Improving Sponsorship Value of Sports Property
Abstract
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Improving sponsorship value of sports property
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The purpose of this Master’s Thesis was to gain in-depth understanding of how to improve the value of sports property for sponsorship purposes. The study aimed to find the key points of factors which improve the value of sports property with their sponsorships. Another objective was to understand the importance of brand and brand image and how Key Performance Indicators (KPI) can be adopted and turned to value add to sponsorship business.

Theoretical part of the study is based on existing academic publications about sports sponsorship, sponsorship value evaluation, branding and KPI definition. Data for this study is gathered through interviews of sport property and their sponsors. Received data was then analyzed by using qualitative method.

As a result of this thesis sports property owners understand how sponsorship value can be estimated, importance of branding of their sport property, how KPIs can be adapted to sponsorship business and why.

As a conclusion, the thesis provides key factors about how to improve sponsorship value and proposal how KPIs can be used in sponsorship between sport property and sponsor.

Key words: Sports Property, Sponsorship Value Evaluation, Brand, Sponsoring
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1. Introduction

1.1. Background

Sponsorship has gained an important role in the marketing strategy within last decades (e.g. Cornwell & Maignan, Walliser 2003) while the traditional methods of advertising have lost some of the effect due to over-flow in the media mainstream. Consumers start understanding their power and expect respect for the individual and look for products and companies that share their values. Sports sponsorship is way to share interest with customer by supporting the same team or sports type. It is easier to create basis for dialogue around common interests.

IEG Sponsorship Report which has conducted primary report on annual sponsorship spending estimates global sponsorship expenditures to 46.3 billion USD in 2011, with North American companies accounting for 18.2 billion USD. Europe is second biggest sponsorship market followed by Asia Pacific region. Central and South America is the fastest growing sponsorship region not the least because of the FIFA World Cup and Summer Olympic Games in 2014 and 2016 respectively.

In order to improve sponsorship value it is essential to understand how sponsorship value can be estimated. There are some academic publication of different evaluation methods for the sponsorship value including Otker’s (1988) Exploitation: The key to sponsorship success, Miyazaki & Morgan’s (2001) Assessing Market value of event sponsorship, and Tuori’s (1995) “Sponsorin Käsikirja” (Sponsors Handbook) just few to mention. These publications give basic theory for the subject how to evaluate sponsorship value. Also in sponsorship markets are several companies that offer evaluation services for sports properties or sponsors, but these evaluations are rather expensive and thus cannot usually be used by small sports properties. Therefore this study will better serve more the small sports properties than big ones.
According to Dolphin (2003), more than 75 per cent of total sponsorship value concerns sports sponsorship activities. Sports sponsorship has been considered as good alternative to traditional advertising, which has been subject to over-whelming amount of advertisement and thus it is difficult to differentiate from the others. Also sports sponsorship has become more and more popular and therefore the difficulty of making the difference has caused more concern among sports sponsors (Lough & Maxwell 2009). It is not a simple task to measure actual benefits gained from sports sponsorship (Stotlar 2004) as some of the greatest benefits of sports sponsorship lie in the possibility of building an emotional bond with customers through shared values or passion (Duffy 2003). This is why in modern marketing the most important is not to maximize the coverage but how to encourage consumers to accept brand as part of their life (Santomier 2008). Like Patrick Magyar, Chief Executive of FIFA Marketing AG has put it concerning FIFA World Cup; “the results that we have received from our consumer research shows a wish or a readiness amongst fans to change to our partners brands of over 16 per cent. In my knowledge, any other sponsorship never comes close to half of that” (Duffy 2003).

As a conclusion, can be said that such events like FIFA World Cup affects to consumers behaviour and feelings. Sponsors can benefit of FIFA World Cup fans, by beeing seen with that such event.

1.2. Objectives and limitations of the study

The objective of the study is to gain in-depth understanding and practical guidelines on how to improve sponsorship value of a sports property. This information is absolutely essential for both potential sponsors as well as for the sports property owners. Whether sponsorships already exist or not, this study helps sports property owners to understand the factors which sponsors look for and thus to improve their sponsorship value. Sponsors can use this study in reverse, to evaluate value and the level of sport property operations.
Additionally this study gives example how Key Performance Indicators can be adapted and used in sport sponsorship business. KPI represent a set of measures focusing on those aspects of organizational performance that are the most critical for the current and future success of the organization. (Parmenter 2007)

This study outlines main points of sponsorship value evaluation process by investigating existing methods, and trying to point out essential factors which can be used to increase sports property’s sponsorship value. Findings of the study are meant for sports property, to gain understanding of their possible value in “sponsorship markets” and also it provides base understanding for potential sponsors as well. Such agreeable point of view regarding sponsorship value will ease and speed up the negotiation process, and is a good base for sport property holders to improve their value in sponsorship markets.

This study limits to exploring existing methods of how sports property’s value is created in sponsorship markets and further how to improve personal sponsorship value. Branding will be included as a part of this study. Branding will be limited to include branding in general and team branding, which supports the topic of this study. Theory of Key Performance Indicator (KPI) is included to the study’s theoretical part. KPI is limited to include basic theory, and how it can be adapted to sponsorship business.

Since the sports field in Finland is so wide, covering individual and team sport in various sports, empirical part of the study is limited to handle Finnish team sport, and from team sport to the most popular sport in Finland, ice hockey. Further limitation is done by making empiric case study on a Finnish ice hockey team from City of Lappeenranta, “Liiga-SaiPa Oy” (SaiPa). SaiPa plays in highest level in Finland, Finnish “SM-Liiga”. SaiPa was selected to this thesis because they had need for such study.

1.3. Research questions
The central objective of this study is to give answer how sports property can improve their value in sponsorship markets. Thus, my central research question is:

*How to improve sponsorship value of sports property?*

Purpose of this question is to study and find out methods how to improve sponsorship value and justify it for sponsors. Also it gives principles for sponsors as well for the same topic, and therefore brings both parties closer during negotiations.

To find out how to improve sports property sponsorship value, important sub questions, and also relevant to the topic are:

a) what is the value of sports property brand in sponsorship?

Does it matter if sport property brand is well known and how does brand image affect to sponsors.

b) how can KPIs adopted to sponsorship business?

KPIs are good way to follow up organizational performance. KPIs can also be used to measure the success of partnership, in this case sponsorship relation.

c) what additional activities can a sports property owner use to increase its’ sponsorship value?

Reason of this question is to find out if sports property owner can provide additional services, activities etc. in order to create another value add for its sports property. Such services might be sports properties mailing lists or list of members which sponsors might use for their own purposes such as direct marketing, prospecting etc.

1.4. Research methods

The theoretical framework of the research is based on existing academic discussions about sports sponsorship, sponsorship value evaluation, brand
image evaluation and key performance indicators. These theories support the objective of the study and research question. Theoretical part gives image of how sports property sponsorship value is created and how to improve it.

The empirical research of the study is based on questionnaire for ice-hockey team SaiPa management and their past and current sponsors from different business field. Data is then analyzed using a qualitative method. Analyzed data gives conclusion, how SaiPa and their sponsors evaluate the value of sports property and the value of sponsorship. As a result study gives ideas how SaiPa can improve their sponsorship value. Conclusion is then compared from sports property and sponsor point of view and then analyzed. Qualitative method is selected because purpose is to find out deeper meaning of what do sport property owners and sponsors value in sponsorship. According to Patton in his book Qualitative evaluation and research methods (1980), qualitative methods consist of three kinds of data collection;

1. In-depth, open-ended interviews
2. Direct observation
3. Written documents

Empirical part of this thesis is based on In-depth, open-ended interviews (1.), written documents (3.) and questionnaire.

Key factors from empirical parts analyzed data and data from theoretical part are combined to find out how sports property can increase their sponsorship value.

Case study is made for Finnish ice hockey team, SaiPa. Objective is to gain firstly supporting data for the study’s research question and objective. Secondly case study provides possibility to draw conclusion about how well the findings of the study can be used or work in real cases.

Case study is made by questionnaire and interviewing sport property owners, management and their sponsors. List of candidates for questionnaire and interviews was received from SaiPa. Purpose of case study is to gain understanding in real life, of differences how sports property owners and sponsors evaluate value of sponsorship. Another objective of the case study is
to understand how KPI can be adopted to sponsorship business and turn KPIs to value add for both parties.

Thesis process description can be found further from clause 1.8. Structure of Thesis. Process of empirical part can be specified as follows;

1. Mail for sponsors; short introduction of the topic, asking for interest towards thesis and commitment for questionnaire and interview.

2. Questionnaire for sponsors agreeing to participate, questionnaire is appendix of this thesis. Questionnaire was sent by e-mail and returned by e-mail as well. Answering to questionnaire took approximately 30 minutes.

3. Interview of sponsors which submitted the questionnaire. Interview took approximately 90 minutes.

4. Data collection and analysis.

1.5. Analysis of data

Questionnaire is appendix of this study, and data is collected from both, sports property holders and sponsors. Objective of questionnaire is to gain understanding of sponsorship value estimation process from both sides, sport property owners and sponsors. From analyzed data will be collected similar aspects, which both parties respect during sponsorship value evaluation process. Also data will be compared to each other, and main differences will be pointed out and analyzed. These aspects of questionnaire are essential part of the study.

1.6. Theoretical framework of the study
The theoretical framework of this study consists of theories about sponsorship, value estimation of sponsorship, brand and brand creation and theory of Key Performance Indicators. These theories are closely related to the research question and those support the empirical part of the study.

Theories of sponsorship and sponsorship value estimation provide ideas for the empirical part about how sports property can improve its sponsorship value. Meaning of sponsorship from both sides, sports property owner and sponsor is crucial to understand. To open up sponsorship meaning, literature e.g. Valanko (2009), Walliser (2003), Otker (1988) were reviewed.

Theories of brand and brand creation give idea what sort of added value branding gives for sports property. Also it gives idea how important and valuable potential sponsors see the brand. In this thesis literature regarding theories of branding were reviewed among others; Kotler (2005), Everi (2011), Murphy (1990).

Theory and basic information of key performance indicators opens up the meaning of how KPI are used and why. Literature of KPI e.g. Parmenter (2007), Marr (2012), Johnston (2010) were reviewed for this thesis.

This master’s thesis will explore how sports property can increase their sponsorship value. The subjects of sponsorship and branding have been studied in several articles previously, but none of them concentrate on the key factors of how to increase sponsorship value of a sports property. Chien et al. (2011) linked sponsorship portfolio to brand image creation strategy, Bibby (2009) investigated changes of sponsors brand image depending on the results of sport property performance. Thus the concept of how sports property can increase their sponsorship value has yet to be studied.

1.7. Structure of the thesis

| How to improve sponsorship value of sports property? | 10 |
2. Sponsorship and sports sponsorship

In this chapter sponsorship and sport sponsorship will be defined. Sponsorship for sponsors is effective way to create desired images for consumers and one option for their marketing communication. For sport properties sponsorship is a traditional financing source.
As previously mentioned sport sponsorship is one option for companies marketing communication, and nowadays very common among strong brands. It is good channel for companies reach desired consumer segment by utilizing sports property’s positive image.

### 2.1. Sponsorship

Roots of sponsorship are already found in antique history where great events and arts enjoyed special attention. Modern sponsorship as we understand it today has existed from 1960’s. During 1980’s sponsorship quickly became essential part of marketing communications strategy of some of the major corporations. Mainstream of sports sponsorship was at that time impulsive and not analytical and proactive as it should be from the sponsorship party perspective (Valanko 2009).

There is no exact scientific definition for sponsorship so different definitions have been used in scientific context (Walliser 2003). Sponsorship always means transaction where the property owner and/or property rights holder receives a compensation and sponsor receives right to associate itself with the sponsored activity. Sponsorship is normally considered to be a business agreement between two parties. The sponsor provides money, goods, services or know-how. In exchange, the sponsored party, individual, event or organization, offers rights and associations that the sponsor can use commercially. The idea of such interaction was described by Sleight (1989, p.4) as defines sponsoring as:

“a business relationship between a provider of funds, resources or services and an individual, event or organization which offers in return some rights and association that may be used for commercial advantage”

A sponsor therefore expects communicative elements in exchange from the sponsored party. In this case, there is mutual benefit for the sponsor and the recipient. Sponsorship is described by Otker (1988, p. 77) as:
“buying and exploiting an association with an event, a team, a group, etc. for marketing communications purposes”

Bradley and colleagues (1996 p. 123) describe sponsorship as:

“the financing of an event, personality, activity, or product to improve customers awareness and attain media coverage, most commonly in the arts and sports”

In this definition, improving brand awareness via sponsorship and the visibility of the culture or sport sponsorship project are essential.

According to Finnish Advertisers Association, amount of sponsorship in Finland was 171 million Euros in 2011, with 4% increase from 2010. The biggest share was sport sponsorship with 97 million Euro almost 57% of total, second biggest was culture sector sponsorship with 26 million Euro. (Mainostajien liitto)

2.2. Sponsorship types

Different types of sponsorships can also be divided by sponsorship type of whether they are closer to charity or traditional advertising as done by Meenaghan and Shipley (1999).

Chart 2.1. Sponsorship types

<table>
<thead>
<tr>
<th>Charity</th>
<th>Social affairs</th>
<th>Environment</th>
<th>Niche arts</th>
<th>Mass arts</th>
<th>Mass-sports</th>
<th>TV-program</th>
<th>Advertisement</th>
</tr>
</thead>
</table>

Source: Adapted from Meenaghan & Shipley (1999)

People consider sponsorship of environmental protection or improving of social conditions closer to pure charity (Meenaghan & Shipley 1999) but sponsorship of television-programs as pure advertising. Since sponsorship of mass-sports is considered close to traditional advertisement where people feel that company only wants to increase sales and profits, sponsors and sponsees should aim to create new forms of co-operation in their marketing.
Another way how sponsorship contracts may be divided is by the length and regularity of the sponsorship. Sponsorship may be only for one single event or it may be continuous multi-year co-operation. Some events such as Olympic Games and FIFA World Cup in football take’s place only every four years while some other events such as race-car series, football-, basketball-, ice hockey seasons continue almost year-around more frequently than on monthly basis.

2.3. Sports sponsorship

Sports sponsorship is increasingly important sponsorship type for the companies. Sports sponsorship by corporations has been in constant growth for last decennial. Making sports sponsorship as part of the marketing communications strategy will lead to more public awareness of the brand than using the other marketing channels. Also brand popularity and buying intention increase through sports sponsorship (Dynamic Logic 2003.) Target in sports sponsorship is same as in other sponsorship – to transfer the positive image of the property to the brand image. Ethics of sports has been traditionally seen as one of the benefits of sports sponsorship with fair-play spirit and honest competition. However, many scandals in sports in recent years have reduced this competition benefit (Hughes & Shank 2005). At the moment most sports experience critical moments and many risks are associated with sports sponsorship. As an example it is estimated according to December 2009 study by Christopher Knittel and Victor Stango, economics professors at the University of California at Davis, that the shareholder loss caused by golf-player Tiger Wood’s exmarital affairs scandal to be between five (5) and 12 billion US-dollars. This scandal even decreased the stock share value between 2 to 5 per cent of his leading sponsors (Knittel & Stango 2010). Many of his long time partners did not renew the contracts upon expiry.

According to Finnish Advertises Association, sport sponsorship was the most popular sponsorship sector in Finland 2011, with 57% share from total
sponsorship field, from sport sponsorship ice hockey was the biggest sector also in 2010 with 31 million Euro. (Mainostajien liitto)

According to research made by Finnish Taloustutkimus (Taloustutkimus Oy) ice hockey was the most valued and followed sport in Finland 2011, second was track and field and third was soccer.

Below chart is made by Sponsor Insight 2012. For their research they interviewed 2113 person, male and female, from age 15+ between 15. – 24. February 2012. Their question was;

“Which sport you are interested? By interested we mean for example that you follow such sport by going to its events or following it from TV, printed media or other media sources”

Chart 2.2. Sport 2012 – Top 20
2.4. Sports sponsorship objectives

According to Crompton (2004) motives for companies to support sports from their marketing budget are following:

<table>
<thead>
<tr>
<th>Sport</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jääkiekko</td>
<td>53%</td>
<td>51%</td>
</tr>
<tr>
<td>Yleisurheilu</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td>Hiihto</td>
<td>36%</td>
<td>42%</td>
</tr>
<tr>
<td>Mäkihyppy</td>
<td>34%</td>
<td>49%</td>
</tr>
<tr>
<td>Formula 1</td>
<td>30%</td>
<td>37%</td>
</tr>
<tr>
<td>Taitoluistelu</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>Jalkapallo</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>Ampumahiitto</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Ralli</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Yhdistetty</td>
<td>19%</td>
<td>28%</td>
</tr>
<tr>
<td>Alppihiihto</td>
<td>18%</td>
<td>28%</td>
</tr>
<tr>
<td>Tennis</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Tanssiurheilu</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Uinti</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Nyrkkeily</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Lumilautailu</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Lentopallo</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Moottoripyöräily</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Pesäpallo</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Voimistelu</td>
<td>10%</td>
<td>11%</td>
</tr>
</tbody>
</table>
1. image building
2. increasing brand awareness
3. product sales or sharing for testing purposes at the sports event
4. hospitality opportunities

Many companies practice sports sponsorship for improved image. Company may improve their image in consumer eyes by investing to sports sponsorship as sports are improving people’s health and thus seen in positive light. If company may connect themselves to such a positive conception, this will help them to improve company image. Company may also gain political benefit from sponsorship when local politicians make for example decision on corporate support or licenses – one may easily prefer to support companies who are “socially aware” (Meenaghan 1983.)

When launching new products or new company, it is important to have target group and public general become aware of the company or product image. Even companies with longer history may improve brand recognition through sports sponsorship (Grohs 2004). Sports event provides also great opportunity to new product launching or testing. If the audience like the product and remember it, there is higher probability of buying it also in future.

Hospitality at sports events are considered the most beneficial aspect of sports sponsorship by many marketing directors (Gratton & Taylor 2000). Company may entertain its partners, customers or employees for example at motorsports event by providing excitement and refreshments. This way you gain from your target group commitment through closer and more unofficial relationship building. Hospitality services may help to gain positive company image by offering them also to politicians, media representatives, shareholders, distributors, opinion-leaders and celebrities (Alaja 2000). One should however be very careful when offering hospitality services to politicians and other public officials as the line between hospitality and bribery is sometimes very thin as seen in Finnish media in recent years.
Sponsorship objectives can be divided company's communication objectives and company's marketing communication objectives. Communication objectives can be divided by target groups to audience, co-operation partners, employees, opinion leaders and influential persons. Company's marketing communication objectives can be divided to improvement of awareness, development of brand image and development of sales. (De Spelmacker 2001, p. 279.)

Miyazaki and Morgan (2001) divide sports sponsorship marketing communications objectives in to three: 1. improve brand image with positive

<table>
<thead>
<tr>
<th>Chart 2.3. Sponsorship objectives</th>
</tr>
</thead>
</table>
| Objectives for corporate communications | Audience | -Increase of common awareness  
-Improve or change the company’s image  
-Get audience discover the company  
-Be a part of local activities |
| Co-operation partners | -Build up co-operation relationships  
-Company’s hospitality  
-Give grant for successful co-operation |
| Employees | -Improve employees motivation  
-Ease up recruiting process  
-Improve sales in future |
| Opinion leaders and influential persons | -Attract more media interest  
-Improve prevailing opinions  
-Build up good spirit towards the company  
-Conflict stock holders ja influential persons  
-Interest of senior management |
| Objectives for corporate marketing communications | Improvement of awareness | -Improve awareness of current customers  
-Improvement of awareness of potential customers  
-Improvement of market position |
| Positive brand image | -Placing companies brand visible  
-Identify companies brand for certain market segment |
| Increase of sales | -Encourage to try new product  
-Increase sales  
-Increase market share |

Source: De Spelmacker 2001, 279
events, 2. improve common acceptance by being present, 3. improve brand awareness. (Miyazaki & Morgan, 2001.)

Valanko in his book “Sponsorointi” (Sponsoring 2009) lists main objectives for corporate sponsorship as follows:

- Company’s needs creates demand for sponsoring
- Sponsoring is always strategic decision
- Sponsoring is part of marketing communication
- Value adds from sponsoring needs to be adopted to company’s business process
- Goal of sponsoring is to increase benefit sales
- Objective of sponsoring is to affect positively to company’s financial result
- Purpose of every business – including sponsoring – is to make profit

Company measures results of this strategic decision, financial investment and financial results like any other investment. Sponsor and their target provide together experiences, which in the best case affect to their behavior. But for those, who manage, plan and execute sponsoring it has to be pure business. (Valanko 2009, p. 118)

As a sponsor, company represents its values trough sponsee. When sponsee is chosen correctly, considering company’s target groups’ interests and expectations, company can effectively transmit their marketing information to certain target group. (Alaja 2000, p. 111.)

Most of the cases, sponsorship affects to consumer subconsciously. Main purpose is that consumer mind sponsor and its object to be as one. Meenaghan (1997, pp. 7-11) has research such behavior, and point out transfer of positive attitude. Both parties join to symbiotic relation, where main values from sponsee transfer to company’s product or brand image.

For consumer, it is hard to avoid seeing for example sport team logo, since those are present in media and in sports event. However consumers react
differently to sport team logo than to company advertisement. Sport team logo subconsciously reminds and creates feelings. With these subconscious, positive feelings and memories, sponsors try to affect consumer’s image and feelings of their company brand and image of their product. (Meenaghan 1997, pp. 7-11.)

2.5. Other sports financing sources

In many countries there are also alternative sources of financing sports than sports sponsorship. Any other sports financing method than commercial sponsorship should distinguish sponsorship from e.g. governmental subsidizing, donations, charity, patronage etc. because lack of commercial orientation. Government may be directing funds especially to both professional sports as well as physical activities of people in different age, especially children and youth. There is important difference between subsidizing and sponsorship. By subsidizing sport, the government supports the sport sector to achieve sport policy targets. Subsidizing in the sense of a sport for everyone philosophy is an example of this. (Arthur, Scott, Woods, Brooker, 1998.)

Charity, where an individual or corporation makes a donation and publicizes the fact, is just like patronage, which shouldn’t be confused to sponsorship. (Meenaghan, 1998.)

Patronage implies that an individual or organization donates funds for altruistic benefit. Patronage is associated with a magnanimous intention. The patron makes funds or equipment available for an organization or an individual and expects for this a minimal contribution in return, such as good standing in the community or an art work. Until the start of the 1970s, sponsorship was considered a special category of donation. Patronage is more typically associated with cultural activities and usually takes place more discreetly than sponsorship. However even with a donation, the recipient should benefit. (Arthur et al., 1998.)
In recent years there has been also tendency that billionaires, mainly oligarchs from Eastern Europe, Middle East and Latin America, buy all shares of top sports clubs and invest very high amounts to buy world leading players to strive for success. In many cases these new owners have invested far more funds than can be expected to be gained within invisible future. Therefore it has become even morally questionable whether it is right to accept these funds when it is publicly known that the source of the fortunes may have been obtained even through criminal acts. One of the examples is Uzbek-born Russian billionaire Alisher Usmanov with his major share ownership in premier-league football club Arsenal in UK.

3. Concept of brand

This chapter is all about brand and brand creation. There are lots of different definitions for brand, mainly depending of their author. There isn’t any specific or concrete definition for brand or how brands are created. Purpose of this chapter is to combine essential definitions for brand, brand image and how to create brand and also what are the main benefits of branding.

3.1. What is brand and brand image?

I have listed different definitions for brand and brand image. All definitions explain meaning of brand, but each one of the definitions has different point of view for the same subject.

Below are listed three definitions to open up a question, what is a brand. First definition gives answer to question what a brand is, second definition combines brand and brand image and third concentrates to define brand image.
Aaker (1991, p. 7) define brand:

“a distinguishing name and / or symbol (such as a logo, trademark, or package design) intended to identify the goods or services either of one seller or a group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and the producer from competitors who would attempt to provide products that appear to be identical.”

Aakers definition gives clear understanding what brand means, thus it is good starting point for definition of brand. However this definition does not give any approach for the behavior of consumers, nor to feelings caused by brand which are the base for brand image.

More practical approach to brand is given by Murphy. According to Murphy, brand is unique image of product or service from particular supplier, which immediately as seen differ the company from other manufacturers. Good example of strong brand is The Coca-Cola company’s product Coke, although many manufacturer produces a cola drink, but there is only one brand which is known worldwide from its Coke – The Coca-Cola Company. (Murphy 1990.)

Main point from Murphy’s definition is, when consumer sees or hears Coke, they immediately associates it to Coca-Cola, their trade mark and knows that they produce cola drink and more precise Coca-Cola. Murphy combines brand to brand image.

Brand is seen differently, depending of individual and how individual adopts certain brand and its core values. Brand gets its final form in the mind of people, thus brand characteristic is, that image of brand vaies among individuals. Without having personal experience of products or services of certain brand, consumer still has some sort of brand image. Such brand image is created by prevailing information, opinions, advertising, marketing communication, media effect etc. (Hertzen 2006.)

Herzen goes more deeply to consumers mind with his brand definition; brand is supposed to create feelings as well.
To sum up all these three definitions, reason for brand is not only to differ goods or services among different manufacturers, but also create an image and affect to consumer behavior and feelings. Companies work to create their own brand for their products and services, but adoption of their message depends of individuals which creates brand image.

As a conclusion, brand is what companies create, and brand image is what consumers receive.

### 3.1.1 Brand

As mentioned in chapter above, brand differs from brand image. Brand is something that companies try to create to secure their products and services from competitors and differ them from competitor ones. As seen from world’s best brand list, brand is also valuable asset for company. This value can be realized for example during acquisition.

According to Kotler (2005, p. 61) brand is essential tool to secure against price competition. Strong brand is often seen to create bigger trust, feelings of security while buying and higher quality. That is one of the biggest reasons why people are willing to pay more for products with strong and well-known brand. Also has to be considered that strong promotion and marketing is not enough, although brand might be strong but constant long-term sales comes from good quality of products.

Brand is a way to make product or service more valuable. Strong, well-known brand may be a key to success for company. According to Steemkamp (2003, p. 53), consumers prefer well-known brands, because those create strong associations. Strong brands provide good quality and better value for customer.

Company name, logo and design are so called material signs of brand. When there is no history of brand it doesn’t really exist, and material signs of brand are relevant. Brand is created when it is being advertised. It gains certain reputation and also brand image among consumers. Brand can be defined as a
big picture of product or service, which is created in consumers’ minds as a result of many different impacts. (Holt 2004, pp. 2-3.)

3.1.2 Brand image

Good expression of brand image is given below chart at the next page.

Chart 3.1. Brand image

Source: Adapted from Hertzen (2006)
As can be observed, brand image consists of many different factors, and like mentioned earlier, each individual creates unique brand image of different brands.

According to Hertzen (2006) bottom level, which consists of Country & Nation and Competitors & Business field boxes, is something that brand has when it will be borne. This is something that creators/owners of the brand cannot change or affect. When brand is borne, it has country of origin which is what it is. In some cases companies find it useful to use their country of origin in branding, like for instance in automobile industry. It is widely known that Germany stands for high quality cars, maybe that’s why Volkswagen’s global slogan is in German “Das Auto” meaning “the car”.

The middle is part of the actual brand. This is only thing where brand creators/owners can affect. This is their vision of brand, what they want to transfer outside. If brand is not new, it has some sort of history which are used in branding of the company or product. If the owners are known, usually their story is also part of the brand, and if the owners are not known members of board gives faces to brand. Brand managers can turn their position in the market, company & market size to positive marketing which support positive branding. Personnel and management of the company are widely used in branding. Every company which is chosen to be best employer in some country advertises that achievement, which affect to their brand. Market communications are exactly what companies market personnel want it to be. This is the most effective way to express your brand outside, since it is mainly what consumers see from the brand. Last but not least are goods and services, which need to answer for the promises given to market and consumers. Otherwise it will be the end of the brand.

Last is the part of consumer. Consumer sees and adopts message from the company, all what is mentioned in previous two boxes. Consumer start to create own vision of what he/she has heard, seen and observed. Consumer’s own values affect to brand vision, so does information which has been adopted from other sources like from internet, other consumers etc. Then comes experiences, if consumer hasn’t got own experience, experiences of others will affect to
brand vision. Consumers observe information from media as well. All this is like melting furnace and the end product is brand vision.

Since we all have our own minds, ways of thinking, values, thoughts, experiences, attitudes etc., the information received from different brands affects us differently, and thus brand vision varies among different people.

3.2. Brand creation and brand value

Creating brand in the current marketing environment poses unique challenges for marketers. Brand consists and combines goods and services and also intangible assets mentioned earlier, and as a result create brand image. Because of these reasons creating brand is not just advertising and marketing. Advertising and marketing communications support brand creation, but in order to create positive brand image, consumers need to have own experience. (Cliffe & Motion 2004.)

According to Everi (2011) in his book “Brändi Yrityskaupassa” (Brand in acquisition), he states that consumers are the real owners of different brands. Brand is consumers feeling, impression and image of certain company, their products and services. Everi also claims that brand is question of belief.

Brands are resources of marketing, which has market value – brand value. Interbrand among others rate brand values of global products. For example, if somebody wanted to buy Coca-Cola trade mark back in 2005, the price to be paid was 70 billion USD. Price of the trade mark is more than Coca-Cola book value, which means that large part of the value of Coca-Cola is based to immaterial or intangible assets. (Kotler 2005.)

List of world’s best brands, by brand value;

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Region/Country</th>
<th>Sector</th>
<th>Brand Value ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coca-Cola</td>
<td>United States</td>
<td>Beverages</td>
<td>71,861</td>
</tr>
<tr>
<td>Rank</td>
<td>Brand</td>
<td>Region/Country</td>
<td>Sector</td>
<td>Brand Value ($m)</td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
<td>----------------</td>
<td>-------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>2</td>
<td>IBM</td>
<td>United States</td>
<td>Business Services</td>
<td>69,905</td>
</tr>
<tr>
<td>3</td>
<td>Microsoft</td>
<td>United States</td>
<td>Computer Software</td>
<td>59,087</td>
</tr>
<tr>
<td>4</td>
<td>Google</td>
<td>United States</td>
<td>Internet Services</td>
<td>55,317</td>
</tr>
<tr>
<td>5</td>
<td>GE</td>
<td>United States</td>
<td>Diversified</td>
<td>42,808</td>
</tr>
<tr>
<td>6</td>
<td>McDonald's</td>
<td>United States</td>
<td>Restaurants</td>
<td>35,593</td>
</tr>
<tr>
<td>7</td>
<td>Intel</td>
<td>United States</td>
<td>Electronics</td>
<td>35,217</td>
</tr>
<tr>
<td>8</td>
<td>Apple</td>
<td>United States</td>
<td>Electronics</td>
<td>33,492</td>
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<tr>
<td>9</td>
<td>Disney</td>
<td>United States</td>
<td>Media</td>
<td>29,018</td>
</tr>
<tr>
<td>10</td>
<td>HP</td>
<td>United States</td>
<td>Electronics</td>
<td>28,479</td>
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<td>11</td>
<td>Toyota</td>
<td>Japan</td>
<td>Automotive</td>
<td>27,764</td>
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<tr>
<td>12</td>
<td>Mercedes Benz</td>
<td>Germany</td>
<td>Automotive</td>
<td>27,445</td>
</tr>
<tr>
<td>13</td>
<td>Cisco</td>
<td>United States</td>
<td>Business Services</td>
<td>25,309</td>
</tr>
<tr>
<td>14</td>
<td>Nokia</td>
<td>Finland</td>
<td>Electronics</td>
<td>25,071</td>
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<tr>
<td>15</td>
<td>BMW</td>
<td>Germany</td>
<td>Automotive</td>
<td>24,554</td>
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<tr>
<td>16</td>
<td>Gillette</td>
<td>United States</td>
<td>FMCG</td>
<td>23,997</td>
</tr>
<tr>
<td>17</td>
<td>Samsung</td>
<td>South Korea</td>
<td>Electronics</td>
<td>23,430</td>
</tr>
<tr>
<td>Rank</td>
<td>Brand</td>
<td>Region/Country</td>
<td>Sector</td>
<td>Brand Value ($m)</td>
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<tr>
<td>------</td>
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<td>-----------------</td>
</tr>
<tr>
<td>18</td>
<td>LV</td>
<td>France</td>
<td>Luxury</td>
<td>23,172</td>
</tr>
<tr>
<td>19</td>
<td>Honda</td>
<td>Japan</td>
<td>Automotive</td>
<td>19,431</td>
</tr>
<tr>
<td>20</td>
<td>Oracle</td>
<td>United States</td>
<td>Business Services</td>
<td>17,262</td>
</tr>
</tbody>
</table>

Source: Interbrand, Best Global Brands 2011

### 3.2.1 Country of origin in branding

Country of the company affect also to brand and consumers' brand image. The effect of country, common image of stereotype can be positive or negative, therefore country brand has to be also considered during branding, thus companies cannot effect directly to country brand. In western world markets quality image of former socialist countries goods or services is considered to be low. (Herzen 2006.)

Example from Finland, Alexander Stubb Finnish Minister for Foreign Affairs from April 2008 to June 2011, Minister for European Affairs and Foreign Trade of Finland from June 2011 to present, nominated brand group to create and define Finnish country brand. Leader of brand group were former General Director and former COB of NOKIA Jorma Ollila. One of the main reasons for such project is to help Finnish companies to promote their brand, products and services through Finnish country brand. (Final report of the Country Brand Delegation, 25.11.2010.)

If brand is not global, as in this case, country of origin can also be considered as county, province, region or even city of origin. Meaning and principles of country of origin in branding prevail if country is considered as county, province, region or even city. In this perspective such brand could benefit by advertising itself with context of county, province or city of desired origin.
3.3. Life cycle of brand

Kotler, in his book According to Kotler (2005), defines that brand has certain life cycle which contains four major stages;

1. Market break, during this stage consumers choose either the brand will survive to next stage or not by adopting the brand and start to use services or products under that brand.

2. Growth, brand is growing constantly for certain time period by gaining more consumers and visibility.

3. Stability, the biggest growth has passed and consumers take the brand as self-evident. Again consumers decide what will happen to the brand. Their buying habits might change, they start to look and use similar products from competitors etc. Brand either has large loyal customer base which brings needed revenue or brand is in crisis and needs to move to fourth stage. Fourth stage is inevitable for all brands but strong brands need to move to fourth stage slower than brands in crisis.

4. Revival, brand needs to revive and correspond to consumers- and market needs. Brand needs to adopt new benefits and meanings for consumer.

Above mentioned brand stages gives base to life cycle of brand. Moving from 3rd to 4th stage is essential for brands which want to grow constantly. One example of failure moving 3rd to 4th stage is Finnish mobile phone manufacturer NOKIA with their smart phones. NOKIA was market leader in every mobile phone segment until 2010 when Apple and SAMSUNG in that order came bigger than NOKIA in smart phones.
4. Sponsorship value evaluation

This chapter concentrates to define different theories of how sponsorship value can be estimated and evaluated. In order to improve sponsorship value it is crucial to understand basic theories of how the value of sponsorship can be estimated. Also in this chapter theory of KPI (Key Performance Indicator) will be introduced.

Adapted from Colterman (2012), companies which seeks sponsorship or has been approached by sponsor property (sport team, event organizer, web advertiser etc.) estimates the value of sponsorship and also what the sponsorship packages are worth in real. Since there isn’t any concrete formula how to calculate exact price for sponsorship package, principles for value estimation and evaluation differs significantly from educated guess to changing experiences with others and pulling the numbers out of air.

Adapted from Colterman (2012), one of the main challenges is to find common understanding of relevant market price for different service and modify it to fit to the sponsorship package. Sport sponsorship prices consist of three different factors;

1. Costs which can be counted
2. Costs which cannot be counted
3. Spot selling / pricing

For example, companies and sponsor properties can find out the relevant cost for:

-Advertise in traditional media in that particular market; newspaper, brochures, radio, TV
- Deliver of company advertise, brochures
- Internet advertisements

Relevant market price is good start for sponsorship negotiations, because it gives justified base cost for products and services, or at least most of the
products and services provided by sponsor property. Then there are factors which do not have market price, such as:

- Positive feelings created by the event
- Feelings involved to the event
- Audience desirability; is it a targeted audience vs. a public audience

Selling the right product with right price is also essential. Sponsor motivation also affects to the pricing. As an example company which is new in some specific market area might be more interested to increase their brand awareness and advertise their product through sponsorship than company which has been in the market for years and are well known. This is called spot selling and spot pricing, sponsor property must have the knowledge of their prospects and has to be able to sell and price their products in a way which brings value added for different companies. (Colterman 2012.)

The motives for sports sponsorship vary widely. Within a professional approach to sports sponsorship, the selection of the sport form depends on the marketing communication goals and the intended target group. Either it makes sense to turn to sports sponsorship depends on the goals of marketing communication and of corporate communication. (Arthur et al. 1998.)

According to Skildum-Reid & Grey, if organization wants to succeed in their quest for sponsorship funds and strong sponsor relationships, they must ensure that they have access to people with the relevant marketing skills, sufficient resources, a good strategic plan, a marketing plan, market research information and a commitment to applying that market research. Organization must be able to demonstrate to potential sponsors that it can capture and retain its audiences. Products and services must be based on genuine market needs and values as opposed to what their staff think their clients want or what their organization thinks its clients need. (Skildum-Reid & Grey 2008.)

According to Lynde in his book Sponsorships 101 (2007), he claims that value of sponsorship can be evaluated by; “Return on investment” ROI or “Return on objectives” ROO.
ROI means that companies expect to get at least equal amount of money in return which they invested. “Return” can come in a number of ways depending on the company’s business:

- Increased sales of a product that is promoted through the sponsorship
- Increased spending by key customers who are entertained by the sponsoring company at a top event
- Advertising value of the media received via the sponsorship
- PR value of activities conducted around the sponsorship

ROO means that success is measured by the objectives for the sponsorship being met, rather than looking after getting invested money back like in ROI. Companies which follow ROO approach recognize that sponsorship decisions are made for reasons that may not be easily quantified. Some examples of this include:

- Employee pride and morale
- Exciting the sales force
- Enhancement of a company’s brand

In some cases companies might want to increase their product or service sales by certain per cent. The desired per cent might be met via sponsoring or via numerous different kind of promotion where sponsoring is just one part of the whole plan. The desired per cent might be smaller than money invested to sponsoring. Lynde (2007, pp. 208-210.)

Similar principle but different approach is provided by Colterman B. in his article taking the guesswork out of sponsorship pricing (2012). In his approach evaluating sponsorship value can be divided to Tangible and Intangible/Associative values.

Most of the sponsorship agreements have tangible benefits as base line values. Tangible benefits are quantifiable elements or transactions that can be counted and measured from a value perspective. For example visitors in stand, amount of clicks of banner/logo, how many new visitors in home pages, number of flyer distributed etc. Any of these can be counted exactly and turned to value. Some
companies count value for consumer exposed to new visit to their home page and if visit is done through banner/logo in sponsored property web pages it can be calculated as revenue from sponsoring. As an example if company calculates that their assigned value for each new visit to their home pages is worth 1 EUR cent, then if they have 100 000 new visitor’s revenue would be 1000 EUR. Colterman (2012.)

According to Colterman (2012) the intangible/associative value is what separates advertising from sponsoring. While establishing the associative value of a sponsorship property is generally more subjective, this is where the real value of sponsorship is realized over other marketing mediums. The shift from “transactions” to “relationships” in today’s marketing environment has resulted in sponsorships becoming an increasingly important marketing tool. Intangible/associative values can be evaluated through following aspects, thus it is impossible to count exact amount for these:

- Exclusivity
- Amount of sponsor “clutter”
- Prestige of the organization / event
- Audience desirability
- Relationship between the audience and the organization
- Audience that can be leveraged to a sponsor’s benefit

In sport sponsorship it is possible to measure sponsor event through more sport related factors such as media interest and audience ratings. (Tuori, 1995). Sport has audience and people who follow sport which are interested in sports and has positive attitude towards the sport or event. Therefore can be drawn conclusion, that their attitude towards sponsors in same context is also positive. In such events sponsors typically want to advertise by repetition, aiming that their target group will remember them. In such cases amount of spectators can be one evaluation for sponsorship. Main problem is that audience feelings or brand image which they had before the event cannot be known, nor if they changed their attitude or thinking because of sponsoring. (McDonald, 2001.)
Despite reluctance to evaluate, evaluation is critical and a continued lack of evaluation will hinder success. If evaluation is both iterative and end-on for example, the results can be fed back to help improve current and future performance respectively. In the longer term, evaluation can also be critical for identifying and then recruiting and renewing sponsors. Research in this area found that there was a link between those sponsors that experienced shorter sponsorships, of 3 years or less, and those who failed to set objectives and/or evaluate against them. Sponsorship evaluation can therefore lead to indirect revenue generation and a longer term and more enlightened perspective is that researched and analyzed data, via evaluation, can be used to demonstrate how an event can help sponsors achieve their marketing objectives. Thus post event research is also a critical factor in the recruitment of sponsors. (Masterman 2007, p. 225.)

4.1. KPI Key Performance Indicators

KPI represent a set of measures focusing on those aspects of organizational performance that are the most critical for the current and future success of the organization. (Parmenter 2007.)

Key performance indicators (KPIs) are the vital navigation instruments used by managers to understand whether their business is on a successful voyage or whether it is veering off the prosperous path. The right set of indicators will shine light on performance and highlight areas that need attention. ‘What gets measured gets done’ and ‘if you can’t measure it, you can’t manage it’ are just two of the popular sayings used to highlight the critical importance of metrics. Without the right KPIs managers are sailing blind. (Marr 2012.)

Giles Johnston in his book, Implementing KPIs, describes that KPIs is all about how well organization is performing and how your business is doing and also giving results which can be measured. KPIs need to be followed constantly in order to make corrections whenever the operations are not heading the key performance targets. (Johnston 2010.)
KPIs are widely used in business life for target setting, monitoring the process itself and finding out the result. KPIs are some targets which are important for the process or success, for the organization or for the client. KPIs should be followed up constantly, measured and result should be possible to report. As an example one KPI might be zero accidents on work site or 100% customer satisfaction. KPI can also be adopted from business to business, in this case sponsoring business. When using KPIs in B2B, the parties agree about certain KPIs together aiming to better performance and results. In chapter 7 section 7.5. such model is introduced and sample of KPI chart is presented.

The main purpose of KPIs is to follow up organizations performance, adjust the processes if needed and aim to reach their targets with better results. KPIs can be linked to sponsorship if sport property and sponsor could agree of common targets. KPI could be used then as a follow up tool of how these common targets of sponsorship will be or was achieved.

5. Empiric case study of a sports property

5.1. Review of finnish premier league of ice hockey

Finnish premier professional ice hockey league is called SM-Liiga. SM-Liiga is the most followed and popular sports in Finland. During years 1928-1975 it was called SM-Sarja and name was changed to SM-Liiga at 1975 after it became professional league. (SM-Liiga.)

Currently there are 14 different teams in 12 different districts in SM-Liiga, and they are playing for Finnish championship. Regular season includes 60 games per team, and regular season is followed by playoffs with best of seven games system. Top six teams go directly to the quarter finals and teams between 7 –
10 will play pre-playoffs with best of seven system, and as a result two teams from pre-playoffs continues to quarter finals. (SM-Liiga.)

Team which is last after regular season will play against winner team from second high ranked league called “Mestis”, also with best of seven system. This gives opportunity for winner of “Mestis” rise up to SM-Liiga, if the winner team from “Mestis” manages to win the serie against last ranked team of SM-Liiga. If team from “Mestis” rises up to SM-Liiga, then the opponent will lose their place and drop to “Mestis”. (SM-Liiga.)

SM-Liiga is ranked by the IIHF, International Ice Hockey Federation, as the second strongest league in Europe right after Russian Kontinental Hockey League. (International Ice Hockey Federation.)

Approximately 2.4 million person went to see games during 2010-2011 season, average spectators per home game in SM-Liiga was 4850 in season 2010-2011. (SM-Liiga.)

5.2. Ice hockey team SaiPa

Ice Hockey team “Saimaan Pallo” was established 1948. Originally team was established to be bandy and soccer team, since those were more popular sports than ice hockey on those days in Lappeenranta. Later Saimaan Pallo gave up for bandy 1953 and later soccer 1978. (Liiga SaiPa Oy.)

1951 Saimaan Pallo started its ice hockey activities, and winter 1953-54 were the winter when Saimaan Pallo played their first ice hockey games. The very first game took place in Imatra 4th of February 1954; SaiPa was visitor team against Imatran Jyske. SaiPa won the game with result 3-8. Their first home game was 14th of February 1954 also against Imatran Jyske; SaiPa lost that game with result 7-9. Season 1954-55 was first full season for SaiPa. They played in 2nd division, which were back then provincial league. (Liiga SaiPa Oy.)

At season 1957-58 SaiPa managed to rise up to national 1st division, and at the same season SaiPa won silver medal in Finnish Cup. Finnish Cup was played
between 1955-58 and 1964-71. Teams from three highest divisions participated to Finnish Cup. Finnish Cup was played simultaneously with regular seasons of divisions. (Liiga SaiPa Oy.)

1959-60 was first season for SaiPa in Finnish premier league, Mestaruus Sarja. In the season of 1963-64 SaiPa together with lot of volunteers, built up artificial ice hockey rink to Kisapuisto same place where their present hockey arena is. (Liiga SaiPa Oy.)

Season 1965-66 was the best season so far in the history of SaiPa. That season SaiPa were in third place winning the bronze medal in Mestaruus Sarja. After season 1968-69 SaiPa lost their place in Mestaruus sarja and dropped to 1st division, Suomisarja, and rose up back to Mestaruus Sarja for season 1972-73. That season ended with bad results, SaiPa were last resulting drop to 1st division. 1973-74 SaiPa were best team in 1st division and again rose up to Mestaruus Sarja for only one season. Between 1976-80 SaiPa played in 1st division, and managed to rise up back to Mestaruus Sarja for season 1980-81. (Liiga SaiPa Oy.)

SaiPa played their first playoffs at the season 1982-83; unfortunately they lost playoff series against Ilves from Tampere in the first round. After season 1985-86 SaiPa lost their position in SM-Liiga and dropped to 1st division, and made it back to SM-Liiga for season 1987-88. (Liiga SaiPa Oy.)

Season 1990-91 was big disappointment for SaiPa, they lost their SM-Liiga place and dropped again to 1st division and made bad financial result with 1.5 million Finnish Mark loss, facing almost bankruptcy. The beginning of 1990’s was rough time for SaiPa, but they managed to overcome the difficulties and after season 1995-96 they rose up to SM-Liiga and has played in the highest level ever since. (Liiga SaiPa Oy, SM-Liiga.)

5.3. What has ice hockey team, SaiPa, to offer for sponsors
SaiPa provides wide range of services for their customers / sponsors, which are mainly related to networking and visibility. Regarding visibility; in local and/or national TV and press visibility. All of SaiPa’s games are showed on TV and can be heard from radio.

SaiPa are also organizing different kind of events for their sponsors and partners, SaiPa Golf tournament as an example. In such events sponsors can meet each other and SaiPa’s organization including owners, management and the team. SaiPa has wide partner network which consists of more than 600 partners.

All of SaiPa’s services are tailored to meet customers’ needs and usually consists of several services and/or products. Core of the main products and services consists of;

Visibility products and services:
- ice advertise
- hockey rink board advertise
- media cube/big screen on the roof of the arena
- other advertise places in the arena, roof, stairs, wall etc.
- players’ game clothing

Networking products and services:
- own booth for home game
- Sputnik restaurant’s VIP premises
- Gold card club
- Friendly games for companies
- SaiPa golf
- SaiPa season opening event

For sponsor’s customers and their contacts:
- stands and brochure delivery (campaigns)
- SaiPa player visits or company’s sponsored player
- Newsletter and visibility through SaiPa’s web pages
- e-ticket advertise
- ticket campaigns
- SaiPa family day
- advertise in SaiPa's annual magazine
- advertise in SaiPa's home game schedule

SaiPa provide positive images and creates strong feelings which transfer to people through SaiPa brand. Potential sponsors might value over 10 000 people who likes SaiPa in Facebook or 15 – 20 000 visitors in SaiPa's home pages weekly.

SaiPa concentrates highly to sponsor’s target group. Main thing is to consider how SaiPa's sponsors gets the most out of sponsoring and how SaiPa can be in use for their target group.

Extract from interview at 31th of May 2012, SaiPa: Managing Director R. Kallioniemi:

“Just to mention couple examples, we always speak openly of the importance of our co-operation in our sponsors’ customer events where we are present. Also we as SaiPa organize our own open events for sponsors and their target group. We are actively in Facebook, and of course like our sponsors.

Image creation is also important, good example is Erikeeper glue advertise in our goalie gears, it gives imagine of sticking glue when puck is saved by our goalie and gives image path; hockey, goalie, Erikeeper glue. Because in Finland there is common saying when goalie saves, he glues the puck in to the glove, so Erikeeper fits to goalies’ gear perfectly.

We have also stickers, books etc. attached to our seats before game, which are meant only for our sponsors’ target groups.

Some companies informs in their home pages about sponsoring and co-operation with SaiPa. We give SaiPa partner sign for our partners, which they can present in their office.

We provide as best as we can our players for our partner's events if needed, these kinds of services aren’t always stated in our contract. We try not to look
what contract says of our responsibilities but try to be flexible partner in a way that both sides are satisfied.

Many of our sponsors are interested in hockey, so we try to provide them more, sometimes so called ”inside” information, and issues to talk around hockey.”

5.4. Present sponsor prospecting

SaiPa has its own sales organization which contacts new potential sponsors by calling and sending information by mail. Process is quite usual, first SaiPa will take contact by calling, then sending information and last organize meeting for further discussions. It is also common that companies contacts SaiPa, and ask how they can became SaiPa’s sponsor or ask how they can advertise through SaiPa. Prospecting in this manner works both ways. Companies may have heard good feedback from other existing sponsors or they have decided to go to sponsorship as a part of their marketing communication strategy.

Company, Procito, is a company which provides different services for sport industry with their own dedicated sales organization. Procito is also handling prospecting for SaiPa as an outsourced service. Procito has call center, which sell and promote Sputnik network (Sputnik verkosto). Sputnik network is a concept for entrepreneurs, where entrepreneurs from different business fields can network. Sputnik network has member contact list, which is available for members. Members of Sputnik network are supporting SaiPa by membership fee and they gain first hand “inside” information regarding SaiPa and also tickets for games. Members of Sputnik network are not sponsors, but just members of the network, but Sputnik network is good platform prior to sponsorship. Members of Sputnik network can be found from SaiPa’s arena and from SaiPa’s web pages.

SaiPa has also a gold card club, which is also mainly meant for entrepreneurs. Gold club has their own premises in SaiPa’s arena, with VIP premises and own sauna. Gold card club organize events for club members and shares
information. Members, entrepreneur network, of gold card club acquire new members and agree of their policies.

6. Questionnaire, interview and analysis

The questionnaires and interviews were done in order to find out how SaiPa and their sponsors estimate the sponsorship value. Data was then summed up and analyzed. Intention was to find out similarities and differences in sponsorship value estimation process between sports property owners in this case SaiPa management and sponsors. Based to the findings from collected data key factors which help SaiPa to increase their sponsorship value is selected.

Data collection process was executed in three different phases. In first phase e-mail was sent for sponsors, purpose of study was introduced in a nut shell and asked their availability for such study. Second phase was questionnaire by e-mail; each sponsor who informed to be at disposal received questionnaire by e-mail. After received answers for questionnaire, interview meetings were agreed. Phase three was the interview, which was more specific than questionnaire.

Findings were summed up and then analyzed. Analysis can be found from clause 5.4.2. Since most of interviewed companies or persons didn't give permission to present their answers or their company stands in public, analysis is made in common from all the received data.

6.1. Questionnaire and interview

Questionnaire and interviews was made for SaiPa management and for their sponsors. Questionnaire and interview forms are appendix of this study.
Questionnaire and interview was made for same person, and the person was in charge of sponsoring issues of their company.

Questionnaire and interviews was made under following topics:

For sponsors:

a) **Background Information**

- Background of sponsors business
- Reasons for sponsoring
- Key issues while choosing right partner
- Why was SaiPa chosen
- What products they are using
- Background of their co-operation

b) **SaiPa - Brand**

- Image of SaiPa brand
- Brand values
- How SaiPa brand should be developed

c) **Sponsoring**

- Role of sponsoring in their marketing communications
- What sponsoring mean for sponsors
- What are the goals and targets of sponsoring
- How do sponsors evaluate success of sponsoring
- Sponsoring co-operation with SaiPa

d) **Evaluation of Sponsoring**

- How do sponsors estimate value of sponsored sports property, SaiPa
- Key issues of value evaluation of sports property
- Relation of sponsoring to their business
- How can SaiPa be more interesting product

**For SaiPa:**
a) Background Information

- Who are SaiPa's sponsors
- What products and services SaiPa can offer to their sponsors
- Sponsor market in South Carelia

b) SaiPa Brand

- SaiPa's image of their brand
- Their brand values
- Future development of SaiPa brand

c) Sponsoring

- Meaning of sponsoring for sponsors
- Meaning of sponsoring for SaiPa
- How do SaiPa evaluate success of sponsoring
- How do SaiPa evaluate sponsors
- Relation of success in sports to sponsors
- Sponsors net working

d) Value Estimation of SaiPa

- How do SaiPa evaluate their value in sponsor market
- How do SaiPa evaluate their value from sponsors perspective
- The most important sales arguments
- How can SaiPa be more interesting product

6.2. Analysis

In this chapter data collected from questionnaire and interview is analysed. Analysis includes answers and comments of respondents to questionnaire or interviewed.
6.2.1 Analysis of data collected from sponsors

a) Background Information

- Background of sponsors business
Wide range from different business fields e.g. bank sector, electric and power industry, retail business, construction business, food industry.

- Reasons for sponsoring
Local companies see sponsoring as a part of corporates responsibility towards community. Local companies want to be involved and seen as SaiPas partner. For them it is also strategically way to differ from their competitors. Most of the local / regional sponsors are sponsors for other objects as well. Sponsors see that it is important to support regional sports and culture, and by sponsoring give better opportunity to develop.

Sponsoring is also seen to be good channel to give information for sponsors’ target groups and also good channel to introduce their products and make their products known more widely. In this way it is part of business development process.

Companies which operate across the Finland, reason for sponsoring is purely business development orientated. Such companies measure their visibility against cost, and then decide their partner depending of which partner provide best visibility cost relation.

- Key issues while choosing right partner
Overall common key issues were reputation of sponsored party that the sponsored party operates in South Carelia, quality of the sponsored party’s operations.

Some of the sponsors stated that they will sponsor only team sport not individual athlete, and some stated that league needs to be highest or second highest regardless of the sport.
- Why was SaiPa chosen

All of the interviewed companies chose SaiPa because it is the most followed and biggest sport team in South Carelia. Through SaiPa many of the sponsors reach part of their target group and potential prospects effectively.

For those, which had already long co-operation with SaiPa, main reasons were good co-operation and relations with SaiPa.

- What products they are using

All products and services of SaiPa were covered by interviewed companies. A couple mentions were that products and services were presented well and overall the whole sales process was professional and handled well. Sponsors appreciate new ideas from SaiPa and that services are custom made for answering their needs.

- Background of their co-operation

Co-operation between interviewed companies varied form totally new sponsors to companies which shares more than ten years co-operation with SaiPa.

All present sponsors felt that co-operation has become closer during last year. For future, sponsors expect their communication with SaiPa to develop in terms of open discussions, opinions changing, feedback gathering and satisfaction measurement during the season. Sponsors were also looking for some additional services which are not mentioned in their contract, some small good will services like invitation to game or something like that.

b) SaiPa – Brand

- Image of SaiPa brand
All of the interviewed agreed that SaiPa is strongly local/regional brand, and because ice hockey is so popular in Finland, SaiPa gets lot of attention in its region. SaiPa brand is well known across the Finland especially in South Carelia.

SaiPa is seen to be traditional sport team and SaiPa brand as well rather than youthful brand.

- Brand values

The most common brand values from interviewed were;

-Honest South Carelian own team
-Solidarity
-Strong team spirit
-Small, hard fighting

Overall it seems that sponsors see SaiPa to be strongly regional but still well known in Finland. Small in every way, but still team which fight and work very hard and do not give up.

- How SaiPa brand should be developed

Each interviewed told that brand image of SaiPa is positive, and SaiPa is well known. However SaiPa brand could be developed to be more youthful. Brand hasn’t had any significant updates in the past few years.

SaiPa as a team could strength their brand in the whole South Carelia to be seen more strongly as South Carelia’s own team. There was comparison to hockey team “Olulun Kärpät”, which is very strongly team of the whole Northern Finland.

c) Sponsoring
- Role of sponsoring in their marketing communications

For those interviewed, sponsoring is supporting their other marketing communications. It doesn’t replace any other marketing channel but does support other marketing channels.

- What sponsoring means for sponsors

Sponsoring is seen to be beneficial for both parties. Sponsors give their financial support and in return they get services from SaiPa. For some interviewed services, visibility was not so important, they purely wanted just to support without receiving anything in return.

For some sponsoring means better relationship creation with their business partners, target group, customers, employees etc. They can use sponsoring, and provide benefits for their customers, e.g. cheaper game tickets.

- What are the goals and targets of sponsoring

Prevailing main goal was to make own company, products & services visible and known firstly to their own target group and second to potential prospects. Sponsoring are seen to be good marketing communication tool for this, and also sponsoring allows companies to meet their target group face to face in different environment out of the business office.

For some companies which are not based in Lappeenranta or South Carelia sponsoring enable visibility through SaiPa which is important, because their biggest customer base or target groups are in Lappeenranta or South Carelia.

- How do sponsors evaluate success of sponsoring

Measuring results are seen to be difficult, as well as following if all responsibilities mentioned in the contract had been done, therefore evaluation of success is challenging. On the other hand, results of campaigns can be easily measured right after game. Different sales campaigns are effective way
to meet thousands of people which sponsors couldn’t necessarily meet in other circumstances.

- Sponsoring co-operation with SaiPa

Mainly SaiPa provides similar services than other sport teams which play in the highest level. Biggest difference comparing to other sport teams in South Carelia is, that SaiPa is more followed, better known as a team and a brand than others. Other sport teams in South Carelia cannot provide such visibility in TV, printed media, radio etc. From sport team perspective Saipa’s organization is seen to be wider and more professional than others.

Sponsors feel that networking with other sponsors or SaiPa’s partners is not necessary but important. Marketing from SaiPa’s side of networking with other sponsors could be better.

d) Evaluation of Sponsoring

- How do sponsors estimate value of sponsored sports property, SaiPa

Among sponsors there isn’t any specific formula or method for value estimation of sports property. Sponsors seem to value good results which bring more spectators, more other sponsors and overall more interest around the team.

Good work and effort on junior sports are also added value for SaiPa. Almost every interviewed pointed out that dedicated and professional work with junior sports is value add for sports team.

One also important issue was level of co-operation. Sponsors seeks smooth, flexible and easy going co-operation with SaiPa. As a note, each interviewed were satisfied for their present co-operation with SaiPa.

- Key issues of value evaluation of sports property
Key issues which affect sponsors value estimation are popularity and spectators of SaiPa, size and level of their operations and level of co-operation.

Surprisingly success of SaiPa is not key issue for the majority, it has an effect but it is not prevailing issue.

- Relation of sponsoring to their business

Common opinion is that sponsoring has an effect to interviewed companies business, although they haven’t been able to measure it. In the future companies will pay more attention how they core business could benefit more of sponsoring. One of the issues which came up was more careful planning of how companies can use sponsoring as advantage in their business. Such careful planning requires interaction with SaiPa.

- How can SaiPa be more interesting product

One of the key issues of making SaiPa more interesting product was success in sport, which increase interest in every sector of SaiPa. Also active and well organized junior work and co-operation between SaiPa and sponsors were mentioned.

Active interaction between SaiPa and their sponsors in terms of planning and creating new services is also valuated. Discussions and feedback gathering throughout the whole season, and listening of sponsors needs and turning them to new or improved products or services are important. That is good way to create products which fits exactly for sponsor’s needs, and let them to get the best possible benefit out from new products and services. True and honest caring of SaiPa’s sponsors was also mentioned in context of meeting, talking and being interested in their sponsors not only when sponsor contract is going to expire.

How the home games are set up, feelings in the crowd and in the arena were also mentioned, and was one sector where sponsors sees that there is place for improvement. Better feeling in home games brings more interest from
spectators side which affects to sponsors’ interests as well. Either the arena is crowded or not feeling needs to be there. Part of creating better feeling is SaiPa’s fun club, so it might be worth to think if Saipa’s fun club could be used for SaiPa’s and their sponsors’ benefit. Overall, sponsor were seeking something new and fresh.

6.2.2 Analysis of data collected from SaiPa

- Who are SaiPa’s sponsors

SaiPa has approx. 600 sponsors from different fields of business. Biggest field is construction and fastest growing field is trade and travel. Exact list of sponsors and supporters can be found from the internet at www.saipa.fi.

- What products and services SaiPa can offer to their sponsors

SaiPa can provide wide range of service for their customers / sponsors, mainly those are related to networking and visibility. Regarding visibility; in local and/or national TV and press. All of SaiPa services are tailored for customers’ needs and usually includes different other services and/or products as well.

SaiPa are also organizing different kind of events for their customers, SaiPa Golf tournament as an example.

- Sponsor market in South Carelia

Currently SaiPa has not serious competitors because SM-Liiga is far most popular and followed in South Carelia region. For instance, basketball league pays for TV rights, but channels pays for SM-Liiga for showing games in TV channels. Other example is local team in Finnish baseball; they provide entrance for free for one SaiPa home game with their seasonal ticket.

Naturally with other sports visibility costs less, but it is also matter of interest towards that particular sport. If comparing annual budgets, basketball team
Namika, which second biggest sport team in Lappeenranta, budget is 300 k EUR comparing to SaiPa's 4 Mio EUR.

Biggest strength is that SaiPa are playing the most popular sport in Finland in the most followed league. SaiPa have been playing it for so long that their brand is already well known nationally.

Regarding weaknesses can be mentioned that SaiPa’s success hasn’t been best possible on constant basis. Although considering SaiPa’s budget, they have played fairly well. Of course better results bring more sponsors and partners which gives opportunity for better resources.

SaiPa is rather small organization and they have their challenges for example in customer relationship management.

b) SaiPa Brand

- SaiPa’s image of their own brand

SaiPa’s brand core values are, team, fighting till the end and, unyielding. Some of SaiPa’s sponsors have described SaiPa as contemptuous of death.

SaiPa is team with small budget, so the team has to play with all of they got mentality as a team in order to succeed. They fight hard and they work hard.

SaiPa are proud to be a regional (South Carelia) team and SaiPa do not consider themselves to be Lappeenranta’s SaiPa but South Carelia's SaiPa.

For example SaiPa have fans and support also in Kymenlaakso, Mikkeli and from Imatra to Savonlinna, so they try to perform as regional team.

- SaiPa brand values

SaiPa has created their own policies of responsibilities and responsible actions, which reflect their values as well, in short main policies are (SaiPa, Vastuullisen Toiminnan Periaatteet / Principles of operation responsibilities):
1. We are acting in junior and professional sport honest, transparently and we respect rules & conditions.
2. We respect and co-operate with other sports, teams and cultural instances.
3. We try to develop and bring more value to South Carelia.
4. We are a reliable partner.
5. We constantly try to improve both sport related success and financial results in order to guarantee stability in professional sports.

For players main brand value is that SaiPa is the team where they will develop the most during their career. Other brand value for players is that in SaiPa they have to work hard.

- Future development of SaiPa brand

Base of the SaiPa brand will remain the same. On constant basis SaiPa seeks better results and success in sports, and that way increase interest of SaiPa brand in common. Like any other sports team, also SaiPa wants that as many as possible know and recognize them.

c) Sponsoring

- From SaiPa perspective meaning of sponsoring for sponsors

Sponsoring is important and equal part of companies marketing communication. SaiPa has gathered data and research results of how effective marketing channel sponsoring can be. Certainly there are variations between companies, for some company sponsoring is in smaller part of their marketing communication than some other to whom sponsoring is the major part of their marketing communication.
One of the biggest advantages of sponsoring of sport team is that people have strong feelings towards sports, especially Ice-Hockey in Finland, and when strong feelings are involved marketing is more efficient.

Disadvantages are if you team or organization mess up, then the visibility might be negative.

For most of the sponsors meaning of sponsoring is either purely support or purely marketing issue.

- Meaning of sponsoring for SaiPa

Without sponsors or audience SaiPa wouldn’t exist. SaiPa’s sales organization’s goal is to secure approx. 40% of total annual turnover through their partners.

Sponsors are in key role in the growth and development of SaiPa, and in return SaiPa try to give the best possible profit for their investment.

- How do SaiPa evaluate success of sponsoring

Main inner evaluation is money, how well SaiPa succeeds in gathering their planned sponsoring budget.

Communication with SaiPa’s sponsors, listening their feedback and try to find out are they satisfied or not.

SaiPa has other tools to support evaluation of success of sponsoring which they purchase from third party, such as Sponsor insight. Through Sponsor insight SaiPa measure their visibility in different media which gives base for communication with their sponsors regarding visibility.

Due to limited resources and great amount of sponsors SaiPa cannot do regular follow up meetings with their sponsors, but it doesn’t mean that SaiPa do not gather or handle feedback from their sponsors. All of the feedback is gone through during meetings and discussions, both SaiPas inner and with sponsors.
During meetings with SaiPa’s sponsors, one of the key issues is their satisfaction.

- How do SaiPa evaluate sponsors

Long term sponsors are very important for SaiPa. Change of sponsors is quite small, share of leaving sponsors is approx. 5%, and such figure tells that SaiPa is trusted and good partner. SaiPa has sponsors which have been their partners for 10-20 years. Those are of course in key role, SaiPa try to keep all of their sponsors, especially long term sponsors satisfied and wants to be their partner in the future as well.

Existing “old” sponsors brings approx. 80%, and new 20% of SaiPa’s total sponsor turnover.

SaiPa expects their sponsors to be honest, reliable and that their business is transparent. Some times SaiPa has to reject a co-operation proposal. Main criteria for refusal is moral or if partners business is not transparent or it is disreputable. Such cases have been with companies from "instant” money loan industry or gambling sector.

- Relation of success in sports to sponsors

Although SaiPa’s results have not been the best possible, their “base” partners have remained the same. These base partners have stood by SaiPa’s side in both good and bad times.

For instance if SaiPa lose their place in SM-Liiga sponsor contract will expire, that is one of the contract clauses likewise with some sponsors they have play off clause, if SaiPa make it to play offs they’ll receive a bonus.
Relation of success in sports to sponsor contracts seems to be quite shady, because during the hard time SaiPa were able to keep their sponsors and even receive more.

- Sponsors net working

SaiPa has events for sponsors; one of the events is SaiPa golf. Good place for networking is SaiPa’s home games.

SaiPa are currently updating and redesigning their web pages and all of their sponsors can be found from their new pages. Also SaiPa are producing catalog of their partners, where contact information can be found.

d) Value Estimation of SaiPa

- How do SaiPa evaluate their value in sponsor market

SaiPa haven’t evaluated their value in figures. Since SaiPa hasn’t got any serious competitor in sponsor market in South Carelia, evaluation is done on common basis. Value of SaiPa in sponsoring market is defined currently on how well they are known commonly. To support this SaiPa has concrete facts from Sponsor insight, which provide details of amount of advertises in press and visibility time in TV. Also SaiPa has their own facts of amount of spectators per game, per year etc.

Second value estimation is SaiPa’s budget, both player budget and total budget. With increased player budget expectations for better results are higher.

Third is common market, economic situation affects to sponsoring and therefore to SaiPa’s budget and value. They have learned that economically hard time reflects to sponsoring.

Sponsor contract negotiations are based on facts, and SaiPa try to prove or justify their price based on these three facts.
- How do SaiPa evaluate their value from sponsor’s perspective

Starting point for sponsoring contract is either Saipa’s and sponsor’s visions meet regarding the price of the services. If they have totally different view of prices of SaiPa’s services it is hard to start or build up co-operation.

Prevailing situation in the market supported by the facts from SaiPa mainly nominates the value. SaiPa provides to their sponsors facts which are reasonable and true.

There is a market price for different advertise and TV visibility, which can be used as a base. SaiPa’s ambition is to give best possible return for sponsor’s investment. Newer the less both sides needs to be satisfied to their co-operation.

- The most important sales arguments

Biggest sales arguments are media visibility and media value. Good arguments are also results of different campaigns which can be measured, for instance how many visitors in stand, how many new inquires received etc.

Key message is that SaiPa’s sponsors are not giving money for charity, but SaiPa is going to help and support their business. When feeling and the value of marketing is present, there will be continuity.

- How can SaiPa be more interesting product

Success in sport is the biggest thing to make SaiPa even more interesting. Success brings more audience and that way makes SaiPa more interesting for sponsors. SaiPa's organization with the hockey team and its management has to do their tasks right in order to get better results in sports.
SaiPas sales organization has to perform well and develop their sales and also sales tools and eventually create new interesting products and services for SaiPa’s sponsors.

7. Conclusions

This chapter is all about improvements and proposals for SaiPa aiming to improve their sponsorship value. All improvements and proposals are my own ideas, which came up during this thesis. Hopefully there are some usable ideas, which SaiPa finds interesting. Also the study provides one method how to bring added value for sponsors by using KPIs.

7.1. SaiPa brand development

Sport offers the possibility to associate a dynamic, young or friendly image of a sport with a brand. Each brand of sport embodies a number of values, which can have a positive effect on the sponsoring brand.

First of all to sum up brand image of SaiPa from sponsors perspective; sponsors sees SaiPa to be strongly a South Carelia team, with limited or even small resources. SaiPa is also seen as a team which fights hard and can always surprise with results. Traditional team is also one of core characteristics of SaiPa brand. This brand image description gathered from sponsors doesn’t differ significantly from SaiPa’s own vision of their brand image. One thing which is sure is that SaiPa brand is now in a stability stage (see chapter 3 clause 3 Benefits of Effective Brand Creation), and stage of revival might be something to think of. For revival stage I’ll later on in this chapter give some fresh ideas around topics which were seen as important from SaiPa’s sponsors.
When discussed about SaiPa’s brand values with their sponsors it turned out that they had only their own visions of SaiPa’s values. Since Saipa has created their own policies of responsibilities:

1. We are acting in junior and professional sport honest, transparently and we respect rules & conditions.
2. We respect and co-operate with other sports, teams and cultural instances.
3. We try to develop and bring more value to South Carelia.
4. We are reliable partner.
5. We constantly try to improve both sport related success and financial results in order to guarantee stability in professional sports.

It might be useful to use these values while discussing with their sponsors. This way there is smaller room for wrong impression of SaiPa’s values. Also it shows that such issues have also been considered inside SaiPa’s organization. These principles are easy to bring sponsors knowledge during some event for SaiPa’s sponsors, for example in form of presentation.

One of the values, which neither party mentioned while discussed about brand value was SaiPa’s work with their juniors. Both parties mentioned importance of junior work, but not during the discussions of SaiPa brand. I’d see that here is good opportunity to bring up junior work to be one of the brand images that sponsors have, and that way develop SaiPa brand to be not only traditional but also youthful. Just to mention that SaiPa has the biggest junior organization in the province.

Being a whole South Carelia team is important for SaiPa and their sponsors. Main thing of “being regional”, is to get the big audience, the spectators, to adopt that message. There is room for development, mostly in marketing. Some campaign in smaller towns, and advertise SaiPa throughout the whole South Carelia might be worth developing, considering SaiPa’s limited resources. Such marketing can be done during SaiPa’s home games, challenge is how to tie home game and image of regional, in this case South Carelia’s team, together and impress it for spectators. One idea could be that spectators sectors could be named with South Carelia municipalities or cities instead of letters A, B, C
etc. I’m sure that such renaming is something new in the whole league and creates discussion and opinions, most probably positive ones.

Visibility of SaiPa brand in context of South Carelia and Lappeenranta brand might also be worthwhile to think. Such visibility gives origin for SaiPa brand and strengthens the image of being in South Carelia.

7.2. Sponsors being part of SaiPa’s activities

From sponsors’ perspective, for South Carelia companies taking part and being part of developing regional sport activities and supporting youth is important. SaiPa needs to turn this into one of the sales arguments. Would it be reasonable to open “sponsor pool”, which has target amount of x EURO from certain x amount of companies, and sponsors could buy their share from that pool. That pool could have e.g. 100 shares meant for 100 different sponsors or supporters, dedicated to some exact object in SaiPa’s junior work. After all shares are sold, it could be easily promoted and advertised in positive way, for both its purpose, support junior work, and participants of the pool. Participants could have some special offers or benefits during the season. Principle is money gathering but with compensation. Sales wise it is easy to sell when you have exact target for whole amount and exact price for share, and also exact description how SaiPa will use the money and what buyers get in return.

7.3. Sponsor contract target setting

It has been mentioned many times that measurement of sponsoring results are difficult and that’s why it is challenging to evaluate whether sponsoring was beneficial in big scale. Improvements regarding sponsoring results measurement could be great value added for SaiPa. Certainly every sponsor contract has goals and targets, but are those targets really measurable? While setting targets and goals for sponsoring it might be useful to consider that such
targets and goals are accurate, measurable, reachable, aiming to some result and tied to a time window. Otherwise it is impossible to justify whether the sponsoring was successful or not. Increase of sales or increase of brand/product/service etc. awareness are not clear targets or goals, because of difficulty in measurement. Such targets must be defined exactly; what kind of increase, how to define it, in which target group and within which time period. Results should also be measurable, that’s why sponsoring contract should be based on these three obvious stages:

1) Before sponsoring (preparing stage)
2) During sponsoring (follow up stage)
3) After sponsoring (after sales stage)

First stage is all about finding the so called starting point. Where sponsor are with their brand, product, services etc. What sort of target group they have, how well they are known, how they want to differ from competitors. These are all basic information which should be collected, not only for creating better package for sponsor but also it is sign of professionalism and shows that SaiPa truly cares about sponsors business. As a result of first stage, targets and goals of sponsoring co-operation will be set.

Follow up stage is crucial in order to secure good results, because it is the only way to find out that relationship with SaiPa and sponsors are going to exactly that direction that both sides expect. With constant and well organised follow up during the sponsoring co-operation, better results can be achieved because problems can be solved immediately and needed corrections can be done on time. Follow up, in this perspective, means communication with sponsors, feedback gathering and giving, and overall checking that targets and goals set for sponsoring will be reached.

After sales stage is also important to plan well, because it will affect future sales. Also it gives idea how well set goals and targets were met. Analysing results with sponsors shows that sponsor businesses actually had benefits from sponsoring. If second stage follow up was done properly, possibility of failure was eliminated.
7.4. Sponsor categorize

Surely SaiPa has not the resources to execute such detailed goals and target setting including all three stages with each and every sponsor they have. That’s why it might be useful to categorize sponsors to different levels. Such categorization is very common in different business fields, e.g. airlines have their own bonus levels with different benefits for each level, hotels have their own regular customer programs etc. So such carefully created, defined and followed sponsor contract could be available only for few biggest sponsors. For instance there is big difference if home arena is full or half empty during sponsors campaign, so those high ranked sponsors should have possibility to affect when they might have their campaign because before season can be told which visitor teams fills up the arena, as just one simple example. Other benefits for exclusive sponsors:

- discounts/free pass to events, press conference, games etc.
- exclusive services during home games such as easy access parking, dedicated entrance
- early access to game tickets, guaranteed seats or tickets to home games
- discount from SaiPa merchandise
- special area in home game dedicated to sponsors customers/visitors
- advertise in radio broadcast during the games

7.5. Key Performance Indicator

Although Key Performance Indicators (KPI) are typically used to measure organizational performance, it can easily be adopted and modified to sponsor contracts. KPI is very useful tool for all above mentioned stages of sponsor contract, and also fair tool for both parties. When agreeing of KPIs both parties commit to fulfil their share of sponsor agreement and results can actually be measured. Below is draft of KPI for sponsor contract. I included some KPI
indicators, which I thought are important in sponsor contracts. KPI can and should be modified depending of sponsor and form of contract.

Following table has been modified from literature of KPI. Such measurement and calculation method is commonly used in B2B KPI charts.
<table>
<thead>
<tr>
<th>KPI Description</th>
<th>Measure</th>
<th>IF / Then score is:</th>
<th>Measurement Periods per contract validity</th>
<th>% per period</th>
<th>Target per measurement period</th>
<th>Contract weighting</th>
<th>Score</th>
<th>Realized %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Media visibility (TV/RADIO/PRESS)</td>
<td>TV visibility during season</td>
<td>0-1 min = 0% 1-2 min = 50% 2- min = 100%</td>
<td>1</td>
<td>20%</td>
<td>100%</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Product marketing</td>
<td>Visitors on stand</td>
<td>0-200 = 0% 200-500 = 50% 500 - = 100%</td>
<td>After each campaign, e.g. 4</td>
<td>5%</td>
<td>50%</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Customer events</td>
<td>Positive feedback</td>
<td>0-50% = 0% 50-75% = 50% 75-100% = 100%</td>
<td>After each customer event, e.g. 2</td>
<td>10%</td>
<td>100%</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Brand recognition</td>
<td>Before and after season</td>
<td>Improvement 0 = 0% 1-25% = 50% 25-50% = 75% 50% - = 100%</td>
<td>1</td>
<td>20%</td>
<td>75%</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Media promotion</td>
<td>Visitors in home pages</td>
<td>0-200 = 0% 200-400 = 50% 400 - = 100%</td>
<td>1</td>
<td>10%</td>
<td>100%</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Contract targets</td>
<td>How well targets for the contract has been met</td>
<td>none of the targets met = 0% half of the targets met = 50% All targets met = 100%</td>
<td>2</td>
<td>5%</td>
<td>100%</td>
<td>10%</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>
KPI Descriptions;

1. Media visibility KPI tells for sponsor how their advertisement/trade mark etc. is seen in media. Results can be measured by TV visibility time, how many times trademark was mentioned in Radio or seen in the press.

2. Product marketing KPI can be adapted to different product marketing products and/or services. As an example some product campaign which includes sponsors stand in home game. Results can be calculated by visitors, new inquiries, increased sells, spot selling etc.

3. Customer event KPI is all about event organizer visitor’s feedback. It tells how well event was organized and was the purpose of the event fulfilled. This can be measured by simple questionnaire after the event.

4. Brand recognition means how well brand recognition is improved during sponsor contract. Starting point could be questionnaire for spectators in the beginning of the season / sponsor contract during home game. Improvement can be measured at the end of season / sponsor contract.

5. Media promotion is when a sponsor develops a cross-promotion with one or more media organizations. This is very common and can be very powerful. Such media promotion is used widely in sports business, for example every year Finnish beer manufacturer “Karjala”, one of the main sponsors of Finnish national team in ice-hockey, is organizing competition through their web pages. Winner of the competition gets free tickets and trip to see Finnish team game in World Championship in ice-hockey. Media promotion KPI can be measured very simply by calculating participants. Competition can be held in sponsor’s web pages and also during home game. Naturally sponsors brand is widely seen, and key message can easily be transformed for customers. So at the same time this KPI serve Brand recognition as well.
Like mentioned above results of KPI can be measured. After agreed time with sponsor, success can be measured by KPI. Realized % needs to be calculated with following formula:

\[
\frac{\text{Score}}{\text{(Target per measurement period)}} \times \text{(Contract weighting)} = \text{Realized \%}
\]

If there are more measurement periods than one, then Score of all periods needs to be summed up and divide with periods in order to get correct realized %. Current situation can be calculated after each measurement period with formula;

\[
\frac{\text{Score}}{\text{(Target per measurement period)}} \times \left(\frac{\% \text{ per period}}{\text{(Target per measurement period)}}\right) = \text{Realized \% after certain measurement period.}
\]

This gives idea if something needs to be changed, revised, improved etc. during some KPI description. For example; one of the KPIs is Product Marketing and sponsor is planning to execute 4 campaigns during the season and needs to know whether the campaigns were successful or not. SaiPa together with the sponsor could sit down after each campaign and check the results, calculate Realized %, compare it to % per period and evaluate if they are on right track or do they need to fix something in order to reach the targets.

Realized % can be under 100%, exact 100% or more than 100%. Naturally if it is below 100% targets of sponsor contract hasn’t been met, likewise if the realized % is more than 100% targets have exceed the expectations.

Different KPI descriptions can be added, modified or changed regarding of the targets of sponsor contract. KPIs should always be agreed with the sponsor, otherwise it is no use for sponsors if they do not understand the whole meaning of it. When KPI descriptions are agreed together and targets are set together, then evaluating and analysing of the results at the end will also go in harmony, because all results are based on facts.

Professionalism comes while KPI measure and score % is being set. SaiPa needs to know what the realistic score % is, and if needed they can justify their stand by facts from previous experiences. This gives professional picture for
sponsor and feeling that SaiPa truly cares of the results of their sponsor contracts. But then again that is the whole meaning of such improvement.

7.6. Result of the thesis

My opinion about how to increase sports property value in sponsorship can be divided in three major segments, brand, products and services and how to show the impact of sponsorship to sponsors business. KPI is value added for both parties; sports property and sponsors. Sponsors can measure how well goals and targets of sponsorship were reached. By using KPIs sports property gives deeper commitment to full fill those goals and targets by constant follow up and also it gives possibility to make necessary changes during the sponsorship agreement in order to reach agreed goals and targets. KPIs could be considered a win-win concept for both.

Regarding brand, sponsors in a way buy or rent part of sports property brands. Sport property holders needs to be able to explain and show what invested money brings to sponsor from brand perspective. It is obvious, the stronger the brand, the more interesting it is. Optimal situation for sports property brand is when sponsors want to be seen with and through sports property brand and even compete who can be the main sponsor.

From sponsors perspective, brand is also important factor while choosing the right target for sponsoring. Each and every company has already brand image. While choosing right target companies have to consider which kind of brand suits best for their needs, and which sort of brand they want to be seen with.

Products and services, which sports property offers for sponsors comes after brand. Simply because sport teams in similar level, like in SM-Liiga, offers more or less similar services, so those are not significant sales arguments. Certainly products and services needs to be professional and bring some value add for sponsors business, but my opinion is that products and services are just one important part of the big picture.
Sponsorship is a combination of brand value and different products and services. Therefore it would be wise to define your brand value. Part of the brand value is immaterial and cannot be shown true through facts; part of brand value can be shown true by facts. Everything which can be proven with facts needs to be turned to sales arguments of your brand. Typically such arguments cannot be sold as a product for sponsor. In SaiPa’s case such brand value arguments could be:

- strongly regional
- meant for both young and elder people despite of sex
- SaiPa’s junior work
- SaiPa’s fun club
- Professionalism in SaiPa’s organisation and activities

While introducing SaiPa brand for sponsors all of the values and factors of SaiPa brand need to be in harmony. SaiPa brand is the first thing which sponsors buy, so to speak. Sponsors will be seen with SaiPa brand so everything of the brand matters. The brand is like first impression of people, if it is good you want to hear more.

Then comes the products; visibility, advertising, networking and customer’s contacts. All of these products should have market price, because there are 13 different teams in SM-Liiga to compare with. Price for TV, Radio and press advertise can be calculated and presented for sponsors. When prices are presented realistically, the advantages of visibility products of SaiPa can be agreed together with the sponsor to be more competitive than just advertising on each media on their own.

Other main issue is the sponsorship impact to sponsor’s business. Either it is increase in sales, increased brand awareness, impact to customer behaviour and/or attitude. The sport property should be able to present it for the sponsor and prove that the impact is because of successful sponsorship. If sport property can undoubtedly show positive impact of sponsorship to sponsor’s business, it can be used to improve their sponsorship value. At the end of the day, that’s what the most of the sponsors are looking for.
All of this can be measured with KPIs. Most probably KPIs are new in SM-Liiga sponsor markets, but surely something what sponsors value. As mentioned earlier it is without controversy simple way to evaluate your own process and your co-operation with your sponsors. Using KPIs show for sponsors that; SaiPa are interested that the co-operation succeeds, it gives tool to analyse how well sponsor investments brought value to their business, a tool to follow up the results and targets of the sponsor contract, and it challenges SaiPa to do their utmost in order to serve their sponsors. KPI is a part of basic business principles, and because sponsorship is also business transaction it can be easily adapted to it.
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QUESTIONNAIRE FOR SAIPA’S SPONSORS

BACKGROUND INFORMATION

1. What is your business?
2. What kind of goods, products or services do you offer?
3. Which are your main target groups?
4. How do you differ from your competitors?
5. What are the main reasons for sponsoring?
6. Why did you choose to sponsor SaiPa?
7. Which SaiPas products are you using?
   a. Why those
8. How long have you been SaiPa’s sponsor?
   a. How is your co-operation developed during past years?

SAIPA BRAND

1. How do you see SaiPa brand?
   a. what values, you think, SaiPa represent?
2. How should SaiPa brand be developed?

SPONSORING

1. What are the most important marketing channels for you?
   a. Does sponsoring replace some other channel?
2. What are the pros and cons of sponsoring comparing to other marketing channels?
3. Do you sponsor other sports, team, culture etc. at the moment?
4. What do you think, what are SaiPas targets for sponsoring?
5. How do you measure/evaluate success of sponsoring?
6. What are the strengths and weaknesses of SaiPa?
EVALUATION OF SPONSORING

1. How do you evaluate value of sponsored sports property?
2. Does better results in sport affect to your value estimation of SaiPa?
3. Do you gain any added value by sponsoring?
   a. if yes, what?
4. Does SaiPa create possibility for you to benefit from sponsoring in your business?
5. How could SaiPa be even more interesting product?
INTERVIEW

SAIPA'S SPONSORS

BACKGROUND INFORMATION

1. What is your business?
2. What kind of goods, products or services do you offer?
3. Which are your main target groups?
4. How do you differ from your competitors?
5. What does sponsoring mean for you?
6. What are the main reasons for sponsoring?
7. What are the key issues while choosing right object for sponsoring?
8. Why did you choose to sponsor SaiPa?
9. Which SaiPas products are you using?
   a. Why those
10. How long have you been SaiPa’s sponsor?
    a. How is your co-operation developed during past years?
    b. How/to which direction should your co-operation develop?
    c. What are the key factors regarding continuous of co-operation in the future?

SAIPA-BRAND

1. How do you see SaiPa brand?
   a. what values, you think, SaiPa represent?
2. How should SaiPa brand be developed?

SPONSORING

1. What are the most important marketing channels for you?
   a. Does sponsoring replace some other channel?
2. What is the role of sponsoring in your marketing communication?
3. What are the pros and cons of sponsoring comparing to other marketing channels?
4. What are your targets for sponsoring?
5. What do you think what are SaiPa’s targets for sponsoring?
6. Do you sponsor other sports, team, culture etc. than SaiPa at the moment?
7. Do you utilize sponsoring in your other marketing?
   a. if yes, how
   b. if no, why
8. How do you measure/evaluate success of sponsoring?
9. What differs SaiPa from other sponsoring objects?
10. What are the pros and cons of SaiPa?
11. Do you feel that you need to network with other sponsors of SaiPa?

EVALUATION OF SPONSORING

1. How do you evaluate value of sponsored sports property?
2. What are the key factors of value estimation of your chosen sponsoring object?
3. Does better results in sport affect to your value estimation of SaiPa?
4. Do you gain any added value by sponsoring?
   a. if yes, what
5. Does sponsoring affect to your business?
   a. if yes, how
6. Does SaiPa create possibility for you to benefit from sponsoring in your business?
7. Can you utilize sponsoring for your target groups?
8. Do you think that sponsoring effects to your target groups’ behavior?
9. How could SaiPa be even more interesting product?
BACKGROUND INFORMATION

1. Who are your sponsors?
2. What kind of services and products SaiPa can offer to their sponsors?
3. What sponsoring means for SaiPa?
4. What are the strengths and weaknesses of SaiPa?
5. How do you see competition in South Carelia sponsoring market?
   a. How does SaiPa differ from its competitors?
   b. What SaiPa can offer for its sponsors?
   c. What about sponsors target groups?
6. What is sponsors share of SaiPa annual turnover?

SAIPA BRAND

3. How do you see SaiPa brand?
   a. What values does SaiPa present?
4. How and which direction you will develop SaiPa brand?

SPONSORING

1. How do you see sponsoring as a part of your sponsors marketing?
2. What are the pros and cons of sponsoring comparing to other marketing channels?
3. How do sponsors benefit from sponsoring in their marketing?
4. What is your vision of the goals of your sponsors?
5. What SaiPa try to achieve from sponsors?
6. How do you measure success of sponsoring?
7. How important for SaiPa is your long term sponsors?
8. What are the key factors of sponsor co-operation?
9. Does SaiPa choose/select their sponsors?
a. if yes, how
10. What is relation of good result of SaiPa to sponsor contracts?
11. Do your sponsors have possibility to network with each other?
   a. if yes how

VALUE ESTIMATION OF SAIPA

1. How do you evaluate value for SaiPa?
2. How do you evaluate value of SaiPa from sponsor’s perspective?
3. What are the most important sales arguments during your contract negotiations with sponsors?
4. How could you develop SaiPa to be even more interesting "product" in sponsoring market?