

Interscholastic Sport Sponsorship: Following in the Footsteps of Professional and Collegiate Sports?

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Abstract

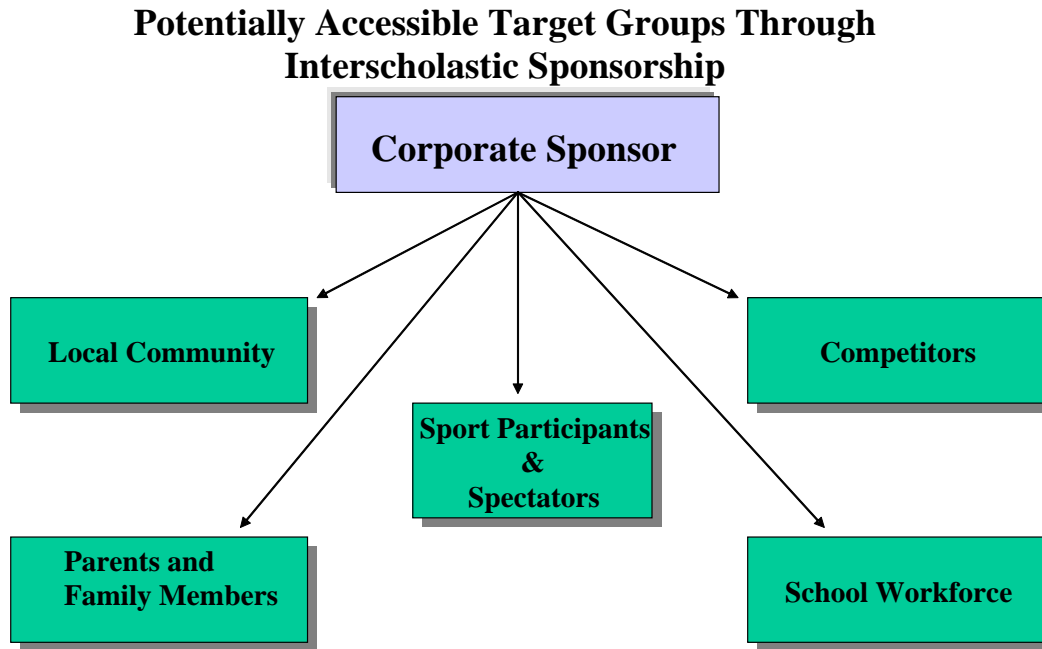
The purpose of this study was to determine the level of interscholastic sport corporate sponsorship at Division 5-A high schools in the state of Mississippi. Division 5-A high schools are the thirty-two largest schools in the state, with an enrollment between 1,084 and 2,245. A survey instrument was developed and administered to all Division 5-A high schools in Mississippi assessing the level of sponsorship. The survey was an 18-item instrument comprised of open-ended and objective questions. Participants were questioned regarding the sports they offer, whether they receive corporate sponsorship or have a corporate sponsorship package in place, the reasons for securing corporate sponsorship, and the amount of sponsorship they received over a five-year period.

Introduction

Sport organizations rely heavily on sponsorship to operate and would surely struggle to survive if these revenue streams ever ceased. More importantly, there has been a steady increase in corporate sponsorships of interscholastic athletics. The reason for such a trend can be traced to the 1980s and 1990s when inflation and reluctance of taxpayers to fund education resulted in many athletic programs being eliminated (Eitzen & Sage, 2003). Minimal government funding and state budget cuts have caused high school athletic departments to recruit external financial aid. Ticket sales and boosters help supplement the athletic budget, but many high schools also require corporate sponsorships to subsidize their athletic business. There has also been a trend towards “pay-for-play” requiring athletes to bear a portion of the financial burden. Corporations are constantly seeking new avenues for brand exposure to gain a competitive advantage, and some may find a greater ‘bang for their buck’ in less infiltrated markets such as high school sports. Companies are able to impact the local environment at the grass-roots level and can be more persuasive than traditional advertising methods on the national level (Pitts & Stotlar, 1996). Figure 1 (adopted from Tripodi, 2001) displays the potential groups that corporate sponsors can reach. High school sports are an uncluttered market that allows sponsors to communicate a direct message. Sponsors are able to reach the participant and spectators, which may include their family and extended family. The local community is impacted and school stakeholders such as staff and board members are influenced. The sponsor’s contributions are also visible to their competitors.

The purpose of this study is to determine the prevalence of interscholastic sport corporate sponsorship at Division 5-A high schools in the state of Mississippi. Since minimal government funding and state budget cuts have caused high school athletic departments to recruit external financial aid, it is hypothesized that the prevalence and level of corporate sponsorship have increased in interscholastic, Division 5-A high schools in the state of Mississippi. This study will serve as a basis for investigation of future research on corporate sport sponsorship in interscholastic athletics.

Figure 1: Accessible Target Groups Through Interscholastic Sponsorship



Review of Literature

“Worldwide sponsorship investment now exceeds \$26 billion (IEG, 2002). Over two-thirds of this sponsorship is invested in sports” (Crompton, 2004, p. 267). Corporations and sport properties form partnerships to accomplish respective objectives. Corporate marketing objectives may include: 1) to increase product awareness, 2) to enhance product or service image, 3) to increase sales and market share, 4) to achieve philanthropic goals, or 5) for hospitality and client entertainment (Mullin, Hardy & Sutton, 1993). Sponsorship contracts outline sponsor benefits and privileges, for example, logo display on uniforms and scoreboards, signage at games or promotional events, and naming rights. The sport property in exchange covers program objectives such as player fees, uniforms and equipment, traveling expenses, awards, and facility maintenance or renovation (Tripodi, 2001).

To understand the nature of sponsorship at the high school level, three Texas towns have each sold the naming rights to their football stadiums for more than a million dollars (Pennington, 2005). A school district in Colorado sold the naming rights to its stadium to a telephone company for \$2million. The spread of commercial interests in high school athletics is not limited to naming rights. Advertising is appearing increasingly on tickets to high school sports events, scoreboards, billboards in end zones, gym walls, locker rooms and the buses carrying teams to games (2005). According to Pennington, corporate involvement at the high school level is about to explode nationwide. High school athletics is an untapped market, companies are able to reach a captive audience with disposable income that are about to make decisions of lifelong preference (2005).

There is an obvious need for extra revenue to subsidize interscholastic athletic programs, but critics believe corporate involvement in high school sports undermines the true nature of high school sports and the academic priorities of school administrators. Fisher (2002) criticized corporate involvement and say it violates the basic tenets of high school athletics and fosters unhealthy efforts to field winning teams. Furthermore, high visibility teams attract more companies. This implies that corporations want to be associated with successful programs and in doing so has the potential to widen the competitive gap in high school sports (2002).

Methodology

Corporate sponsorship surveys were mailed to all Division 5-A high school Athletic Directors in the state of Mississippi. Division 5A high schools are classified as the 32 largest schools in the state with an enrollment between 1,084 and 2,245. The survey was an 18-item instrument comprised of open-ended and objective questions. It obtained information on school size, number of athletic programs, number of athletes, reasons for seeking sponsorship, and the amount of sponsorship dollars received from 2000-2004. Subjects were also questioned regarding the sports they offer, whether they receive corporate sponsorship or have a corporate sponsorship package in place, the reasons for securing corporate sponsorship, and the amount of sponsorship they received over a five-year period. The survey also assessed the sponsors' privileges for their financial commitment to the program. Mailing addresses were retrieved from the respective school website and follow-up calls were made one week later to remind subjects about the study. Participation was voluntary and a total of 11 surveys were returned for a 34% response rate. Data was entered into SPSS and descriptive statistics were calculated.

Results

The number of high school athletic programs that utilized corporate sponsorships increased over a five year period, from 50% in 2000, to 62.5% in 2004 (see Figure 2); however, only 36.4% have a sponsorship package in place. Football receives the most sponsorship money of all other sports (45%) and baseball second (27.3%). Half of the schools surveyed will seek sponsorship in the future. The largest sponsorship amount from a single source received by a division 5-A high school is somewhere between \$1,000-\$4,999. As a return on investment, 60% of the sponsors receive exposure through stadium signage. Sponsorship contracts tend to be over a five year period. An interesting finding that may have future implications is that 25% of schools in question have staff members that are opposed to corporate sponsorship of high school athletics.

Future Implications

Lack of funding will continue to force athletic programs to rely on sponsorships for program survival. It is very conclusive that more schools are seeking sponsorship and have stated intention to secure sponsorship in the future. Based on these current trends of interscholastic sport sponsorship, athletic directors will need training on soliciting corporate sponsorship and creating sponsorship packages. Although, 62% of the schools surveyed receive sponsorship, only half of these schools have a sponsorship package in place. For schools to embrace this growing trend and to be able to effectively compete for sponsorship dollars they must create and implement sponsorship packages and make sure they are proceeding with the appropriate sponsorship initiation protocols.

Figure 2: Percentage of Schools Receiving Corporate Sponsorship



Some school staff members receiving sponsorship are opposed to such activity. This may cause conflict within the school environment; therefore, all staff members must be informed of such important business decisions and educated on sponsorship benefits to prevent opposition in the future. Another important finding is the increasing amount of sponsorship dollars allocated to football. This trend could imply that high school football may emulate college football in the future. On a positive note, the extra revenue leads to prosperity and the building of a stage for athletes to display their talents. However, more money means more pressure to succeed which may lead to unethical efforts to secure wins and for coaches to keep their jobs.

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