



# SPONSORSHIP APPLICATIONS IN DIGITAL SPORTS MARKETING

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## Abstract:

The dizzying pace of technology is causing radical changes in the sports industry. Sponsorship applications are also one of the areas where these great changes are experienced. Because of the digitalization of sponsorship practices, rights holders and sponsor brands need support from technology and software companies to communicate with the changing fan profile. Technology and software companies are involved in next-generation sports sponsorship in two ways. The first is to provide technical support to the rights holders and sponsor brands, and the second is to establish a sponsorship structure in which they are included. This research aims to determine the sponsorship practices of technology and software companies in the sports sector. The working group of the research consists of seven employees of the technology and software company which has an office in Istanbul. Content analysis technique has been used to analyse the data of the research. In line with the answers obtained from the content analysis, the themes of strategy, brand development and sponsorship, and sub-themes of these themes have been created. It has been concluded that technology and software companies collect useful data and create value by interacting with fans through sports sponsorship activities, they increase brand awareness among fans, they reach large audiences including fans and non-fans consumers by working with beneficiaries and co-sponsors, and they carry out digital marketing activities.

## Keywords:

Digitalization, Marketing, Sponsorship, Sports.

## INTRODUCTION

Technological developments provide easy access to information at an unprecedented speed. This situation causes the change in daily life and the transformation of business processes and its sectors in every field [1]. Sports sponsorship is also going through this transformation.

Sports sponsorship is a huge industry where brands reach large audiences and generate huge revenues. Traditional sports sponsorship requires long-term contracts between sponsoring brands and rights holders [2]. But digital tools have shaken the foundations of these deals. Sponsor brands and beneficiaries are now emerging with a different form of sports sponsorship that includes digital tools, digital journeys, digital fans and more [3,2].

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The transformation caused by digitalization encourages both rights holders and brands to use new methods to attract the attention of fans. The increasing pressure of digital tools on sports marketing causes this. With the digital evolution of sports marketing, the sports industry has understood the necessity of digital sports marketing in bringing both new fans and new investments to sports [4].

Experiencing digitalization in marketing is especially effective in sponsorship applications. Digitization shapes the interactions of rights holders, sponsor brands and their target audiences with each other in different ways from traditional sponsorship. For this reason, brands have to go beyond sponsoring sports events to succeed in today's sponsorship.

Brands need to approach their fans with new strategies to have a good sponsorship return. In the current period, fans prefer the brands which give them different experiences although they offer similar products or services. Digital sports sponsorship is the new way of communicating with fans and marketers need to focus on digital sports sponsorship. Digital tools assist marketers in this new understanding of sports sponsorship.

Thanks to digital tools, fan data is stored and data-based fan interaction is provided [5,2]. Analysing data such as demographics, lifestyles, and personality traits of fans is only possible with digital tools. In addition, digital tools offer brands a convenient, easy and cost-effective infrastructure for creating personal content.

Data, which is the beginning of a new trade in sports, is extremely valuable for sponsor brands. Two-way communication with fans is provided through this data. With analytical-supported applications, some movement areas are created for the fans, where the sports or sponsor can shape their practices, and then the digital footprints of these fans are followed. Various events and campaigns are organized to make sense of these footprints in the virtual world left by the fans. Instead of the billboards that were previously prepared to attract the attention of the fans, special contents are prepared for each of them [6]. At the end of the day, fans who think that they are valued and understood by the sponsor brands begin to sympathize with the sponsor brand [7]. In fact, the fans own the sponsor brand like the sports league, sports club or athlete they support.

Therefore, sponsor brands know how valuable the fan information obtained through digital tools is. Sponsors approach fans with more accurate and more effective marketing strategies thanks to the opportunities provided by digital tools.

This is a great opportunity for them. They also use this data to measure and correct their own performance. Thus, they save time against other brands by creating key metrics that they can profit from.

Brands which carry their sponsorship to the digital world cannot carry out these data and data-based processes by themselves. For this reason, the marketing units of most sponsor brands work with technology and/or software companies that are suitable for them and their sponsor rights holders. Recognizing the potential of sports sponsorship in the global market, these technology and software companies, previously carried out the digital content and media works of sponsor brands in various sectors, now reveal their own sports sponsorships. Sports sponsorship has always been a profitable marketing area for brands in the sectors as food and beverage, clothing, transportation, communication, financial services, etc. It is not a coincidence that technology companies have turned to sports sponsorship with the digitalization of sports.

Only the sponsorships of technology companies are slightly different from the sponsorships of other sectors. Technology companies have a more 'dynamic' relationship with the rights holders they sponsor than brands from other sectors. In addition to placing their logos on stadiums, arenas or on athletes' sport wears, technology companies collect game/player data in the background and communicate with fans by providing services such as fan experience via digital tools. The increase in sports sponsorship partnerships of technology and software companies triggers transformations in sports marketing. Therefore, the presence of technology and software companies directly in sports sponsorship is a new research topic.

In this study, it is aimed to evaluate the opinions of the employees of one of the technology and software companies which has an office in Istanbul and carry out digital content and media sponsorship activities through sports. The research is a necessary and important research in terms of determining the place of sports sponsorship activities of technology and software companies recently involved in sports sponsorship in sports marketing.



## 2. METHOD

This study aims to reach the positive/negative results of the digital sports sponsorship activities of technology and software companies and uses phenomenology which is a qualitative research design for this purpose. Phenomenology focuses on experiences rather than objectively and physically described reality [8]. It concentrates on the facts that we are aware of but do not have an in-depth and detailed understanding of, which are frequently used in qualitative research [9]. Therefore, in this study, perceptions and phenomena are expected to be presented in a realistic and comprehensive way in their natural environments [9, 10]. Perceptions and meanings developed by the study group with their experiences about the phenomenon have been revealed.

### 2.1. WORKING GROUP

Criterion sampling method, one of the purposeful sampling methods, has been used in the study [10]. According to this sampling method, all situations are studied with a set of predetermined criteria [9]. The basic criterion to be used in the research; Employees who work as engineers in a technology and software company that sponsors digital sports. Information on the task variables of the participants are shown in Table 1.

### 2.2. DATA COLLECTION

The data of the research have been collected from the people working in a İstanbul based technology and software company. Interviews have been held between 03-06 March 2023 by video conference method. In this study, the data have been obtained with a semi-structured interview form developed by the researcher via video teleconference. The data obtained from the interviews have been recorded in the computer environment.

To obtain comparative answers, the questions in the form have been prepared after field survey and expert opinion. In the interviews, six (6) semi-structured open-ended questions have been asked. These questions have been determined for digital sports sponsorship activities. The questions have been prepared by the researcher herself and care has been taken to ensure that they were easy to understand and not directive for the participants.

Interview questions have been directed to each participant using the same words. The data obtained from the interviews have been recorded with a voice recorder. 62 pages of data have been obtained from the analysis of the interviews. The data have been written down and their accuracy has been ensured.

### 2.3. VALIDITY AND RELIABILITY

In the study, credibility, transferability, consistency and confirmability strategies used in qualitative research have been used for validity and reliability [9, 10]. Long time interaction, expert review and participant confirmation strategies have been used to ensure credibility in the research. To strengthen the interaction between the participant and the researcher with long-term interaction, attention has been paid to create an environment of trust by keeping the interview times long. With the expert review, opinions about the research have been obtained from people who have general knowledge about the research subject and who are experts in the field of qualitative research methods. Purposeful sampling has been chosen to ensure transferability in the study. For consistency, Miles and Huberman's (1994) "Agreement / (Agreement + Disagreement)" formula has been used [11].

Table 1 - Distribution of Employees by Duty Variable.

Participant	Duty	Participant Code
M1	Software Engineer	YM
M2	Network Engineer	AM
M3	DevOps Engineer	DM
M4	Python Engineer	PM
M5	Site Reliability Engineer	SGM
M6	Simulation Engineer	SM
M7	Personnel Engineer	PM



## 2.4. ANALYSIS OF DATA

Content analysis technique has been used in the research. The data obtained from the audio recordings have been transferred to the computer environment. Then, it has been analysed and interpreted with the Nvivo 10 package program. In the research, the data have been analysed using descriptive and content analysis methods. According to the descriptive analysis approach, the obtained data are summarized and interpreted according to the determined themes [9]. In descriptive analysis technique; data reduction, presentation and conclusion steps are followed [12]. For this reason, the data obtained from the participants have been transferred to the computer environment, coding has been made and themes have been created. Details on the themes are presented in Table 2.

As seen in Table 2, there are three themes and sub-themes in the study. These themes and sub-themes have been interpreted with a descriptive narrative. The directly quoted opinions of the participants are given in italics and their codes in parentheses.

## 3. FINDINGS

The Participant opinions have been transferred by coding without giving names, depending on the principle of confidentiality. In line with the interviews with the participants, the following findings have been reached.

As seen in Table 3, the participants have stated that digital strategy and social media strategy have been used in the sports sponsorship activities of their companies. Participants have stated that while implementing the digital media strategy, they have brought together the rights holders, media platforms and fans and they have seen themselves as a part of this sponsorship (YM, PM, DM). One of the participants, YM, has stated that "With the digitalization of sports, technology companies like us provide the communication between rights holders and sponsors", while DM has said, "We are the newest actors in sports. Sports sponsorship is a good way to quickly introduce ourselves to large audiences". Participant PHM has stated that "We shape the data for our own benefit as we assume the responsibility in the sponsorship agreements made". SGM, on the other hand, has stated that "The fact that e-sports is digital on its own makes us turn to sports sponsorship".

Table 2 - Content Analysis Themes.

CONTENT ANALYSIS THEMES		
THEME 1	THEME 2	THEME 3
STRATEGY	BRAND DEVELOPMENT	CREATING CONTENT
<b>Sub Themes</b>	<b>Sub Themes</b>	<b>Sub Themes</b>
Digital Strategy	Data Cleanroom	Adopting Technology to Fans
Social Media Strategy	Data Collaboration	Improving the Fan Experience
	Value Creation	Sharing Technology with Joint Sponsors
		Obtaining Other Income Sources in addition to Technology Services

Table 3 - Opinions of Participants on Strategy Development.

Components	General Statements Determined in the Interview
Digital Strategy	<i>We bring together brands, rights holders, media platforms and fans. We include ourselves in these partnerships (YM, PM, DM). Sports sponsorship is the right strategy for new markets (PHM, SGM, DM, AM, PM).</i>
Social Media Strategy	<i>We determine how the fans experience our company in the digital environment together with the brands (SM, DM, YM, AM).</i>
	<i>We bring together new social media tools with beneficiaries (PHM, SGM, PM, DM).</i>



Regarding the social media strategy, the participants have stated that while determining how the fans have experienced the sponsor brands in the digital environment through social media, they have also determined their thoughts about their own companies (SM, DM, YM, AM, PHM). They have also expressed the opinion that they have provided the use of new social media tools and implemented sports sponsorship in this new social media. SM has said, “The fact that fans follow sports on social media causes the popularity of social media to increase even more. We also design our sponsorship activities in a more visible way on social media.” YM has stated that, “We increase our sponsorship value, both of other sponsors and our own, with social media tools”. PHM has said, “We make athletes more visible on social media rather than sports clubs. Fans mostly enjoy interacting with athletes. Athletes often get ahead of clubs in sponsorship.”

As can be seen in Table 4, the participants' views on brand development are creating the data cleanroom, data collaboration, and value creation. According to the opinions of the participants, the data of the fans have been shared with other stakeholders after their trust is established. For this reason, a data clean room has been created. Data sharing with beneficiaries and co-sponsors has been controlled (AM, YM, SGM, PM).

AM, one of the participants, has used the phrase, "It is one of our company's policies to approach data sensitively." PM has said, “We have created a data clean room especially against cyber-attacks. The data cleanroom has increased the confidence of fans in us, our beneficiaries and our co-sponsors.”

Participants have stated that after storing the data, they have shared it according to the needs of rights holders and other partners. They have stated that they have also benefited from these data for their own sponsorship activities. One of the participants, DM, has said, “We analyze and license the data we collect in the data clean room. We sometimes combine this data with sports sponsorship and include it in our strategy against our competitors.”

The participants have stated that they create value by gaining the trust of the fans. PM has said, “As a technology and software company, the fans are more comfortable moving and sharing because they know that we are on the field”.

Table 5 shows the opinions of the participants regarding the sponsorship activities of their companies in sports. The participants' views on sponsorship activities includes adapting technology to fans, improving the fan experience, sharing technology with joint sponsors, and obtaining other income sources in addition to technology services.

Table 4 - Opinions of Participants on Brand Development.

Components	General Statements Determined in the Interview
Data Cleanroom	<i>We share data with sponsors and rights holders (AM, YM, SGM, PM) without damaging the trust of the fans.</i>
	<i>When we make data available for permission, we build trust among fans for our company as a brand (PM, SM, YM).</i>
Data Collaboration	<i>We share data with beneficiaries and partners according to their needs (DM, PHM, YM).</i>
Value Creation	<i>We believe we can make a difference. We want to be valuable in the eyes of the fans (AM, YM, PM, SM).</i>
	<i>Sports sponsorship is a platform where technology and innovations can be used comfortably (YM, SGM, PHM, PM).</i>

Table 5 - Opinions of Participants on Sponsorship Activities.

Components	General Statements Determined in the Interview
Adapting Technology to Fans	<i>Fans adopt technology more quickly in sports (PHM, YM, AM, PM, SM).</i>
Improving the Fan Experience	<i>We constantly test our company's capabilities with the feedback we receive from fans (SM, PM, YM, DM, PHM).</i>
Sharing Technology with Joint Sponsors	<i>We work in coordination with other sponsors. We follow the digital footprints of the fans who turn to them (PM, AM, YM).</i>
Obtaining Other Income Sources in addition to Technology Services	<i>Apart from the technical services we offer through sponsorship, we ensure to be visible like other partners (SM, PM, DM).</i>





One of the participants, PHM, has said "The fans who consume the digital products we offer sometimes become a part of the solution". Concerning the improvement of the fan experience, participant SM has stated that "Because the use of content and data is more in sports sponsorship, it is necessary to act more carefully". AM has stated about the technology sharing with co-sponsors that "We connect with other sponsors through our sponsorship. We even store the data of their other consumers". Regarding income sources in addition to technology services, PM has declared that "Some of the fans also demand technical services from us for their own businesses".

#### 4. DISCUSSION AND CONCLUSION

Digital technologies are causing major changes in the way sponsorship is practiced. During the transition from traditional sponsorship to digital sponsorship, all brands compete to impress their fans with digital technologies. Digital sports sponsorship allows brands to accurately target their campaigns, realize the fan experience, and measure the commercial impact of their sponsorship practices. It offers brands a unique opportunity to grow through digital sports sponsorship.

With the evolution of sports into digital, technology and software companies have started to take part in the new generation sports sponsorship with their own brands after realizing that there is a potential to earn more money through sports. Sports sponsorship is one of the cornerstones of digital sports marketing, and sports sponsorship practices of technology and software companies directly affect digital sports marketing. Therefore, according to the findings of this research, which aims to reveal the opinions of technology and software company employees about sports sponsorship, the following conclusions have been reached:

1. Digital sports sponsorship is an important area for technology and software companies to find new markets and increase their awareness. In this way, they reduce time and advertising expenditures and gain an advantage over their competitors.
2. Digital and social media environments where fans interact with sports leagues, sports clubs or athletes that they admire, greatly contribute to the marketing and sponsorship practices of technology and software companies. In particular, fully digital e-sports have unlimited opportunities for technology and software companies to achieve their sponsorship goals.
3. Technology and software companies can easily show their talents/capabilities to fans, beneficiaries and co-sponsors through sports marketing and sports sponsorship. They can build trust among fans against their brand. In this way, they get useful data from fans.
4. They provide insights to co-sponsors based on data from fans. In this way, co-sponsors have the opportunity to access the data of their consumers outside the scope of sports sponsorship.
5. Thanks to the data obtained from sports sponsorship, they can create an admiring target audience, just like the rights holders, by using advanced technologies.

Finally, it is concluded that sports sponsorship is a profitable marketing activity for the technology and software companies. The technical assistance needed for the intervention of digital tools in marketing and sponsorship activities and the use of these tools in marketing shows that technology and software companies will take more place in sports sponsorship practices.

The limitations of this research are that the sample group consists of technology and software company employees. In future studies, including more technology and software companies in the sample, conducting similar research on the rights holders, co-sponsors and fans they sponsor are important to understand the place of technology and software company sponsorships in digital sports marketing.

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