

## Chapter 2

# Views on Sports Sponsorship in Singapore

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### ABSTRACT

*Sports sponsorship is growing and this figure is projected to rise exponentially (Belzer, 2013). Hence, the sporting arena has approached a platform where sponsorship has become an intricate pillar in the sports industry (Hoye et al., 2012). Whilst it is widely acknowledged that sponsorship is able to advance the profit margins of sponsors (Boyle, 2001), there is little literature documenting the views of sports sponsorship in Singapore. This chapter seeks to identify the key stakeholders in the local sports sponsorship as well as the acknowledged elements in a successful collaboration. References are made to the local sporting scene based on qualitative feedback collected from relevant personnel and set against common practices worldwide based on the literature review of current papers. A model of how these factors are interlinked is finally proposed.*

### INTRODUCTION

*Sponsorship is an alliance between those who market sport with those who market through sport. It is a business-to-business relationship that, when dealing across national borders, can benefit greatly from a tightly structured collaborative alliance. (Farelly & Quester, 2005)*

There has been numerous literature expounding on constraints faced by athletes today. Most of them have identified financial constraint as one of the key factors that can possibly shorten or prolong one's athletic career. In Singapore, it is no different. The purpose of this chapter will seek to

provide an overview coverage on the view of the sports sponsorship scene in Singapore, as well as an analysis on the concerns of main stakeholders in the process of sports sponsorship.

Due to the loose use of the terms "sport" and "sports" by academics and practitioners in the sports industry (Hoi, 1999), both will be utilized interchangeably for the purpose of this chapter. In the arena of sports sponsorship, an individual or organization issuing the form of sponsorship will be termed as the "sponsor" while the recipient, be it an individual athlete, event, sports team or organization will be termed as the "sponsee" for ease of communicating the contents of this text. The playing level of the sponsee as well as the

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amount offered by the sponsor will not be part of the variable of the study so as to encapsulate as generic a base as possible. Even though there are initiatives and grants driven by the government (Ong, 2014) in Singapore, there will be an emphasis on corporate sponsorship in this chapter.

The chapter will start with a historical review of how sports sponsorship is practiced globally, its development through the years and what form it takes like today over the different processes. The chapter will then focus on the issues stakeholders involved in sports sponsorship face and the resultant essential elements of a successful sports sponsorship relationship in Singapore. The next part will discuss the onus of these elements on the various stakeholders and how they are interlinked. Finally, the chapter will provide a list of themes for future research and conclusion.

## LITERATURE REVIEW

### Definition of Sports Sponsorship

*Commercial sponsorship is an investment, in cash or in kind, in an activity, in return for access to the exploitable commercial potential associated with that activity. (Meenaghan, 1991)*

To date, many definitions of sports sponsorship have surfaced. Common variables include the acknowledgement of sports sponsorship as a form of relationship (Yang, Sparks & Li, 2008; Prantl & Andres, 2012), involving multiple parties (Yang, Sparks & Li, 2008; Farrelly & Quester, 2004; Ola, 2012) and with a pre-determined agreement to be carried out (Olsen, 2008; Sarli, 2010; Prantl & Andres, 2012; Ola, 2012). Such agreements are generally regarded with the purpose of commercial intent in mind (Farrelly & Quester, 2004; Sarli, 2010; Prantl & Andres, 2012; Ola, 2012).

For the purpose of this chapter, a relationship will be recognized as a sports sponsorship if the following elements are present:

- Contribution made by a party (sponsor).
- Contribution received by another party (sponsee).
- Agreed expectation of return in any form from the sponsee to the sponsor.

### History of Sports Sponsorship

*The concept of sport sponsorship reaches back to ancient Greece and Rome where wealthy members of the Greek society supported athletic and arts festivals with the purpose to enhance social standing, the Roman aristocracy supported gladiators for the same reasons. (Cornwell, 1995)*

From sponsoring for altruistic reasons in the past (Farrelly, Quester & Burton, 2006), to the first form of commercial sponsorship by Kodak in the 1886 Olympic Games (Ola, 2012), to the inaugural nationalistic sports sponsorship by Spicers and Pond for the Australian Cricket Team in 1861, to the earliest record of professional sports sponsorship by Bovril for the UK football team Nottingham Forest in 1898 (Pope, 1998), the shape of sports sponsorship has indeed evolved over the decades and taken on a vastly different outlook from what the Greek aristocrats had portrayed in their time.

One residual similarity though, is the presence of a defining figurehead to effect the sponsorship. Be it the President, CEO or sales manager, there is an influencer of the outcome (Farrelly, Quester & Burton, 2006; Sarli, 2010). The reason for sponsoring was hardly ever about the commercial needs of the sponsor (Hill & Vincent, 2006) and went about in an unorganized manner (Farrelly, Quester & Burton, 1997).

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