indicated that objectives of corporate sponsorship are: (1) to provide information and through that create brand awareness, (2) to enhance attitudes through changing perceptions of the organization, product or brand, (3) to influence intentions by building product category wants and facilitating purchases, and (4) to increase or stabilize demand. In addition, competitive advantage, direct and indirect objectives, awareness, image building, and developing and maintaining relations are also objectives of corporate sponsorship [14]. Therefore, corporate sponsorship of Taiwan table tennis teams is not only important for corporate profits but also emphasizes social responsibility.

From the interview, most of the interviewees indicated that contribution to society was the priority goal of corporate sponsorship. Interviewee C indicated that "whatever you take from the society, use them to the society. It is corporate responsibility to do so." Interviewee B also expressed that "of course, it is our responsibility to repay to the society. We hope to contribute to society." The results corresponded with Lu [12] and Huang [10] studies which stated that contribution to society was the first main objective of corporate sponsorship and it is a critical social responsibility. Therefore, corporations that sponsored table tennis teams were willing to achieve their social obligations through sports sponsorship.

The cultivation of table tennis players was also mentioned by interviewees. Most of the interviewees asserted that corporate sponsorship encourages table tennis athletes to compete with world class players in order to promote Taiwan through table tennis, especially for the young players. Interviewee C stated that "we are more focused on cultivating younger players so my company has supported 3 elementary schools, 2 junior high and 2 high school teams. It costs US\$350,000 per year." Interviewee A showed that "we spend US\$400,000 per year to sponsor 7 junior high and high school table tennis teams. My company has supported the table tennis team for more than 20 years because table tennis is suitable for Chinese people. We hope to see our players compete on the world stage." Interview B explored that "we sponsor 2 elementary schools and 1 junior high and 1 high school. Our company spends US\$600,000 per year to support table tennis teams, especially for young athletes." Interview D and E both mentioned that they sponsor young athletes and table tennis equipment such as paddles, rubbers, and shoes. Therefore, supporting flourishing young athletes of table tennis teams were the corporation's goal in order to help athletes to compete with world class athletes.

Moreover, building a positive corporate image was the objective of corporate sponsorship. Like interviewee B mentioned, "Our company is hoping to express messages of health and positive image through sports."

Interviewee D also showed that “our company sells table tennis products so sponsoring table tennis teams not only increases sales but also can build strong product or brand image.” Interviewee E said “by sponsoring the table tennis teams, we hope to have more people using our products and to build a more positive image through player sponsorship.” The result was similar to a previous study [10] which indicated that promoting corporate image was an important goal for corporate sports sponsorship. Shank [21] explained that the sponsor has to create a desired image for their company and/or product through sports sponsorship in order to establish corporate image or increase sales. Thus, the companies were hoping to establish a positive image through sponsoring the table tennis teams.

The interesting results from the interviews were in the awareness of corporate brand and/or specific product. The results indicated that awareness of corporate brand and/or product was a very important goal of sports sponsorship, especially for sporting goods corporations’ interviewees. For example, interviewee D exhibited that “we are hoping to impact consumer behavior through sports sponsorship.” Interviewee E demonstrated that “the aims of sports sponsorship are to develop or generate brand/product awareness. This might lead to increase sales in the future.” Masterman [14] stated that increasing the corporation or product awareness can develop and reinforce public awareness with its target audiences. He also indicated that achieving awareness is the first stage of target audiences to make purchases. Clow and Baack [2] also mentioned that the corporate sponsorship objective is to increase awareness or visibility of corporations and/or products. Therefore, corporations were hoping to provide information through sponsoring table tennis teams in order to create brand or corporate awareness.

From the results and discussion, goals of corporate sponsorship were viewed as contributions to society, the cultivation of table tennis players, the building of a positive image, the development of the table tennis environment, and awareness of the corporation. Therefore, to understand the objectives of corporate sponsorship can not only help in creating strategies to attract corporations to sports sponsorship but it can also assist corporations in achieving their goals. This then creates a win-win situation for both sides.

#### 4.2 Consideration factors of corporate sponsorship

The results revealed that consideration factors of corporate sponsorship were brand image, exposure, public welfare, and marketing promotion.

Most of interviewees indicated that a consideration factor of corporation sponsored table tennis teams was brand image. Interviewee C said that “our company seeks to attain a positive image through table tennis players and the relationship can be used to enhance the company/product image.” Interviewee B stated, “We support table tennis and we think table tennis is good advertising to build up our corporation’s spirit.” Madrigal [13] demonstrated that sponsoring firms

would like their audiences to connect positive feelings to their brands or specific products and services. Interviewee E stated, “Sponsoring table tennis teams is appealing to our firm because it can be used it to connect consumers.” Interviewee D noted that “we hope to increase the number of people who know of our products and our company in order to increase the size of the target audiences.” Ghosh and Srinivasan [8] stated that the strategic role of sponsorship in building and supporting an organizational identity and image is a very important consideration for corporate sponsorship. Cunningham et al. [6] also asserted that consumers’ perception and interpretation of corporate identity underlying a sponsorship program influences external stakeholders’ views on the corporation and shapes the corporation’s image. Furthermore, image association and image transfer opportunities through sports sponsorship can be influenced and even altered [11]. Thus, creating unique marketing messages through sports sponsorship to target these specific audiences is time efficient and cost effective. It can be used to link consumers to sponsoring brands and influence consumers to form positive brand images or make purchases from these corporations.

Exposure was the biggest consideration for corporate sponsorship. Interviewees D and E stated, “Table tennis teams wear our clothing and use our equipment to help us expose our products.” Interviewee D said, “Our company can be seen by new consumers through table tennis teams in table tennis competitions, especially when the team has a good reputation or good game records.” McKelvey and Grady [18] contended that corporate sports sponsorship was an attractive marketing opportunity providing tremendous publicity for consumer audiences. Thus, sponsoring table tennis teams is an opportunity for corporations to expose their company and products.

One of the factors to consider in sponsoring table tennis teams is public welfare. Sponsorship through sports produces the positive attitude of goodwill by consumers [7]. Like interviewee A stated, “We have sponsored table tennis teams for a long time, perhaps more than 20 years. We not only support table tennis, but also badminton, baseball and so on. Sports are connected with our corporation spirit so our customers always link us as a supportive sports company and we are happy to hear that.” Interview B mentioned that “our employees are very proud of our company when it comes to sponsoring sports teams and they let our customers know that we received a golden medal from the government for our corporate sponsorship. We think it leaves a good impression for my customers because we are different from our competitors. We don’t just sell our products/service but we also care about the development of sports in our country.” Meenaghan [17] showed that generating goodwill within the target audience fosters positive attitudes toward the brand/corporation. Long term sponsor relationships can provide a steady revenue stream for sports teams [7]. Therefore, corporations that sponsor table tennis teams

can foster positive attitudes of goodwill and maintain a long relationship with sports teams through sponsorship which then produces a win-win situation.

Marketing promotion was one factor for corporate sponsorship. Interviewee E stated that “sponsoring table tennis teams is considered a good tool in promoting our products.” Interview D asserted that “sponsoring table tennis teams is a good way to promote our products because our products are all table tennis facilities and equipment, especially for new products. It can help us to extend it quickly to our target consumers.” Sports sponsorship has developed as a marketing promotion tool to communicate with target audiences [14]. Sports sponsorship introduces the marketing message to the consumer and indirectly persuades the individual to consider purchasing the sponsors’ brands [7]. Accordingly, sponsoring table tennis teams is an opportunity that offers new ways of advertisement.

The results indicated that the consideration factors of corporate sponsorship were brand image, exposure, goodwill, and marketing promotion. Consequently, corporate sponsorship to table tennis teams needs to consider those factors in designing a firm’s marketing strategies and table tennis teams which are seeking corporate sponsorship need to recognize those factors in the planning of sponsorship in order to produce a win-win situation.

#### 4.3 Prevention factors of corporate sponsorship

The results concluded that prevention factors of corporate sponsorship were budget, corporate leader’s favorite team, effectiveness of corporate sponsorship and the shareholder’s willingness to participate. Budget was the first prevention factor for corporate sponsorship. Ghosh and Srinivasan [8] contended that the budget of sponsorship still plays a pivotal role in the prevention of sponsorship decisions. Stotlar [22] also noted that the economic factor is a key element for corporate sponsorship. Interviewee A explored that “of course, our budget will be impacted by the global economic recession but our company has a long term history related to sponsorship. Therefore, sponsorship expenses are still in our budget.” Interviewee C stated, “We distribute our sponsorship budget according to our profit.” Furthermore, Interviewee D stated that “we would cut the budget if our profits were down.” Therefore, budget is a very important factor to prevent corporate sponsorship but if a corporation has a long relationship with a table tennis team, it will continue to sponsor the team.

Corporate leader’s favorite team was the one of prevention factor of corporate sponsorship. Interviewee C indicated, “My company’s CEO is a key person to decide sponsorship. If he likes table tennis, he will support sponsorship. Like last time, my company changed CEO and he didn’t support sports sponsorship so we stopped sponsorship of it.” Cornwell et al. [4] indicated that CEO personal interests will influence a sponsorship decision. Huang [10] also expressed that support by high level chiefs were mostly an important

factor for corporate sponsorship. He further mentioned that corporations that have a long relationship with sports sponsorship or have sports sponsorship experience are more likely to consider using it as a marketing strategy. Consequently, how to keep the sponsorship relationship and to build up the sponsorship connection with the person who is in charge on the corporations’ sponsorship decision is the key point to support sponsorship of table tennis.

The other factor of prevention regarding corporate sponsorship was the effectiveness of corporate sponsorship. Interviewee E mentioned that “we will consider renewal sponsorship according to the effectiveness of promoting our corporation or product.” Interviewee D stated, “Product sales are a very important result to evaluate corporate sponsorship effectiveness because the final result is hoping to sell products.” However, interviewee B asserted that “promotion, exposure, connection with corporation, and loyalty were our companies considerations regarding sponsorship effectiveness.” Similarly, Huang’s study [10] indicated that half of interviewees showed exposure opportunities were the most effectiveness of sponsorship planning required by corporation. Olson and Thjømøe [19] contend that the fit between a sponsor and an object (i.e. sponsored organization, cause, event, or individual) has been shown to be an important construct in predicting sponsorship effectiveness. Therefore, effectiveness of corporate sponsorship was considered in the prediction of corporate sponsorship.

Three of the interviewees indicated that shareholder’s willingness was also considered as a prevention factor of corporate sponsorship. Like Interviewee A stated, “We need to report our profit to our shareholders and we have a responsibility to them. Therefore, we need to prove why we spent the money here.” Interviewee C stated, “If they (shareholders) question our sponsorship, we need to explain it to them and get their support about it.” Hence, shareholders’ support is also a critical issue in the consideration of barriers of corporate sponsorship.

Sponsorship of table tennis teams is seen as a corporation marketing task so it can shape corporations’ success in the field. Thus, the prohibitive factors of corporate sponsorship can be seen as a prohibitive approach to get a chance to support sponsorship of table tennis. From the results, prevention factors of corporate sponsorship were budget, corporate leader’s favorite, effectiveness of corporate sponsorship and shareholder’s willingness.

## 5. CONCLUSIONS AND SUGGESTIONS

Performance of the Taiwan national table tennis team has been excellent in international competitions in recent years and corporate sponsorship plays a critical role in the development of the table tennis field. However, corporate sponsorships have decreased recently and it caused a decrease in the cultivation of professional athletes in Taiwan. The field of table tennis needs to be concerned about this issue in order to

increase the sponsorship of local table tennis teams and achieve a win-win situation for corporations and table tennis teams. Through the understanding of corporate sponsorship goals and their desire to increase their corporate goals, such as the contribution to society, the cultivation of table tennis players, the building of a positive image, the development of the table tennis environment, and the awareness of the individual corporation. Better understanding of these consideration factors of corporate sponsorship can enhance the opportunity to attract corporations to sponsor table tennis teams in order to maximize the opportunities of corporate brand image, exposure, public welfare, and marketing promotion. Analyzing prevention factors of corporate sponsorship will understand and prevent those factors which were budget, corporate leader's favorite, effectiveness of corporate sponsorship and shareholder's willingness to create opportunities for corporate sponsorship.

### 5.1 Suggestions

(1) Table tennis teams should manage the team actively in order to attract corporate sponsorship. (2) Table tennis teams need to provide and cooperate with corporate marketing promotion in order to increase sponsorship effectiveness. (3) Table tennis teams should communicate with sponsors in order to encourage and promote the willingness of sponsorship.

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