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# Sponsorships and Brand Ambassadors as a Marketing Tool



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## **Abstract**

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The purpose of this thesis was to study sponsorship and brand ambassadors and to find an answer why these two should be used as a marketing tool. This thesis aims to give the reader a steady foothold on establishing his/her own functional sponsorship and brand ambassador program.

The first half of this thesis is comprised of theory, gathered from academic books, journals and online articles. The theory part presents sponsorship and its philanthropic and commercial sides, how it compares to advertising in the eyes of the consumer, and brand ambassadors. Additionally, possible risks are also introduced.

The second half of the thesis comprises qualitative research interviews with Finnish athletes and brand ambassadors in order to receive their view and experiences on sponsorship and ambassadorship. The data gathered from these interviews was then compared with the theory.

The results show that the sponsorships and brand ambassadors/influencers are a great tool for building a brand image and awareness with credible and professional people. This type of marketing can be used as a way to target specific consumers who follow these athletes, ambassadors and influencers, and build a fragile but rewarding relationship with them.

By defining the sponsorship and ambassadors, the thesis can show that a successful marketing tool does not only mean increase in sales but also the importance of a sound brand image.

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## 1 Introduction

Sponsorship has been used as marketing tool for a long time. It has roots embedded in history and traces of it can be found even in Ancient Greece, where it was seen as a tool to increase one's image and standing within a community. Today it still is used as a part of image and awareness generation tool for brands and companies. Sponsorship can also be used as a commercial tool but there is still a controversy regarding it, due to difficulties in measuring sales numbers generated by it.

Brand ambassadors and influencers have risen in popularity in social media during the recent years. Companies have started to use these people as a way to credibly promote their products and services to the followers of these ambassadors and influencers. These people make use of one of the most effective styles of marketing, Word-of-Mouth marketing to affect the buying behavior of their followers.

This thesis aims to find an answer to question: Why should a company use sponsorships and brand ambassadors as a marketing tool? The answer is created with the use of theory background from academic textbooks, journals and online articles. One previous research was used in the thesis research. Understanding Sponsorship Effects by Tony Meenaghan (2001).

An important part of this thesis is the conducted face-to-face interviews where sponsored athletes, ambassadors and influencers were interviewed in order to compare their views and experiences with the theory gathered from different sources. Comparisons were then drawn between the theory gathered and the data from the interviews to see if there are similarities with the two and if both theory and qualitative data support each other.

## 2 Sponsorship

The modern concept of sponsorship began in the smoky and murky conference rooms of advertising agencies of the 70s, as a way to boost advertising and corporate hospitality. Nowadays it has become a key tool to achieve certain marketing and corporate communication objectives. The objective of sponsorship is to increase sales, build favorable brand image and associations, increase the awareness of corporate image and internal relations within the organization. (Masterman 2007, 11.)

Sponsorship first emerged in the ancient Greece, where many sporting and arts events and festivals were sponsored by the rich merchants and statemen to improve their status and place in society. They built theaters for the arts exhibits and sponsored individual athletes during the Olympic games. These individual athletes did not only gain monetary awards from their sponsors but immaterial gain such as fame and increased standing in the society. Many of the early sponsorships were considered philanthropic; to increase the image and social recognition of the sponsor within the community. (Masterman 2007, 11.)

Modern concept of sports sponsorship, as stated earlier, emerged first some 50 years ago. Traditional sports sponsorship occurs when a sports or non-sports company (or individual) supports a sporting organization, athlete, club, team, league, venue or a cause. Many large companies such as Nike, Red-Bull, Toyota, Verizon (Sponsorship.com 2016) have used a lot of money for sponsorship deals and sponsorships are a major marketing strategy for them. Pepsi Co. being the biggest sponsor in 2014 and 2015 with the total amount of 370-375 million USD. According to Statista the global sponsorship spending in 2018 was 65.8 billion U.S. dollars, as opposed to last year's 62.7 billion USD. The overall increase in sponsorship spending from 2007 to 2018 has been massive. In 2007 the global spending was 37.9 billion USD. So, it has almost doubled in 11 years. Anyone that can benefit from sponsorship can be seen as a possible sponsor or a sponsee. (Sponsorship.com 2016; Smith 2008, 192; Masterman 2007, 11; Statista 2018.)

The athlete, organization etc. who receives the sponsor, i.e. the recipient, is known in the legal terms as "sponsorship property" or the "sport property". These legal names given to the recipient indicates that the sponsorship is a business agreement that both parties need to follow. The benefits of the sponsorships are supposed to be mutual. The sponsorship property receives goods, services, money and/or expert advice and the sponsor receives from the sponsorship property benefits such as promotional rights for their name, picture and marketing advantages of being associated with them. The hope for the sponsor is to increase their brand/company image and consumer awareness that in turn builds their brand equity. (Masterman 2007, 28-29; Smith 2008, 192.)

## 2.1 Different Types of Sponsorships

As stated earlier, the inception of the sponsorship was first more philanthropic. The goal of the sponsoring arts and sports was to increase the sponsor's own image and awareness. Today sponsorship can be divided into two different forms "philanthropic sponsorship" and "commercial sponsorship". "Philanthropic sponsorship" has still retained its meaning throughout the history – sponsorship is a tool to increase the company's overall corporate image and social recognition within the community. "Commercial sponsorship" is used as tool to achieve a different business objective such as increase in sales and in awareness. Commercial sponsorship is seen as an investment into the commercial ends and direct benefits for the company rather as a business donation to the society viewed by the philanthropic sponsorship ideology. (Masterman 2007, 28.)

The following table presents the two types of objectives of sponsorships

A. Corporation-related Objectives	B. Product/Brand-related Objectives
<ol style="list-style-type: none"> <li>1. Increase public awareness of the company and its services;</li> <li>2. Enhance company image;</li> <li>3. Alter public perception;</li> <li>4. Increase community involvement;</li> <li>5. Build business/trade relations and goodwill; and</li> <li>6. Enhance staff/employees' relations and motivation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increase target market awareness;</li> <li>2. Identify/build image within target market (positioning);</li> <li>3. Increase sales and market share; and</li> <li>4. Block/pre-empt competition.</li> </ol>

Figure 1. The role of athlete's sponsorship on the marketing strategy of a sports brand (Lesaulle & Bouvier 2017, 15).

## Objectives

Sponsorship objectives can be divided into 2 different levels: corporate related and product/brand related objectives. Many different levels have been proposed to include media and personal effects on the sponsorship as a whole; however, personal opinions cannot be justified as a proper reason corporately. (Masterman 2007, 32.)

A study done by Lesaulle and Bouvier (2017) supports the aforementioned first proposed levels of objectives; Corporate-related and Product/Brand-related objectives. Figure 1 (see above) shows the two different levels of objectives and within the lists the objectives. Corporation-related objectives are the increased public awareness and image of the company, alteration of public perception, increase in community involvement, building business/trade relations and goodwill and lastly enhance staff/employee relations and motivation. (Lesaulle & Bouvier 2017, 15.)

Product and brand-related objectives are: increase target market awareness, identify and build image within target market i.e. positioning, increase in target and market share and lastly block and pre-empt competition. (Lesaulle & Bouvier 2017, 15.)

Even though there are these different levels of objectives with their own subobjectives, the main objective of the sponsorship will always be Competitive Advantage over your competition. This could mean blocking out your competition with exclusivity from for example certain events such as Coca-Cola's rights for Olympic games. If this is the only goal of the sponsor, it has already blocked the competition from achieving their goals with certain market. (Masterman 2007, 33.)

### **Direct and Indirect Objectives**

Some of the objectives can be divided into direct and indirect objectives. Direct objectives could be pictured as a short-term goal where the company's goal is to affect the consumers buying behavior and increase sales rapidly. Indirect objectives on the other hand can be described as more longer-term goal than the direct ones. Indirect goals can be to increase more brand awareness within your market or achieving the desired image. Ultimately the goal of the indirect objectives is the same as the direct ones: to increase sales at some point in the future. (Masterman 2007, 33.)

Then which of these two is more viable? The effect of sponsorship on sales of a product can be difficult to measure. There has not yet been a precise conclusion or a way to measure how the sponsorship of an event, athlete or team has affected the sales numbers in anyway. Of course, the overall picture of sales cannot be seen when studying the sales numbers whether or not they have increased, but the difference cannot be made up if a sales person has been effective or has the sponsorship actually been effective. At the best this can be described as an indirect cause. (Masterman 2007, 34.)



## 2.2 Choosing the Right Sponsorships

Choosing the right athletes, events or teams to sponsor can be difficult as many big companies receive numerous different applications for a possible sponsorship. Choosing which one to partake can take a long time. Here are some points to consider. (Alaja 2000, 111.)

Choosing the right course of action is key. As a marketing communication tool, sponsorship has morphed into a more active and rational activity. Setting a specific set of rules and guidelines for sponsorship makes choosing the right target audience more efficient. It is important to choose whether or not to sponsor local, national or even global events, athletes or teams. So, having a clear image of the target audience and consumers helps drastically on choosing the right sponsorship deal. (Alaja 2000, 111-112.)

Having a detailed analysis on the reach and the audience of the subject (potential sponsorship property) helps. Factual information on the subject's reach, audience, media coverage and many other statistical information make it easier to decide on the potential sponsorship. Even though factual and statistical information helps, sometimes marketers' own preferences and views can obscure the right choice. (Alaja 2000, 112.)

As mentioned earlier, the goal of the sponsorship is most of the time the same: creating a good image between the brand (sponsor) and the sponsorship property. Every single sponsorship deal should be done and handled as its separate case. This makes room for many organic and non-planned ideas and contracts. (Alaja 2000, 112.)

## Points to Consider

When choosing the right subjects for sponsorship, there are multiple conscious and unconscious decisions that take place. The importance of these decisions is determined by the goals set for each contract. Here are points to take into consideration when planning to sponsor someone or something. (Alaja 2000, 112.)

The baseline of every single sponsorship contract is the compatibility of the brand and product with the athlete or event. The compatibility of the two is what creates a baseline for the image generation and a commercial success of both the brand and the sponsorship property. Local sponsee for example can position the company as a community leader, build better reputation and overall image generation. Of course, not every single contract needs to be thought out completely, as in all marketing, sometimes risks need to be taken in order to be successful. On the same page is the compatibility of the target audience of the brand and the sponsorship property, for example, a Finnish sports clothing brand sponsoring a Swedish football player, even though the market is in Finland. The person is right, but their audience is not the target. (Alaja 2000, 112; Thomas 1997.)

In recent times the importance for high-end relationship management for companies has made its mark in the sponsorship business. The sponsorship property has to be able to show the selected stakeholders that they can offer the company high quality and stylish VIP services. Of course, one cannot forget the people who are working for the company. Rewarding people who perform well within the company can be an excellent way of marketing the company itself as well. (Alaja 2000, 113; Thomas 1997.)

The risk section of this thesis mentions that one of the biggest risks of sponsorship is the negative association that can happen if sponsorship property does something that could possibly compromise the image of the brand. This is something that needs to be taken into consideration; could there possibly be a conflict that can affect the brand image? Does the sponsorship property value the same ethical values that the brand wants to show? Is there a bad or a good history tied to the name of the sponsorship property? In the same vein is your company management or staff satisfied with the sponsorship, so that they can give their support for the sponsorship? (Alaja 2000, 113; Masterman 2007, 56; Kumar 2016.)

Who does the competition sponsor? Or do they utilize sponsorship? Creating competitive advantages with sponsorship is one aspect to consider when choosing the right sponsorship property. The added value of an athlete to the brand could make the difference between the company and the competition. Additionally, the success of the athlete, team or an event should be taken into consideration as well. The brand should estimate how successful the sponsorship property could be or will they not be successful. Many brands and companies want to be associated with the winners and this brings us to back to the negative association – if a team loses, then the company loses. (Alaja 2000, 113; Masterman 2007, 56.)

Following up with the assessment on how successful the sponsorship property can be, other values need to be assessed. Media visibility? Is the sport or an event just a fashion trend? Do they have a future? Traditional pull? How much goodwill they could generate? Star power? Risks? Taking in the consideration how the event or person you are working with is communicated or promoted outside. Having multiple different events or competition on the same day or how well is your brand seen on the promotional material all affect the image generated. (Alaja 2000, 113, Thomas 1997.)

Quality-price ratio is a massive factor for sponsorship. Price of an athlete could be high but is it worth it? Can you get largest amount of visibility you can with this price? Or should you take that and split it into multiple smaller sponsorships? Usually the amount that the company is ready to pay for a sponsorship is not based on any particular factor but how much they feel is appropriate for different kinds of contracts. The athlete, team or an event has to also know their own value that they can propose for the company. In addition to this, the specific details of the contract during the negotiations affect the sponsorships. Is there something you cannot agree on? Could there be more disagreements? The length of the contract. Visibility on the team or an athlete? Is it negotiable? Could the brand have more? Or less? (Alaja 2000, 113-114.)

## 2.3 Sponsorship vs. Advertising

By nature, sponsorship is fairly close to advertising. Both advertising and sponsorship at their core generate awareness to the brand affiliated to it but the way they do it differs (Meyer-Delius 2018). Sponsorship is seen as a type of advertising and as the Economic Times defines advertising as a way to communicate the product or service to the end consumer (The Economic Times 2018). Advertising is a part of marketing campaign to sell the product, idea, service. It is one or both, audio and visual communication. Most of the time advertising can be found in the major mass media outlets; tv commercials, radio ads and website banners. (The Economic Times, 2018; Meyer-Delius, 2018.)

Major advantage of advertising over any other type of marketing is its way to reach broader audience over short period of time. Other advantages of advertising are more control over what is communicated, elimination of the middleman to sell the product, consumer education on the product/service, challenging the competition and a great way to introduce the consumer to the product or service. (Meyer-Delius. 2018.)

Advantages of sponsorship when compared to advertising are more philanthropic when comparing the two, generating more goodwill. Sponsorship reaches new audience that could have been harder to reach earlier through sponsored events. Sponsorship generates more good reputation – generally sponsors are seen as a good-doers when they aid athletes and events. A company or a person can show through sponsorship that they share the same values as the team, athlete or event. (Masterman 2007, 42; Meyer-Delius, 2018.)

### **Choosing Between Sponsorship and Advertising**

Choosing one over the other can be difficult. There are many different advantages the one provides that the other simply cannot. It all depends on what are you, as a marketer looking to achieve. Many brands use both advertising and sponsorship together. Looking back at the advantages that has been listed for both, advertising generates more broader awareness to your product or service and is more educational while sponsorship is more for creating relationships. Both should be as a part of your marketing campaign where

sponsorship is used to put your product or service out there and advertisement is a tool to educate those new customers. (Meyer-Delius 2018.)

Brand loyalty can be achieved much more easily with sponsorship than with advertising. Choosing the right events, teams, athletes or even causes can help to achieve emotional connection with the consumer. Consumers can see advertising as a selfish act. A way to exploit others to achieve their own goal. Consumers could also see advertisement as a way for the company to force or coerce one to buy or use the product. Sponsorship also can be seen as a way of self-gain and a way to force consumer, but the approach of sponsorship and its goals is more disguised. (Meyer-Delius 2018; Smith 2008, 194.)

With sponsorship the brand/company can create more powerful yet brittle relationship with the consumer, that helps generate more goodwill compared to advertising. This means that when using sponsorship, companies can target their message more focused to a certain audience. (Meenaghan 2001, 106.)

### Choosing One Over the Other

Advertising	Sponsorship
<ul style="list-style-type: none"> <li>- New product launch</li> <li>- Specific message</li> <li>- Educate audience</li> <li>- Generate brand awareness</li> </ul>	<ul style="list-style-type: none"> <li>- Want to be associated with a certain value</li> <li>- Generate brand loyalty</li> <li>- Focused marketing</li> <li>- Generate brand awareness</li> </ul>

Figure 2. Sponsorship VS Advertising: Which one is better for you? (Meyer-Delius 2018.)

Figure above shows that advertising can be used when a new product is launched to communicate it to a broader audience, and to educate the customers with directed and specific message. Sponsorship can also be used as a mean to reach a certain audience type with specific sponsorship, which creates brand loyalty amongst the fans of that sponsorship property. Different types of events, sports or team sponsors create a certain type of image within the general public, these sponsorship properties can be used to reflect on the company values. (Meyer-Delius, 2018.)

## 2.4 Sponsorship and Goodwill

Goodwill is intangible assumed value of attractive force that increases sales and generates value. Goodwill cannot be generated overnight. It is built over the years with heavy and continuous use of promotion, quality products and services and good customer relationship/service. Good employee and supplier management also help building better goodwill generation. (The Business Dictionary Online 2018.)

The use of goodwill in sponsorship is an important principle to understand why sponsorship can be useful. To understand the effect of the sponsorship communication goodwill generation can be divide into different tenets, to name a few, consumer goodwill, corporate image transfer and fan involvement. Using these different tenets helps us understand and analyze the process how consumers perceive sponsorship. These themes and tenets are goodwill in sponsorship, image in sponsorship, the concept of fan involvement, consumer response in sponsorship. (Smith 2008, 194; Meenaghan 2001, 100.)

### **Goodwill in Sponsorship**

The goodwill that a company could potentially generate through the use of sponsorship is what can ultimately differentiate sponsorship from advertising. Although sponsorship and advertisement are used similarly, and they have similar goals, sponsorship can create more favorable goodwill than advertising. (Meenaghan 2001, 100-101; Meyer-Delius, 2018.)

Comparative Factors	Sponsorship	Advertising
Goodwill	Beneficial	Selfish
Focus	Indirect/Subtle	Direct/Forceful
Intent to Persuade	Disguised	Overt
Defense Mechanism	Low State of Alertness	High State of Alertness

Figure 3. Understanding sponsorship effects (Meenaghan 2001, 101).

Meenaghan (2001) conducted a focus group interview, regarding how these people perceived commercial sponsorship compared to advertising (see figure 3, see above). How it made the brand look like. The commercial sponsorship was seen as more beneficial for the community and advertising as selfish. The focus and the intent of persuasion were much more indirect and subtler as compare to advertisements more direct and overt. The disguised intent of persuasion lowered the consumers defense mechanism, whereas more direct and overt approach of advertisement caused high alertness in consumers. The number one factor to distinguish sponsorship from advertising was the generated goodwill and how it differed from one another. Meenaghan (2001) additionally found that the goodwill came in three separate levels; Generic Level (activity), Category Level (sports, arts) and Individual Activity Level (individual athlete or team). (Meenaghan 2001, 101-102.)

Generic Level is the baseline for all sponsorship goodwill. At this level the basic idea of commercial sponsorship is seen as beneficial to the society – creating warmer relationship with consumers. The effect at this level - the effort from the brand is minimal – sponsorship is seen as an alien idea and it is not felt as deeply yet. At this level the sponsorship does not interfere with the consumers in a meaningful way, which explains the behavior. Category Level of goodwill on the other hand generates goodwill with the companies sponsoring different sports and arts. Sponsoring different categories generate differing levels of goodwill, sports sponsorship more than arts. (Meenaghan 2001, 102.)

Individual Activity Level. The amount of goodwill generated with sponsorship is the greatest when the consumer is involved with the sponsorship property. The effects of goodwill are at their highest in this level. A hockey fan might find sponsorship as a generally good thing for the community and the sport in general on Category Level, but the same fans response would be much greater towards a sponsor who sponsors a team that they are involved with. (Meenaghan 2001, 102.)

### **Image Generation in Sponsorship**

Second tenet discussed, is the image that the sponsoring can have on a category level (sponsoring sports, arts and events). At a Category Level of sponsorship, the events, sports and arts that the company or brand decides to sponsor affects the image that will be generated within the target customers. Individual media used in advertising (i.e. radio, tv, press) possess certain nuances that make the consumer perceive the desired message in a certain way. In commercial sponsorship this same happen in Category Level. For example, sponsoring high-end posh arts, the consumer perceives the sponsor as sophisticated, elite, up-market and serious, rather than if the brand would in turn sponsor mass arts, it would create more young, friendly, current and accessible image for the brand. (Meenaghan 2001, 102-103.)

### **Image at the Sponsored-activity Level**

At the Individual/sponsored-activity level, the image transfer provides much more aid in understanding how sponsorship works, it can be directly having similar effects as in traditional advertisement. Individual/sponsored-activity level is sponsoring a sports team, athlete or specific event. In advertising these are called media vehicles and media classes. Media classes are general categories such as television, newspaper or the internet. Media Vehicles are the specific media outlets within those categories: Helsingin Sanomat, Iltalehti, MTV3 etc. These media vehicles have a certain image that they have acquired over time. (Meenaghan 2001, 104-105; Kokemuller, 2018.)



Image Generated	
GAA All-Stars	The Proms
"Irish"	Conservative
Traditional	High-Brow
Rural	Corporate
Conservative	Affluent Urban
Less Sophisticated	Up-Market

Figure 4. Understanding sponsorship effects (Meenaghan 2001, 105).

Meenaghan (2001) drew an example out of the Bank of Irelands sponsorship over two vastly different events. The GAA All-stars Players Awards – program that is part of highly popular Gaelic Games series in Ireland. The second was the Proms, a series of classical concerts. (See Figure 4, see above). With different events the image generation was different. GAA All-stars was seen more down to earth and pleasant rather than the Proms as conservative and snob. This in turn can affect the image on the brand positive or negative. (Meenaghan 2001, 105.)

### **Fan Involvement**

Looking into fan involvement can help explaining the reactions and feelings fans have towards sponsorship over advertising. The meaning of fan involvement is the extent to which the fans are involved in and care about their favorite activity or sport. When a brand is sponsoring a sport or activity, usually they come in between the consumer and their beloved activity or sport, they can create a fragile but a rewarding relationship with the consumer. This has major impact on the goodwill generated and overall image building. (Meenaghan 2001, 105-106.)

Timing of entry for the sponsorship is a key to for generating as much of goodwill and image as possible. Early sponsors are usually taken in with open arms and seen with more appreciation than those who are coming in late for the game. They can be seen as if they are copying what has already been done. The activity and the commitment that a fan sees between the sponsor and sponsorship property should be seen more than just a

business contract, leaning more towards showing affection and care towards each other. (Meenaghan 2001, 108; Smith 2008, 194.)

### **Consumer Response**

How involved the audience is with the sponsored event, activity or a team, can have a different impact on the response that they are giving out, when measuring the effects of sponsorship. An uninvolved audience will not be as prominent as someone who has a high involvement to the event or activity. At best, an uninvolved audience member will create an abstract relationship with the sponsor, this in turn can change to better and more defined, if the sponsored activity or event gains national or worldwide recognition. (Meenaghan 2001, 110.)

Involved audience on the other hand is different, they are more aware of the investment from the sponsors and the awareness of sponsorship is the highest from any other. These high involvement fans are more lenient for goodwill and image generation than any other group. They are highly aware of the brands that are sponsoring their favorite teams and athletes. High involvement fans are more likely to change brands according to the sponsorship as they are more aware of the possible connection between the brand and the sponsorship property. (Meenaghan 2001, 111; Smith 2008, 195.)

## **2.5 Potential Risks**

Now that the potential of sponsorship has been discussed and what it can bring to a brand or company compared to advertising, and what sponsorship did, that the advertising did not do as well and vice versa. What are the potential risks that sponsorship might bring with it and what should be looked into, when deciding the right outcome.

### **Potential Risks of Using Sponsorship**

The potential risks that sponsorship can have are a calculated decision from the company side. When deciding on the event, athlete, team or whom ever to sponsor, a forecast should be made on what is the image and characteristics that the sponsorship property has during the lifetime of the sponsorship. This, however, is all subjective and dependent on the case, but something that should be done to reduce to risks. Some of the risks or

bumps that might occur during the sponsorship are being introduced next. (Masterman 2007, 56.)

### **Negative Association**

Negative association can potentially hurt your brand or company the most. Negative association happens when a sponsorship property becomes a target of criticism over their image or characteristics. This can include aspects like losing a match, poor performance or a controversial comments/actions. James Robinson (2010) wrote an article for the Guardian on golfer Tiger Woods scandal that Gillette (Owned by Proctor & Gamble) would not be renewing their multimillion-dollar contract with the athlete due to Woods' extramarital affairs that surfaced a year prior. Although bad reputation of a sponsored athlete, event or a team does not automatically mean that there would be negative association towards the sponsoring brand. (Masterman 2007, 56; Robinson, 2010.)

As a sponsor, one should be thinking one step ahead. Having a contingency plan and acting fast on a possible negative association can alleviate the negative impact that it can have. All of the actions done should be done within the current contract with the event, athlete or a team. One possible first action could be putting the contract on ice, so to speak. Putting an athlete for example on a suspension, after a compromising action, can give the company time to pull advertisements and reduce the association. For example, Nike putting athletes on suspension before terminating the contracts after their doping and drug tests came in positive (sprinter Justin Gatling and tennis player Maria Sharapova) (Kumar, 2016.)

### **Sponsorship Clutter**

Sponsorship clutter happens when a team, event or activity has a large number of sponsors. This can be visible on team jerseys, led screens and venue. Large notion of sponsors can give out an impression of over-commercialization, that can lead to a negative impact on the sponsoring company or brand. A research done by Cornwell (2000) suggested that sponsorship clutter has a negative impact on association and sponsorship recognition. The research also suggests that an event or a team should seek to have just a few major sponsors which in turn means that the sponsors should seek out best possible

visibility with little to no competition at all to ensure the best possible recognition. (Masterman 2007, 57; Cornwell, Relyea, Irwin, Maignan, 2000, 139-140.)

### 3 Brand Ambassadors

Just from the name Brand Ambassadors, one can draw a rather good picture what it means. Brand ambassadors are the people who use the company's products or services. These people like the product or service so much that they will market them for the company. Their marketing usually tends to revolve around their own social circles including their family, friends and co-workers/school mates. (Nicholson, 2018.)

Brand ambassadors do not have to be just your customer. These people can be paid celebrities, athletes, social media influencers with following or even your company's own employees. Most of the time a brand ambassador is someone who will not get paid with money for their work, rather with the branded goods (clothing) from the company, products or just because they want to be connected with the brand that they are a fan of. (Kunsmann, 2017; Torr, 2015.)

The work that credible brand ambassadors do can be directly linked to the work that a normal sponsorship does to the company. Brand ambassadors' work is to boost the brand awareness and sales. Brand ambassadors market the company through many different channels such as Facebook, Instagram, YouTube or Twitter. The benefits these people receive, from being recognized as an ambassador for a brand, can be beneficial later in their lives. They receive experience in promotion, customer service, product development and general marketing strategy. (Torr, 2015.)

Following graph shows how many times the terms “influencer marketing” has been search on Google over time.



Figure 5. Data source, Google Trends, <https://trends.google.com/trends/explore?date=to-day%205-y&q=influencer%20marketing> 2018.

The Graph above shows, how many times the term “influencer marketing” has been searched on Google search engine, representing terms increase in popularity from 10.11.2013 until 27.10.2018.

### 3.1 Reasons to Use Brand Ambassador and Influencer Marketing

Influencer and brand ambassador marketing has become one of the fastest growing parts of digital marketing (see figure 4 above). This was mainly aided by the popularity of social media which opened the door for businesses to increase their online presence and target new audiences with the use of influencers and ambassadors. Each of the different influencer or ambassador has their own followers that you can tap into when working with said people. (Fisher, 2018; Google Trends 2018.)

When implementing brand ambassadors or influencers into the marketing plan, it should be thought about more of a word-of-mouth marketing tool (more on that later) rather than as a social media advertising campaign. Having a person recommending a product to a person in the same way as a friend recommending you a product, is far better to your online image than just a regular advertisement. (Fisher, 2018.)

After acquiring those influencers or ambassadors, marketer should be looking into the demographics and information about the followers of the influencer. This helps you understand who are buying your product through them and what they are looking for from your brand. This in turns leads to more targeted marketing and more potential customers. (Fisher 2018.)

### 3.2 Personal Branding

What is personal branding? Personal branding makes a person stand out from the crowd. Personal branding combines person's identity, personality, skills and characteristics into a complete package. Personal brand is something that is the first thing people think, when they are thinking someone. It should be something that is positive and shows their value. The knowledge gained and gathered should be passed around altruistically, so possibly in the future, someone would remember one's good doing and come to them as a customer. Keep in mind that even though reputation increases, it does not automatically mean that honor increases. One's incompetence or bad attitude tends to go around. (Montoya & Vandehey, 2009; Kurvinen, Laine & Tolvanen 2017, 15-18.)

Having a strong personal brand requires hard work and dedication. It is something that one should also consider about. What makes your brand? Where is this going? Understanding own value and showing the skills and knowledge rather than just telling people, shows that someone is a professional. Consistent delivery develops brand effectively and helps in understanding ones worth. Not to forget self-development and educating oneself in the meantime. (Joseph, 2018.)

### 3.3 Affecting Your Followers

Organic word-of-mouth (WOM) marketing is the most natural way of marketing. It is free from promotion and advertising, and it is shared between only your consumers. Conversations between consumers are more effective than marketing communication when affecting buyer behavior. The basic description of word-of-mouth: A consumer tries a product or service, i.e. restaurant, they liked it so much that they about it to their friend and next time that friend feels like eating out, they remember that their friend recommended that one restaurant and they try it. A strong reference from a trusted source affected a decision and buying behavior. (Kozinets, Valck, Wojnicki, Wilner 2010, 72; Mosley 2017; Le, 2017.)

During the mid 1900's, marketers tried to find influential consumers to affect this WOM-spreading more in their favor. This was done with the help of more traditional marketing tools, like promotion and advertisements. After the second world war had ended, consumers were more resistant on buying new products. This is the time when marketers were focusing and finding new "opinion leaders" to reinforce the idea of "recommendation from a friend". (Kozinets et al. 2010, 72.)

#### **Word-of-Mouth Marketing**

Word-of-mouth marketing (WOMM) – also known as viral marketing, social media marketing and guerilla marketing – is intentionally affecting the consumer to consumer interaction. In a way it can be described similarly to the organic word-of-mouth although, marketing department is involved. Word-of-mouth marketing uses traditional social media channels such as blogs. Let's use the restaurant as an example again. A blogger is invited to a restaurant with other bloggers. They write about it on their blog, take pictures that they include in the text and show that they are having a good time. Their follower reads and sees about this and then influenced by this, they decide to go to that restaurant next time they are out. When the source of recommendation from a blogger is at the same trust level compared to a friend, it triggers same kind of reaction in one's brain as in organic word-of-mouth. (Kozinets et al. 2010, 71-72; Mosley, 2017; Le, 2017.)



## **Word-of-Mouth Online**

WOMM has buried its roots into a complex network of culture. Marketers using WOMM that is trying to affect bloggers own voice can have many similar aspects that traditional paid promotion has, WOMM is usually infused into more unestablished and unconventional cultural relationships. WOM communication is affected by four different factors: 1) use of character narratives, 2) setting where it occurs, 3) communal norms and 4) promotional characteristics. (Kozinets et al. 2010, 74.)

Bloggers, social media or an influencer has a "role": they are a loving mother, professional athlete or something similar. They are a professional or a credible source. Marketers use them as "character narratives" to affect the consumers decisions. Second is the platform they are using, the setting. It can be their blog, Instagram page or just social gatherings. Third, the communal norms, mean the demographics: age distribution and size of the community, interests etc. Lastly, the message and meaning of promotional communication: what type of product is it that you are promoting, terms and objectives. These four works in unison to create WOMM communication strategy and message and how the community responses to the WOMM communication. (Kozinets et al. 2010, 74.)

## 4 Research Methods

One part of this thesis is face-to-face interviews with six sponsored athletes, influencers and brand ambassadors. These people were handpicked by the author in order to have a broad and comprehensive understanding of sponsorship and ambassador marketing. The interviews were mostly conducted through digital means (i.e. Skype or FaceTime video calls) due to the distance, but three of them were conducted as a face-to-face interview.

Athletes, influencers and ambassadors were all from different backgrounds and with different experiences. Some of them had been working with companies for two years, others 15 years. Their ages ranged from 19 to 44. Some of them had multiple sponsors or partners, some of them only worked with one company. Thus, the sampling was suitable for the purpose of this study. To conduct these interviews the author used qualitative research over quantitative to delve deeper into the subject in matter with the use of open-ended question. The interviews were then recorded and analyzed with the use of thematic analysis. In the next chapter, qualitative and quantitative research will be explained and the differences between each method, and why qualitative research method was chosen. Additionally, thematic analysis will be explained and how the data analysis was conducted to give the perspective on what was discussed in the interviews.

The research question that this thesis hopes to answer with the use of qualitative research, interviews and thematic analysis is: Why should you use sponsorships and brand ambassadors as a marketing tool? The findings are then compared with the theory gathered during the first half of the thesis to find if there are any similarities or support to one another.

#### 4.1 Qualitative Over Quantitative

The major distinction between what is considered qualitative and quantitative research is the way information is gathered. In quantitative research a researcher uses numbers and in qualitative do not. Qualitative research is dependent on what the person interviewed has to offer for the researcher. How in-depth of an answer are they willing to give. Quantitative research relies solely on the limited set of questions with little to no room for more elaboration on the answers. (McLeod 2017; Jackson, Drummond & Camara 2007, 22-23.)

Stake (1995, 37) made the distinction between the two: " (1) the distinction between the explanation and understanding as the purpose of inquiry; (2) the distinction between a personal and impersonal role of the researcher, and (3) a distinction between knowledge discovered and knowledge constructed." These distinctions can be seen in the research done for this thesis. The research tries to understand the connections between the theory gathered and the experiences presented by the people interviewed by the researcher. With these, the knowledge on the and the outcome of the research will be constructed with the found connections between the theory gathered and the data from the interviews. (Stake 1995, 37; Shareia 2016.)

The approach for research in qualitative research is by nature more exploratory. In it, the researcher tries to find out "how" and "why" certain phenomenon or activity happens. The main aim in this type of research is to find an understanding of the social reality of individuals and groups. This is why a lot of qualitative researches are conducted by interviews or to study someone or something in their natural setting. Qualitative research in its core the researcher seeks much more descriptive answers for a certain phenomenon, which is why due to smaller sample size, it cannot be generalized that easily to represent population. In addition, researcher's personal connection to the subject matter affects the research conducted. (McLeod 2017; Jackson et al. 2007, 23.)

Quantitative research is conducted to measure things with numbers and questionnaires. Most used method of gathering information in quantitative research is specific and unbiased use of closed questions and rating scales that in turn can be converted into useful data. The results gathered with quantitative research usually are generalized, anticipated and provide causal explanation. Quantitative research additionally does not consider the

researcher and makes them virtually obsolete. The data that is gathered through quantitative means usually is representation of sample population, where the reproduction of the research is more plausible. (McLeod 2017; Campbell 2014, 3.)

The reason why this thesis does not conduct a quantitative research is because, the people interviewed cannot easily explain why they answered the way they did if the questionnaire or standardized questions were used. With qualitative method the answers gathered with open-ended questions and natural setting, can be analyzed, coded, then be turned into themes, and lastly conduct a thematic analysis. The aspect of giving the people interviewed a more natural setting, if it is their home or a café for example gives the research more humanistic angle and establish a more of a heart to heart type of conversation. (McLeod 2017; Campbell 2014, 3.)

#### 4.2 Data analysis – Thematic Analysis

To analyze the data gathered from these interviews conducted, where the influencers, athletes and ambassadors gave their own insight on sponsorship and influencer/ambassador marketing, this thesis utilizes thematic analysis on the data. First, a thematic analysis will be explained.

The data collected from the interviews can be sporadic and all over the place due to the interview being informal in nature and the questions being asked are based on their own ideas, experience and knowledge. Thematic analysis is used to identify, report and analyze (as the name suggest) the themes (patterns) in data gathered from the interviews. Though thematic analysis is used to analyze the data gathered through qualitative research, it is not only a method by itself. It is used with almost all of the qualitative data gathering methods. (Braun & Clarke 2006, 6; Boyatzis 1998, 4.)

Thematic analysis is reporting and analyzing themes and in other terms encoding data gathered through qualitative means. The encoding process requires a code. This can be described as a set of themes. Themes will be touched upon later during this thesis. (Braun & Clarke 2006, 6; Boyatzis 1998; 4.)

This type of analysis enables the researcher to use more varying and sporadic information more accurately in order to help them interpret the data gathered. Creating themes and

codes can be seen as a way to link ideas and data together. It can provide the researcher the means to discover and analyze new ideas more systematically, thematic analysis makes a connection between the frequency of the theme to the whole context. It can additionally help with the accuracy and sophistication of the research. Thematic analysis can be even detected in our day to day lives. People encounter information that helps them to explain a certain type of phenomenon or concept that is of interest for them. Thematic analysis aids the researchers in the search of optimal informational usage. (Boyatzis 1998, 5; Alhojailan 2012, 40.)

### 4.3 Themes Explained

What counts as a theme? Theme is something that occurs in the research multiple times (pattern) and is in importance to the research question. A pattern forms into a theme when it at the minimum explains and categorizes the underlying interpretations and at maximum explains the phenomenon. However, when defining a theme from a research, one should make a distinction on how many mentions within the research make a theme? Where the line is drawn? If it is of importance to the research, then it should be decided case by case and how well does the data answer the research question. (Braun & Clarke 2006, 10; Boyatzis 1998, 4.)

To distinguish themes from the gathered data there is two different ways to go about it. An inductive and theoretical (deductive) thematic analysis. The data gathered in inductive thematic analysis is not connected in any other previous research, but it is gathered specifically to the research at hand. Additionally, this has little to no connection to the researcher's interest in the area, when it comes to theory. Theoretical thematic analysis on the other hand is the opposite of inductive approach. It can have a connection to previous research and can have some value to the researcher themselves. However, when conducting a research, these two types of approaches should be used side by side. Theoretical themes give a good starting point on the theme gathering but being open to possible new themes or themes that go against the previous findings could help you open the subject more than just being stuck in older research and material gathered. (Braun & Clarke 2006, 12-13; Joffe 2012, 210.)

The level of which the coding and analysis of the research is done matters; semantic and latent levels. When researcher is analyzing the data on semantic level, they are just on the

surface level. They analyze only what has been said by the interviewee and do not rationalize or dig in any deeper into the meanings behind the data. Latent approach on the other hand tries to identify the ideas, concepts and assumptions within the data and what made it that way. (Braun, Clarke 2006; 13.)

#### 4.4 Thematic Analysis

	Phase	Description of Analysis Process
1	Getting familiar with the data	<ol style="list-style-type: none"> <li>1. Narrative preparation i.e. transcribing</li> <li>2. Reading the data and noting down initial ideas</li> </ol>
2	Generating initial codes	<ol style="list-style-type: none"> <li>1. Coding interesting data across the research</li> <li>2. Collating data relevant to codes</li> </ol>
3	Search for themes	<ol style="list-style-type: none"> <li>1. Collating codes to themes</li> <li>2. Gathering all data relevant to said themes</li> </ol>
4	Reviewing found themes	<ol style="list-style-type: none"> <li>1. Checking if themes work in relation to the codes</li> <li>2. Checking if themes work in relation to the data</li> <li>3. Reviewing data for additional themes</li> <li>4. Generating thematic "map"</li> </ol>
5	Defining and naming themes	<ol style="list-style-type: none"> <li>1. On-going analysis on themes and how well they fit the overall research</li> <li>2. Clearly naming all of the themes</li> </ol>
6	Producing the report	<ol style="list-style-type: none"> <li>1. Selecting the most compelling themes</li> <li>2. Final analysis on selected themes</li> <li>3. Relating the analysis back to the research question</li> </ol>

Figure 5. Qualitative vs quantitative research, (Adapted from Braun & Clarke 2006; McLeod, 2017).

Next, the data analysis of thematic analysis will be introduced. Braun and Clarke (2006) explained in detail how thematic analysis is done. McLeod (2017) summarized this into a table (see figure 5 above)

First, the researcher familiarizes themselves with the data gathered. The data collected can be gathered by the person done the research or it can be given to them. Familiarizing the data means repeated readings of the material and gathering the sense of understanding what the big picture in the interviews is. In our case listening through recordings from the interviews and marking down any relevant information and ideas. This is when the researcher should make the decision on what level do they analyze the data; semantic or latent, although it is advised to use both methods. (Braun & Clarke 2006, 16-17; McLeod, 2017; Vaismoradi, Turunen & Bondas 2013, 401.)

In the second phase is creation of initial codes for the repeating and relevant data into segments and grouping them accordingly to the level on analysis chosen at the first phase and how meaningful they are to the research and for the analyst. After the coding of the important data the move to the third phase can be done, which is moving the coded data into themes. During the third phase the analyst goes through the coded and collated data and analyses them. After this the relevant data is collected into themes accordingly (Braun & Clarke 2006, 18-20; McLeod, 2017.)

During the fourth phase the analyst should have a partial idea on the end themes. This is where the researcher goes through the themes gathered and see if some of them are redundant due to lacking data or other vice not important. Some themes could eventually merge in to one theme due to being similar in nature. After the initial analysis of the themes there are two levels of revising and polishing the themes. At the first level the collected data should be analyzed to find if they make a coherent pattern. If they don't, then trying to find where the problem lies. Should some of the themes be modified, combined or deleted. When the first level of a reviewing of the themes is done, in the second level, the analyst considers if individual themes validate the data gathered and do these themes represent the data accordingly. (Braun & Clarke 2006, 20-21; McLeod, 2017.)

Fifth phase. After satisfied with the themes gathered, the researcher should start to refine and define them, analyzing what the themes are really about. The story of these themes should be identified, and a complete analysis should be done on them and how they are connected to each other. During the analysis sub-themes can emerge within the already existing. It is important to have a clear indication on what the themes are. (Braun & Clarke 2006; 22, McLeod, 2017.)

Lastly at the phase six, write the report according to the themes collected from the data. Last phase consists of the final analysis and the written report. The written report should

provide an intelligible, sound and interesting story about the data that has been collected. Creativity should be used when writing down the report and presenting the findings. (Braun & Clarke 2006, 23; McLeod 2017; Vaismoradi et al. 2013, 402.)



## 5 Analysis of the results

### 5.1 Athlete and Ambassador Interviews

A qualitative research in the form of interviews was conducted. These interviews were conducted face-to-face or through online means (i.e. Skype or Facetime calls), if the interviewed could not be present for the face-to-face interview. The research question of this thesis is: Why should you use sponsorship or brand ambassadors as a marketing tool? With the interview, the aim is to find if there is a connection between the theory gathered during the first half of the thesis and what the different people had to say about the subject and if their experience in the field would reflect the theory.

People interviewed for the thesis were sponsored professional athletes, brand ambassadors or influencers. These people were chosen by the researcher because of their experience in working with brands and due to the researcher knowing their background before the beginning of this thesis. Age of the people interviewed ranged from 19-44 and they had varying experiences in sponsorship and brand work. Some had worked with companies and brands for 2 years and some more than 10 years. Interviews were done in Finnish and then coded into English.

Sample size of the interviews was 6 participants. The sample size was chosen to be this little due to time constraints of the research, additionally, due to the data gathered from the interviews showed that the athletes and ambassadors/influencers shared similar ideas and experiences – Data saturation was reached, where no new data or themes surfaced when interviewing more people, even though they had different backgrounds. This can additionally be compared directly to the theory gathered prior to the interviews. The questions presented for them were open-ended, but with the prior knowledge of these people, discussions on topic were more open. (Fusch & Ness 2015,1408-1409.) Interview questions can be found in appendix 1.

Every interview conducted was recorded on the researcher's mobile phone and during the analysis played back, coded and then those codes were put into themes. Here are the most common themes found:

THEME	FREQUENCY
CREDIBILITY	44
BUSINESS AGREEMENT	30
OBJECTIVES	22
GAIN	22
RISKS AND PREVENTION	12
WORD-OF-MOUTH	11
ADVERTISING	2

As the table above suggests credibility in sponsorship and ambassadors is crucial, which is the driving force of the whole business agreement. Next, the table above and the findings of the interviews are explained. All of these themes and their sub-themes can be found in appendix 2.

## 5.2 Reporting the data of the interviews

The data gathered from the various interviews was in line with each other. Not much changed between the ideas and experiences discussed with athletes and ambassadors. To find the themes and the sub-themes gathered from the interviews and the research questions see appendix 1 and 2.

### **Credibility of the Athletes and Ambassadors**

Most occurring theme that was mentioned was the Credibility. By credibility, the people interviewed were talking about how credible the athlete, ambassador or an influencer was when promoting the product or service. The credible people generate a positive image for the brand and company. Is the product actually useful for them? Does it actually fit their personality, sport or values? The aspect of professionalism in their field was also mentioned, that was linked to being credible. This in turn shows the importance of personal branding and building your image in a certain way when.

Two out of the six interviewed mentioned, as an example, if a vegan brand uses a social media influencer who recommends a vegan product even though they might be an avid meat and animal-based product advocate the similarity, credibility and set of values do not match. So, having someone with same values as your brand does as your promoter generates positive image.

This was especially found during the questions, "which type of sponsors you have?" and "A lot of non-sports companies/brands (Gillette) have started to sponsor athletes, how does this make you feel?" where almost all answered that the values of both, the athlete and the brand/company should fit. Everyone interviewed told the researcher that the brands they were working with, link to them in one-way or another. 4 out of six people stated that this type of fit benefits the company with the possibility of gaining organic and natural visibility on the sponsored athlete's or ambassador's social media sites for example.

When asked "Do you think companies using influencers to promote the brand is a functional solution?" One person interviewed made a comparison between an ambassador and a bus stop advertising. Where you might see the advertising, forget about it and then without realizing buying the product advertised. Their reasoning behind this was that ambassadors can spread the advertising quickly, but they do not have the same credibility as an influencer or a sponsored athlete. This comes back to the earlier discussion on credibility and what kind of image it generates for the company that all of the people interviewed stated was the key aspect received from the use of sponsorship as a marketing tool.

### **Proper business agreement**

Second most mentioned theme was that a sponsorship or an ambassador/influencer deal is a business agreement, where clear plan for the agreement, similarity and close relationship between the two parties were important. These were discussed as being key cornerstones for having a good and well working program. One mentioned that an athlete, when going in to the sponsorship agreement, should have a clear plan on what they can give to the company, as measuring the direct effects of sponsorship can be difficult so they would have to show them what their money gets. Same goes for the company. They should be able to tell what they want from the athlete/ambassador in terms of visibility etc. Another athlete mentioned that they received numerous proposals from similar brands, in

the end agreed with the one who could tell their exact plans for the contract and the athlete. One influencer mentioned that active output on sponsors part can have a positive impact on the frequency and the quality of advertising and promotion from the athlete or an ambassador.

### **Objectives of Sponsorships and Brand Ambassadors**

Objectives of these type of contracts were also discussed in the interviews. Many of the interviewed saw that this type of marketing was effective due to having more focused marketing towards your target audience. Through credible influencers and ambassadors, you can target their audience effectively. All of these people interviewed mentioned that they follow statistics of their social media, where they see who and what kind of people are following them. Three of the people interviewed mentioned that when a company gave them a framework on what type of promotion they should be doing or how frequently, it made the promotion much easier to make suitable for their audience and organic and credible.

Though as mentioned earlier in the theory, measuring the direct sales was difficult and two people interviewed mentioned this as well. There are ways to have a broader knowledge of it through affiliate links and discount codes that show direct visits through a blog and social media sites or purchases in online store. Three out of six mentioned how they saw sponsorship as a philanthropist act towards the community. Where a company would be helping local children by sponsoring their football or hockey team for gaining goodwill and image building amongst the community.

Brand image was discussed as well, and five out of six people interviewed saw that using credible and professional sponsors and ambassadors/influencers can have a positive boost on brand image. Goodwill and image generation.

### **Affecting the Buying Behavior**

When asked “Do you think that you affect your followers? What they buy and what they do not buy?”, all answered that yes, they do affect their followers buying behavior. Stating that they have received questions and “thank you” comments about the products/services they promoted on their social media channels or in their day to day lives. Word-of-mouth marketing by their definition is really important and the most effective means of marketing. Five out of six told the interviewer that the most effective was the more organic type of

marketing. Where the product or service was seen more naturally. Four out of six said that a consumer can “smell” a bought/paid social media post or advertisement. One of the ambassadors interviewed stated that Word-of-Mouth marketing was more relevant in amongst the younger generation, where how others perceive you and what other people are using dictates most of the things bought by them.

### **How to Prevent Possible Risks**

Risks are something that can happen with these types of agreements. Sponsored athletes can cause problems, influencers or ambassadors might advertise competition. There are multiple risks that can occur. Four people suggested that the companies should conduct thorough background checks on the people they might be sponsoring or using as an ambassador/influencer. This can aid the company to find suitable partners to work with, whom reflect the company and brand values.

## 6 Sponsorship and Brand Ambassadors. Make it or Brake it.

When reflecting the findings from the interviews to the theory gathered from different sources, it can be noticed that even though most of the sources are from America and United Kingdom they are still applicable in Finland. One of the biggest links found was that the sponsorship can be used as a means to target certain and specific audiences. Fan involvement in the sponsorship can be seen on many levels. As many pointed out in the interviews that they have an effect on their followers and fans regarding their buying behavior. These people have succeeded in it due to their knowledge in their field and them having a positive and strong personal brand as a professional. A strong personal brand reinforces the marketing message given out by these athletes and ambassadors.

The theory presented by Masterman (2007) suggested that there are two different types of sponsorship: commercial and philanthropist sponsorships. Three out of six people viewed the sponsorship as a philanthropist act in general with a hint of commercialism and the latter three out of six people saw it more commercial than philanthropist. Each of the contracts should be seen as separate and having a conversation with the sponsorship property. Two people from the interviews suggested this approach.

Personal branding was deemed important and Word-of-Mouth marketing was considered by the people interviewed as the most powerful ways of marketing. Which is also suggested by the theory. Almost all of the people interviewed gave an example of their followers asking them or thanking them about a product they were suggesting or promoting. In addition, there were talks about, that the companies and brands had to fit the personal brand and values of the athletes in order for them to better promote the brands, the products/services had to be good and type that they could stand behind of. This comes back to the discussion of credibility and being a professional in their field.

The effects of sponsorships and ambassadors on the company sales cannot be measured with certainty. The people interviewed suggested that the company and the possible sponsorship, ambassador or influencer candidate should both have clear suggestions what they could offer to each other that could be used as a way to measure sales, and brand awareness and image gain. In addition, one person suggested that affiliate links on their social media sites and discount codes to online stores can help to measure traffic and sales. To measure traffic and sales generated in online transactions, these two should be used.

When asked about what they saw as the biggest gain from this type of marketing was the organic visibility that most of them were able to give for the companies they were working with and sponsored by. All of the six people argued that the most effective type of marketing is the organic visibility when their follower can see the person they are following actually using the product/service. One person argued that this is especially effective with younger generation, where the immediate surrounding affects the buying behavior the most.

It is advised to have a clear plan for the sponsorship or ambassador programme. In the plan it should be said what is expected and required from the sponsored athlete, brand ambassador or an influencer. The same can be said about the other side of the agreement. The sponsorship property, ambassador or influencer should be able to give the company details on what they can give back for them and what kind of visibility. Both theory and the interviews support the idea that these are proper business deals.

When asked about the potential risks of using sponsorship or ambassadors one of the biggest points were that the company and sponsorship property or ambassadors had not communicated the contract details properly which in turn could cause conflicts and risks. As mentioned earlier clear plan can work as a risk prevention. Additionally, thorough background check of the business partner should be done to find possible previous conflicts they might have had. Negative association was mentioned but one stated that consumers can identify the athlete, or an ambassador separate from the company.

### **Sponsorship Summary**

Data gathered through theory and the qualitative research show, that there is a big potential when it comes to using sponsorship and/or brand ambassadors as a viable marketing tool. Thesis research question was, why should you use sponsorships and brand ambassadors as a marketing tool? Here are the reasons why.

Sponsorship still is a mean to increase the company and brand image in a philanthropic manner, in other words seen by the general consumer as a good doer which in turn increases company image and awareness. This was argued by many in the interviews conducted and supported by the theory. Though, when used as a commercial marketing tool there are a little known how it actually affects the sales revenue of the company. It can be measured to some extent with the use of affiliate links on the athlete's or ambassador's social media sites, that the company/brand is sponsoring, or giving them a customized

discount code for your online store that they can give out for their followers. Which in turn shows how many times it has been used. Sponsorship should firstly be used as a brand image and goodwill generation tool, and then as a commercial tool.

### **Credibility is the Key**

Using credible people as your “frontline” of defense is crucial. People who have been branded as a professional in their field can advertise your product much more efficiently than someone who is not. This type of people can credibly say that why and how this product and/or service works. For instance, a professional athlete, who has to know everything in nutrition in order to work at their maximum capacity, can credibly tell why a certain sports supplement works for them and why they use it.

Word-of-Mouth marketing is a natural link to using credible people as the company/brand influencers and ambassadors. They can affect their followers buying behavior with their knowledge and professionalism more than traditional advertisement (white noise). This in turn makes the visibility you get from these people more organic and natural than “paid” advertisement. The target audience is much more focused due to the people who follow influential and credible people, usually seek information through them. Good example from this was given by one interviewed. “If a company manufactures a product X, and says that the product X is really good, no one believes them. They made the \*\*\*\* product! When someone with credibility in the field says the same thing, the statement is totally different”.

### **Focusing on the Right Customers**

Sponsored athletes and brand ambassadors are most effective way of targeting your core target audience, when the connection between your brand and the person match. These people know their audience and what kind of promotion works for them. So, their followers are those people, to be targeted. Additionally, the goodwill generated towards the brand and the company amongst those people is far greater than any other marketing tool.

When sponsoring sports and events, companies and brands should see how these are seen by the general public. Different types of events and sports generate different kinds of image due to the reputation they have amongst the general public. A posh high-end event/sport will make the companies and brands sponsoring them seen as high-end, but



with much more accessible sports and events your brand might be seen as more consumer friendly and accessible to more audience.

### **Remember the Plan**

Sponsorships and brand ambassadors should be seen as a business agreement with active parties on either side. Clear plans should be done, in order to maximize the output generated. The agreement should show what is expected of the other and what is the end goal of this agreement. When the type of visibility, or a framework of it, is communicated in the contract, it can make the promotion planning of the athlete or ambassador that much easier and then in turn more organic and natural. A clear plan and mutually accepted rules also play as a risk prevention tool. When there are a set of rules the risks of negative association and going outside of the agreement are lowered. Additionally, it is advised that both parties do a background check on each other to prevent possible risks.

## 7 Conclusion

The research question for this thesis was: Why should the sponsorships and brand ambassadors be used as a marketing tool? The use of sponsorships as a part of marketing has been a viable option for many companies and brands for a long time. It has survived the test of time from the Ancient Greece until today. Brand Ambassadors are a fairly newer term in the marketing field, but they have been proven useful when marketing in an online environment and are growing in popularity day by day.

This thesis succeeded in its search for the reasoning whether that sponsorships and brand ambassadors can have a positive impact on brand and company when used as a marketing tool. Sponsorship should be used more as an image and awareness building tool rather than as a commercial tool. As a commercial tool sponsorship can still be questionable due to the difficulties in measuring its effect on sales revenue. More studies could be conducted to find concrete evidence on how to measure sales more reliably in addition to the two ways introduced in the thesis: affiliate links and discount codes.

When targeting specific type of audience or core consumers, sponsorship works much better than advertising. Sponsorship gains a more positive image within the core audience of the sport, event, team or athlete. Deciding on the right sponsorships that generate the ideal and desired amount of goodwill needs to be done early on, in order to maximize the possible goodwill generation, as different types of sponsorships generate it differently.

Although risks are a possibility when building a functional sponsorship or ambassadorship program, agreeing on same conditions and showing each party what is expected of this agreement can be used as a powerful risk prevention tool when both of the parties start on an equal footing.

The data gathered through the athlete and ambassador interviews with the theory from academic textbooks, journals and online articles showed similarities and supported one another. The validity of the data gathered through the qualitative interviews can have some irregularities as most of the people interviewed have not had any education or experience in marketing to back their views with proper sources. Due to this the answers gathered from the people could be based on "common sense" and what was thought to be correct. However, to compensate this, two of the people interviewed had background

on working in marketing which showed that all of the answers were in line together. Examples of this were that all agreed that sponsored property's and ambassador's credibility and professionalism are the key factor when marketing products and services. These credible people had followers because of their professionalism and people who followed them saw them as opinion leaders. Opinion leader's use of word-of-mouth marketing was accepted as the most effective tool for affecting the buying behavior of their followers. Finding this type of people should be the number one priority and should not be left outside.

All in all, the thesis turned out how it was expected. It was able to show that this type of marketing can be beneficial, when it is thought through properly. Credible and professional people can and will have a positive image on the company or a brand using them.

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## Appendix

### Appendix 1

(Interview questions for sponsored athletes and brand ambassadors)

#### **Preliminary questions**

1. What is your name? Age? Gender?
2. What is your main activity/sport?
3. What sport do you practice and at which level? What are the major's competitions you won?

#### **Sponsorship and marketing**

4. Do you have any sponsorship contracts?
5. If yes, which type of brands?
6. Brands have started to work with influencers and athletes like you. What do you think of this kind of marketing?
7. How does this help people like you?
8. A lot of non-sports companies (like Gillette) have started to sponsor athletes, how does this make you feel?
9. Do you think companies using influencers to promote the brand is a functional solution?
10. What do you think a brand wants, when they start sponsoring individual and teams?
11. What are, in your own opinion, risks that could happen during these types of agreements?
12. What do you hope to get from a sponsor?
13. What can you give back to them?
14. What makes a good sponsor? What makes a good sponsee?

## **Social Media**

15. Are you on social media?
16. Which social media channels do you use?
17. Are some channels more used?
18. How do you use social media when promoting a brand?
19. Do you think that you affect your followers? What they buy and what they do not buy?
20. Do you think that this is an effective type of marketing?
21. Do you follow any analytics that describe your channels?
22. Should an athlete focus on personal branding?
23. Should an athlete have a social media presence?

## Appendix 2

(Themes and sub-themes discussed and the time they were mentioned)

### **CREDIBILITY 44**

Experience 4  
 Credibility 28  
 Professional 2  
 Personal Branding 10

### **WOMM 11**

### **BUSINESS AGREEMENT 30**

Cooperation 6  
 Activity 2  
 Similarity 9  
 Clear Plan 13

### **OBJECTIVES 22**

Sales 8  
 Philanthropy 7  
 Image building 7

### **RISKS AND PREVENTION 12**

Negative association 1



Risk prevention 6  
Background research 3

## **Advertising 2**

### **GAIN 22**

Organic Visibility 8  
Focused targeting 9  
Reach 1  
Visibility 2  
Younger generation 1  
Goodwill 1