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Pay Up and Play the Game: Sport and Sponsorship

The amount of money earned by British sport from corporate sponsorship at the start of the 1960s was insignificant. Yet over the next 20 years, the growth of commercial sponsorship of sport would be spectacular. In the process, sport-governing bodies were transformed and sport agencies and sponsorship brokers emerged to regularize and routinize the new business of arranging commercial sponsorships. It was this success of sport in gaining sponsorship that exerted a strong influence on organizations such as Association for Business Sponsorship of the Arts (ABSA), in the field of arts and culture, who, from 1976, began to argue that arts organizations must seek commercial sponsorship far more vigorously. As television technology developed during the 1960s and 1970s, it became possible to beam live pictures of sport around the world, making sport sponsorship far more attractive to companies. The Olympic Games, the football World Cup and other major sport events became globally accessible through television. This opened up spectacular new opportunities for sponsorship which, in sport, became a global business. The techniques for ensuring sponsors attained commercial value from their investment (brand name visibility, backdrops to interviews with sponsors' names, renaming of events, arenas and competitions, corporate hospitality) were first fully developed in sport and have become the template for sponsorship organization in many other fields.

Sponsorship of sport was not a new phenomenon in the 1960s, it had a history stretching back to the mid-nineteenth century. However, commercial sponsorship of sport only really took off in the mid-1960s. In 1957, the only sponsored event on British television was the Whitbread Gold Cup (Wilson 1988, p. 157). As television's audience expanded and as its technical facility increased, the appeal of sport came to the fore. With the development of a close relation between sport and television, sponsorship of televised sport events began to

have a greater impact. Sport sponsorship in the United Kingdom was worth less than £1 million in 1965, but in 25 years, had grown to £226 million.

Estimates of UK Revenue from Commercial Sponsorship of Sport 1965–1990

1965	Less than £1m	Howell Report, 1983
1970	2.5m	Sports Council, 1971
1972	7m	System Three, 1973
1976	16m	Howell Report, 1983
1983	100m	Howell Report, 1983
1990	226m	Henley Centre, 1991

The presence of cameras proved a huge attraction for potential sponsors of sporting events, especially as it enabled the exposure of brand names on the otherwise non-commercial BBC channels. This boom in commercial sponsorship was triggered by two significant events, the launching of BBC2 in 1964 and the banning of cigarette advertising on television in 1965, which meant tobacco companies turned to sport sponsorship as an alternative means of getting brand visibility on television. Although the British sport governing bodies were conservative and traditionally minded, this new source of revenue was welcomed because, during the 1950s, British spectator sport had been drifting into decline.

After the end of World War II, public leisure activities enjoyed an unprecedented boom. The celebratory mood and the return of troops meant that cinemas, dance halls, pubs and sport stadia enjoyed their biggest crowds ever. This was to prove a short-lived phenomenon. During the 1950s, public leisure attendances slumped, with cinemas and sports grounds especially hard hit. The major reason was the growth of television, which helped transform the home into a more attractive centre for family entertainment. Television, however, was not the only factor. The growth of the new hi-fidelity stereophonic sound systems, the spread of domestic equipment such as refrigerators and washing machines, the growing interest in home improvements, all contributed to a shift in focus from the public and communal to the domestic and familial. Even the spread of car ownership tended to encourage new family-based leisure at the expense of the old local communal leisure sites. Football crowds went into a long and dramatic decline which lasted from 1948 to 1985. Attendances at athletics events and cricket matches dropped

alarmingly. Television money was yet to provide a significant new revenue stream for sporting organizations.

Ironically, many sport organizations were deeply suspicious of the arrival of television and spent much of the early 1950s resisting its advances. The BBC did not help alleviate such suspicions, because for some years they resisted accepting the concept of payments for broadcasting rights, insisting that they were merely paying compensation for the inconvenience of their presence. Only when the Government agreed to establish, in 1954, a second television channel (ITV) provided by private companies and funded by advertizing did the BBC acknowledge that they were, in effect, paying for the right to broadcast, signing up key sports to long-term contracts in their desire to thwart their new competitor, ITV.

Television, then, brought a new source of revenue in rights payments, and by making television sport attractive to sponsors and advertizers, additional new forms of revenue for sport were established and grew rapidly from the 1960s. The launch of BBC 2 in 1964 led to an increase in the amount of television hours, which gave the BBC a means to increase the range of sports and to provide airtime for Sunday cricket and for extended coverage of cricket, tennis and golf (Bough 1980, pp. 118–35). At the end of the 1950s, in the United Kingdom, the television fees for rugby, cricket, show jumping, athletics and tennis were still very low – typically between £1,000 and £2,000 per day. Television rights payments to sport rose sharply as the audience increased, and competition between channels developed. By the 1970s, British television rights for football, athletics and other major sports would be measured in millions. For example, in 1976, BBC paid £250,000 for the rights to British athletics, but in 1984, when ITV gained the rights after a decade of failed bids, the price had risen to £10.5 million. The age of competitive bidding between channels for rights had begun.

The banning of cigarette advertising on television in Britain in 1965 and in the United States in 1970 had triggered a growth in direct sport sponsorship, led by the tobacco companies. While not all sponsorship was from cigarette companies, it was firms like Rothmans, John Player and Benson and Hedges that led the way in sport sponsorship. As sponsorship proved its worth as a device for marketing and for establishing a corporate image, tobacco and alcohol sponsors were joined in increasing numbers by financial institutions.

County Cricket was in a particularly poor financial state during the 1950s, and, by the early 1960s, the cricket authorities had been developing ideas for

one-day formats; Gillette sponsored the first cricket knock-out cup in 1963 for £6,500. Following the 1964 launch of BBC2, the BBC were in search of cheap programming for summer Sunday afternoons when audiences are low. The needs of the cricket authorities, the tobacco companies and the BBC came together in the growth of one-day limited-overs cricket competition; first, in the John Player League and then, in the Benson and Hedges trophy.

It seemed that in certain circumstances, sponsorship was a more cost-effective means of promotion than advertising. Carreras (Piccadilly cigarettes) estimated that a £20,000 sponsorship of Piccadilly World Match-play golf gained them exposure that would have cost £1 million in advertising rates.¹ The growth of sponsorship of sporting events caused problems for the BBC, which fought to limit the degree of visibility of brand names. Television gradually abandoned its attempts to keep sponsors' names off the screen and away from the action and, in the words of BBC's Head of Sport Bryan Cowgill, settled for 'a policy of containment'.² The concessions continued until 1983, when the BBC finally had to agree to allow sponsors' names on footballers' shirts, in exchange for getting the rights to show some football live.

The Sports Council had set up a working party on sponsorship in 1970 and estimated in its 1971 report that income from private sponsors was in the region of £2.5 million. Sponsorship did provide a lucrative new revenue flow for sport, although not as large as might be thought. It was estimated that only £2 million of each £5 million spent on sport sponsorship actually went to sport, the other £3 million going to back-up promotion and advertising.³ Sponsorship was also an unpredictable source of funding, as British athletics found at the end of the 1960s. Athletics was for many years sponsored almost entirely by two organizations, the *News of the World* newspaper and Pepsi Cola. When both left the scene in the same year, 1969, the AAA (Amateur Athletic Association) was reduced to near bankruptcy, their treasurer commenting wryly that 'we learned not to put all our eggs in one basket in the future'.⁴

However, from the mid-1960s, television, sponsorship and advertising became the central revenue sources, with sports agents as the new power brokers (see Whannel 1986, Burn 1986, Barnett 1990). The growth in sponsorship attracted attention from those responsible for arts policy in the context of low levels of public funding. One of the earliest systematic examinations of sponsorship in the United Kingdom was a 1973 report, *Sponsorship: Commercial sponsorship of sport and other activities in the United Kingdom*. Although it was not specifically examining sport sponsorship alone, nevertheless, the report is dominated by

sport and clearly indicates that sponsorship in sport was on a much greater scale than in all the other areas combined.⁵

The close-up-centred basis of television helped to transform sport performers into stars and celebrities. Televised sport made top performers recognizable stars, enhancing their earning potential from endorsements and advertising. Muhammad Ali and footballer George Best were two of the first television-era stars, as well known for their faces as for their performances. In 1978, half of England footballer Kevin Keegan's £250,000 earnings came from advertising, endorsements and other promotional activities (*Sunday Times*, 15.10.78 and 16.11.80). In the late 1970s, tennis player Björn Borg's promotional contracts brought him well over \$500,000 a year (Kramer 1979, p. 271). By the end of the 1970s, sponsorship had become a vital component in the financial organization of top level sport.

By 1979, the commercial sponsorship of sport was firmly established as a significant *regular* source of revenue. It had generated new competitions, new formats for competitions and rule changes. Sponsorship agencies and brokers had been established. Above all, the combination of television and sponsorship had undermined all but the last bastions of amateurism. Cricket abolished its distinction between gentlemen (amateurs) and players (professionals) in 1963. Tennis became an open game, which accepted amateurs in 1968, after an experimental open event in Wimbledon in 1967. Athletics, a sport in which undercover payments had become notorious during the 1970s, began its transition to a regulated form of professionalism in the late 1970s. Only rugby union held out for a strictly amateur game, but finally accepted professionalism in 1995.

It was, above all, in sport that commercial sponsorship became routinized and then globalized. It was around the institutions of sport that a comprehensive template was developed for obtaining, managing and promoting sponsorships. These routines involved the renaming of events, competitions and stadia to include the names of sponsors and brands, corporate hospitality, executive boxes and sponsors' tented villages, the dispensing of large numbers of the best tickets to sponsors, televised interviews with stars backed by sponsors' banners, associated advertising to reinforce the sponsorships and the availability of top stars to attend corporate events. This template is now routinely employed by institutions in other fields seeking to develop sponsorship support.

However, this template was not developed by the established sport-governing bodies who were not, for the most part, entrepreneurial bodies. The power of traditional governing bodies was challenged by sport agents. In the 1950s, Jack

Kramer's professional tennis circuit had been successful in luring top tennis stars away from the amateur game. In the 1960s, Mark McCormack built his sporting empire International Management Group (IMG) by representing the business interests of three top golfers. By 1983, IMG had 12 subsidiary companies and 15 offices around the world, with gross revenues exceeding \$200 million (McCormack 1984, p. 161). In the 1970s, West Nally had introduced a new level of capitalist rationalization in its handling of sponsorship promotion and advertising contracts for the international governing bodies of football and athletics, only to be replaced in this role during the early 1980s by a company, ISL, founded by Adidas boss Horst Dassler (see Whannel 1992).

The governing bodies of sport became desperate to offer television what it wanted to secure these revenues. These pressures towards a greater commercialization led to the undermining of the nineteenth-century benevolent paternalist and voluntarist sport governance by new entrepreneurial sport agencies and forced sport-governing bodies to transform themselves to accommodate the primacy of the new televised élite events. Sport-governing bodies, predominantly founded in the late nineteenth century, were similar in form to bourgeois gentlemen's clubs – traditional and exclusive. Such bodies were not entrepreneurial but rather rooted in paternal benevolence – they saw their fiscal role as redistributive rather than accumulative. Interestingly, the three exceptions are sport institutions founded in the eighteenth century – the Royal and Ancient Club (golf), the Jockey Club (horse racing) and the Marylebone Cricket Club. While being every bit as traditional and resistant to change as the nineteenth-century bodies, these three organizations were less concerned to mount an entrenched resistance to professionalism. In the new environment of television and sponsorship, however, all these organizations were forced to change simply in order to retain their power – it became obvious that if they did not adapt to exploit the new revenue opportunities fully, then other more enterprise-oriented bodies would challenge and possibly usurp their organizational power and cultural authority.

Sport-governing bodies were increasingly prone to changing the rules and the format of competitions to attract television and sponsors. The opening of tennis to professionals in 1968, the establishment of the Superbowl in 1967 and the rapid growth of one-day limited-overs cricket from the mid-1960s were early examples. Track and field began moves towards professionalism in 1981, and the English Football League finally agreed to live football on television in 1983, in exchange for which television allowed shirt advertisements – thus greatly increasing the sponsorship potential of major clubs.

From the election, in 1979, of the Conservative government led by Margaret Thatcher, government agencies such as the Sports Council were required to place more emphasis on encouraging and enabling sponsorship deals. The transformation of sport by the rise of television and sponsorship had already reshaped competitions and governing bodies and given rise to a whole new profession of sponsorship brokers. During the 1980s, the process became global, as the Federation International of Football Associations (FIFA), the International Olympic Committee (IOC) and the International Amateur Athletic Federation (IAAF) transformed their operations, in order to maximize revenues from sponsorship. Global capitalist corporations and elite sport organizations became closely linked through sport sponsorship. A 1981 Council of Europe definition of sponsorship makes a point of linking sport sponsorship and television:

By sport sponsorship is meant any agreement under which one of the parties (the sponsor) supplies materials, financial or other benefits to another (the sponsored) in exchange for its association with a sport or sportsman, and in particular permission to use this association with a sport or sportsman for advertising, especially television advertising purposes. (quoted in Townley and Grayson, p. 4)

The pressure from sponsors to maximize the value of their investments led to the development of new ways in which their brand names and logos could reach the viewing screen – most notably the now routinized post-event interview, which takes place in front of a backdrop on which all the sponsors are named. International television sport has constituted a test bed for the sponsorship business, in which new forms of public visibility have been developed.

The value of advertising can be difficult to establish, and the axiom that 50 per cent of advertising is wasted but no one can tell which 50 per cent has long been a principle in the advertising industry. However, brand awareness studies can provide useful clues, especially where a newcomer to a field is concerned. One oft-cited study became influential: In 1981, when insurance company Cornhill sponsored Test cricket, its banners at test match cricket appeared 7,459 times on television. The awareness level (the number of people who mentioned Cornhill when asked to name all the insurance firms they could remember) shot up to 17 per cent compared with just 2 per cent in 1977 (*The Economist*, 22.04.82). Brand exposure on television was the key to brand recognition. Sponsorship income went to sports and events that were televised. Sports that could not get on television had to change their

scheduling, modes of presentation or even their rules in order to attract the cameras (see Whannel 1992). In the United Kingdom, of the top ten sponsored sports in 1982, all had also been among the eleven most-televised sports in the previous year. That television coverage was attracting sponsorship could hardly be clearer. The problem this posed for public policies for sport development, which sought to encourage participation across a broad range of sporting activities, was that the majority of sponsorship income went to those sports already benefiting from revenue from television and spectators. Far less money went to sports with high participation rates but less television appeal, and in sports that did benefit from sponsorship income, these revenues were predominantly spent at the élite level, rather than being used to support and develop participation.

These concerns prompted the Central Council for Physical Recreation (CCPR) to commission an enquiry into sponsorship. The *Howell Report into Sponsorship* voiced concerns over the growing power of sports agents and sponsorship brokers, but despite this report, more generally in sport policy circles, the view of sponsorship as a benign force, to be encouraged, prevailed (Howell 1983). Public sports bodies such as the Sports Council and the CCPR assumed the role of midwives, establishing advice and brokering services, bringing sports and commercial sponsors together (see CCPR 1978, 1989). The success of sports in attracting sponsorship was encouraged under Thatcherite social policy and flourished throughout the 1980s (Marwick 1990, p. 267). By 1983, sponsorship of sporting events was worth £129 million, a figure that was to grow to £275 million by the end of the decade (Whannel 1992, p. 71).

Throughout the 1980s, sports sponsorship gained greater visibility, encouraged both by market forces and by public policy (see Sports Council 1992). Companies became increasingly aware of the potential mass and specialist markets which could be reached through sports audiences. Sports sponsorship benefited from the quantity of sports coverage on TV and newspapers. For Barclays Bank, who began sponsoring the English Football League in 1987, just as the game was emerging from its nadir in the mid-1980s, the deal gave them media exposure, access to a youth market and association with some positive values, the bank being perceived as modernizing and adventurous (see Jones and Dearsley 1989; and Meenaghan and Shipley 1999). The growing internationalization, commercialization, spectacularization and globalization of sport was rapidly transforming the sport environment. In just a few short years in the early 1980s, these new dynamic forces were to produce a new template for global sport events aimed at maximizing revenues from television and sponsorship. This

moment opened the door to a dramatic rise in revenues, but it also constituted the seedbed of the corruption of sport governance.

Television is a close-up based medium, and even in sport, it was not just the uncertainty, the immediacy and the drama of the game, but also the stars and personalities that contributed to the audience appeal. New quasi-sports events such as Superstars, called 'trash sports' by their critics and 'synthetic sports' by their proponents, grew out of the desire to exploit the fame of sport celebrities. In the mid-1980s, tennis stars such as Ivan Lendl and Martina Navratilova and many top American baseball and basketball stars were making more than £1 million annually. By the late 1980s, only one-tenth of Boris Becker's multi-million-dollar tennis income came directly from playing (Wilson 1988, p. 55). By the 1990s, earnings from playing and other sources of income for top US stars were soaring well above \$10 million annually. The images of major sport stars were of great value to advertisers seeking to capitalize on the associations of youth, fitness, success and glamour. The presence of stars at their events was important to television, and so the agents representing stars grew in power and influence.

The new cultural visibility of sport stimulated a rapid growth in sport-related branded merchandizing. In the post-Fordist era of the hollowed-out corporation, major companies increasingly saw their main product as the brand rather than the commodity itself – Nike providing a prime example (see Katz 1994). The brand, properly managed, can promote and sell a range of commodities. Sporting brands possess desirable attributes and associations – youth, fitness, high performance and success. Globalization produced a close association between major multinational products such as Coca-Cola and major sporting events. The Olympic Games, once persuaded by sports agents like ISL (International Sport and Leisure), of the new opportunities, was not slow to capitalize (see Craig 1993). The competition between major corporations for access to the global audience of major events has become every bit as intense as the sporting contestation. The remaining pretence towards Olympian ideals became increasingly hard to sustain (Whannel 1994). The commercial transformation of the Olympic Games since 1960 and the growth in the role of the sport agent tended to encourage wildly over-optimistic projections of sponsorship revenue for other events with less television appeal (see Bourke 1991).

The key figure in the story of the commercialization and globalization of sport is Horst Dassler of Adidas. Dassler grew up working for his father's sport shoe business, Adidas, and aged 20, was despatched to Melbourne in advance of the 1956 Olympic Games, to help ensure that as many competitors

as possible wore Adidas shoes. This initially meant free gifts of shoes but intense competition required the payment of inducements to athletes, which Dassler himself, interviewed in 1986, referred to as 'insoles'.⁶

The globalized marketing of sponsorship had yet to be invented when Dassler's own involvement in sport sponsorship and advertising developed from 1976, through an association with the newly elected President of FIFA, Joao Havelange. Havelange's expansive plans needed funding, and Dassler knew how to find it. Dassler's aide, John Boulter, drew his attention to the British company, West Nally, who helped sport organizers package events in ways that would appeal more to sponsors and broadcasters. West Nally then sold advertising at and sponsorship of these events to corporations. Patrick Nally and Horst Dassler formed a partnership, and their first big project was the 1978 World Cup. They formed the Monte Carlo-based SPMI (owned 45 per cent by West Nally and 55 per cent by Dassler). According to Smit,

the exact provenance of the joint venture's income and funds was aptly disguised through a financial carousel that made the money spin from Switzerland to Monaco, the Netherlands and the Dutch Antilles. They had to guarantee the Argentine organisers 12 million Swiss francs, which was covered by a commitment from Coca Cola to buy advertising space. They acquired the rights to the advertising board and in the event raised around 22 million Swiss francs. (Smit 2006, p. 160)⁷

Dassler had always been an assiduous networker, but in the 1970s, he formed a special sport politics group to network with, and retain information on, sports officials and rising sport stars. He maintained a detailed database of contacts, including names of wives and ages of children, complete with their clothes and shoes sizes, so that gifts from Adidas always fitted well. In the late 1970s, Dassler began working to support the election of Juan Antonio Samaranch to the IOC presidency, after his first meeting with Samaranch in 1973. If Samaranch became president, he could open doors to Dassler, and in turn the money brought in by Dassler would enhance Samaranch's prestige. Samaranch duly won the election in July 1980 and Dassler was among the 15 people who helped him celebrate (Smit 2006, p. 182). Dassler was also able to manoeuvre to ensure his protégé Sepp Blatter became General Secretary of FIFA in May 1981 (Smit 2006, p. 191).

After a split with Nally, Dassler acquired new backing from Dentsu, the Japanese advertising agency, to form ISL (International Sport and Leisure) (Smit 2006, p. 195).

Nally's blueprint for selling sponsorship earned ISL and Dassler great wealth – the 1986 World Cup marketing rights cost ISL £30 million, but they raised £130 million, of which ISL took a rumoured 30 per cent commission.⁸ When television rights were acquired as well, the profits rose further. Unfortunately for Dassler, the IOC believed that they could negotiate TV deals without his help, but they did award ISL, without tender, the contract to sell sponsorship for the Olympic Games. Dassler, though, had lots of work to do persuading as many NOCs (National Olympic Committees) as possible to relinquish their local marketing rights to sign up for the centralized and globalized programme for Olympic sponsorship.

Until 1985, all sponsorship revenue had been raised locally by the organizing committees, but the 1984 Games had demonstrated how effective the use of exclusive deals in limited product categories could be (see Ueberroth 1985). As this forced rival companies (for example, Coca-Cola and Pepsi, Kodak and Fuji) into an auction, it proved a very successful means of maximizing sponsorship revenue (see Reich 1986, Ueberroth 1985; see also Wilson 1988, Aris 1990, Whannel 1992, Sugden and Tomlinson 1998). Thanks to the Dassler link, by 1986, ISL executives were able to boast, with false modesty, 'we are a small company – we only have three clients – the Olympic Games, the World Cup and the World Athletics Championship'.⁹ With Dassler as a major influence, the IOC developed its global Olympic sponsorship system TOP (The Olympic Programme), first used in 1988.

There were just 12 TOP sponsors, but they brought in between \$10 and 20 million each (see Barney et al. 2002). Dassler had become the central figure in a web of mutually linked interests; his power was considerable. Although he died at the height of his influence, in 1987, the transformation he had wrought defined the global sporting environment as the 1990s began. Half of the total revenue of the Olympic movement still comes from television, but now 45 per cent comes from sponsorship, while a mere 5 per cent comes from ticket sales. It is worth noting that at the Olympic Games, like other major events, a large proportion of tickets goes to the Olympic 'Family' – sponsors, corporate hospitality and the media. Both Adidas and ISL lost their way after Dassler died in 1987, and ISL dramatically over-extended itself and went into bankruptcy in 2001. The sport marketing of major events was at the heart of corruption in sport – the evidence suggests that ISL gained privileged access by paying bribes and kickbacks. During the 1990s, several IOC members had to resign over corruption charges, and, in recent years, similar scandals have hit FIFA.

Finance, economics and growth

Largely because of the globalization of television sport, the scale of sport sponsorship had grown dramatically during the 1980s:

European and worldwide sports sponsorship estimates
1980–1990 in million dollars

	1980	1990	% increase
Europe	250	1860	644
Worldwide	1000	5200	420

Source: Sport Sponsorship (MAPS 1995).

The Henley Centre figures for the United Kingdom suggest a more conservative annual growth in real terms of around 5.5 per cent, with the amount growing from 129 million in 1985 to 3226 million in 1990. The Sportscan estimate for 1990 of £210 million was reasonably close to the Henley figure. Sports Council figures show a continued rise in the early 1990s from £200 million in 1990 to £250 million in 1994.

The majority of this income continued to go to the most-televised sports, and concern was again expressed that many other sports, even those with some television coverage, were finding it hard to attract sponsors.¹⁰ The very success of sport sponsorship contributed significantly to its growth in the arts. An Economist Intelligence Unit report on sponsorship (1990) suggested that as sponsorship in sport was so long established, opportunities had become limited – and that the arts represented new opportunities.¹¹ The Sports Council's magazine, *Sport*, urged sports to adopt 'a flexible approach to venues, dates, locations and other details'.¹² It was clear that the very possibility of sponsorship revenue was in itself driving changes in sport. The general belief that sponsorship was essential to survival, though, was overstated. In 1988, sponsorship revenue of £164 million was only one-tenth of the government (national and local) spending of around £1500 million (Whannel 1988). Even the Sports Council recognized that most sponsorship was inappropriate for long-term development and planning (Sports Council 1992).

As commercial sponsorship continued to grow, it also became consolidated into the similarly expanding sport merchandizing business. The emergence and growth of the replica kit market in the wake of the 1968 Copyright Act (see

Chaplin 1991) gave sponsors of football clubs a greatly extended reach, turning thousands of football fans into walking billboards. After extensive negotiations, the English football authorities agreed, in 1983, to allow live televised games in exchange for the broadcasters accepting shirt advertisements. This firmed up the close relation between sponsorship and merchandizing in football, as now both fans and the players seen on television bore the sponsor's name on their shirts.

One symptom of the routinization of sport sponsorship was the growth of organizations, conventions and codes of practice. The European Sponsorship Consultants Association (ESCA), founded in 1990, listed around 20 organizations including Alan Pascoe Associates, CSS International Holdings Ltd., International Management Group IMG, ISL Marketing AG and Karen Earl Ltd. Sponsorship research organizations emerged.¹³ Hollis Directories introduced an annual award for the most effective use of sponsorship, and in 1995, began stipulating that proof be provided, not just of creativity of idea and execution, but also an evaluation of how successfully the campaign met its objectives (MAPS 1995, p. 19).

Despite the frequently referenced benefits to grassroots sport, sponsorship has a strong general tendency to greatly strengthen the élite at the expense of the rest. The English Premier League emerged out of the desire, on the part of top English clubs, to retain a greater share of the revenue. And, of course, not all the money spent by sponsors benefited sport. Eleven sponsors paid £25 million to be official products of Euro 96, but each probably spent another £20 million supporting their sponsorship. (*The Guardian*, 16.11.93). Just as women's sport got far less media exposure, so sportswomen found it much harder to get personal commercial sponsorship.

The financial contribution of sponsors gave them influence on sports. When the Williams motor racing team boss Frank Williams decided, in 1992, to dispense with the services of Nigel Mansell, he was immediately put under pressure from his sponsors to change his mind. The sponsors were concerned at the loss of the public exposure Mansell provided. (*The Independent*, 16.09.92).

The new conventions of managing enterprise and the promotional imperative were developed by trial and error, with the sponsors often the powerful partner. One sponsorship advocate wrote that 'you should not expect a hockey team which has been wearing emerald, yellow and red hoops for 100 years to blossom into sky blue and claret, but it would be perfectly reasonable to expect vehicles, boats and individuals to be dressed in your corporate colours' (Gillies 1991, p. 123).

In such negotiations, there were inevitable contradictions between the logic of capital, which has no intrinsic morality and the demands of public image,

which has at times to respond to the moral sensibilities of the audience and the public. Corporations are fearful of negative publicity. When England football manager Glenn Hoddle made some foolish and ill-advised remarks about reincarnation and the disabled, it was reported that Nationwide, sponsors of the English national football team, had a clause in their contract forbidding the FA from bringing their building society into disrepute. Their condemnation of Hoddle was supposedly a factor in the cancellation of his contract by the FA (*Evening Standard*, 16.10.00).

Corporations were also increasingly intent on protecting their brand image, even where the brand itself was hopelessly tainted, as is the case with tobacco. Greg Matthews, Australian cricketer, was fined by the Australian Cricket Board for allowing himself to be photographed crushing a packet of Benson and Hedges after telling a women's magazine he had given up smoking. The Australian Board had a sponsorship deal with Benson and Hedges and said the fine was imposed to protect the interests of its major sponsor. (*The Guardian*, 09.10.92).

The image of sport has connotations of youth, health and excellence, key core values that companies were keen to associate with their product. Soft drink company Gatorade produced a newsletter in the form of a wall poster that reported on research showing the beneficial effect of drinks, such as Gatorade, for fluid replacement by athletes in training (*Gatorade News*, v3, n2, November 95). Sport sponsorship proved particularly attractive to those products that had an image problem associated with their negative impact in health. As recently as the 1990s, sport and cigarettes were still linked in the minds of many young people because of sport sponsorship, according to a MORI survey. Action on Smoking and Health (ASH), the BMA (British Medical Association) and the RCN (Royal College of Nursing) said manufacturers were using sports sponsorship to entice young people into smoking. (*The Guardian*, 31.05.96). Curiously, given the general enthusiasm for evaluative research into the impact of sponsorship, the tobacco industry seems an exception. According to the MAPS report, tobacco companies were reputedly 'nervous of research that links sponsorship expenditure with attitudes to smoking' (MAPS 1995, p. 20).

Given the willingness of some sponsors to intervene in policy issues, the introduction of sponsored officials and judges also had worrying ethical implications. In the 1990s, sponsorship began to penetrate into the neutrality of officialdom – TCCB (Test and County Cricket Board) signed a deal with the National Grid Company for logos on umpires' coats. (*The Guardian*, 02.04.93). Their follow-up advertising referred to 'The National Grid's duty of seeing fair play in the electricity market and encouraging competition among the players,

while at the same time helping to ensure that everyone gets a secure reliable and economic supply of electricity'. (advertisement in *The Observer*, 23.05.93). Sega proposed a sponsorship deal to football referees, which involved them sponsoring the red and yellow cards and offering holidays in Florida for the referees who used the cards most frequently (*The Guardian*, 18.10.96). Concern was expressed by tennis writer Michael Mewshaw that sponsored officials might not be immune to pressures from sponsors. In tennis, for example, there was a danger that umpires were reluctant to invoke the sanction of disqualification of top stars for misbehaviour, knowing that event promoters and their sponsors would be furious (see Mewshaw 1983).

Companies advertised their own philanthropy at sport events and promoted themselves as integral to the whole event:

We're not just sponsoring the Olympic Games, we're taking part . . . 3m can't help it. They get involved. Whether it's coming up with innovative solutions to make the Olympic Games a success or any of 60,000 other 3m products. From heart pumps to post-it notes. All making a difference to peoples lives throughout the world. Innovation working for you. (text of a 3m advertisement, 1992)

The imperatives of the global television sport business began to impact with increasing force on sport development policy. When the British Government elected not to build the proposed Pickets Lock Athletics Stadium in East London, an alternative site, Sheffield's Don Valley Stadium, was proposed for the World Championships. This was rejected by the IAAF (International Amateur Athletic Federation), whose strategy was to see its world championships hosted in a series of major world cities as part of their global marketing plan *in association with new sponsors*. (our emphasis).¹⁴

The embedded sense of history and identity represented by long established titles of competitions, leagues and venues has been brutally erased by sponsors' acquisition of 'naming rights'. In the last 30 years, the Football League Cup has been called successively, The Milk Cup, The Littlewoods Cup, The Rumbelows Cup, The Coca-Cola Cup, The Worthington Cup, The Carling Cup and The Capital One Cup. Candlestick Park in San Francisco became 3Com park after a 1996 sponsorship deal. In the United Kingdom, when Arsenal FC moved to a new ground in 2006, after almost 80 years at the famous Highbury Stadium, the new stadium was named Emirates Stadium, after the sponsors, Emirates Airline.

By 2000, the sponsorship business had become regularized, and public agencies such as the Sports Council were fully involved in fostering and encouraging sponsorships at all levels of sport, and in the private sector, sponsorship

brokers were thriving.¹⁵ The commercial importance of sport sponsorship to international governing bodies is highlighted by the growth of resources devoted to combating so-called 'ambush marketing' (see Crow and Hoek 2003). This term denotes the attempts of companies rival to the official sponsors to place their own advertisements near sporting events. Sport mega events now insist that host countries introduce special legal protection, which allows them to monopolize advertising opportunity not merely in stadia but in whole areas of host cities. In the United Kingdom, the Olympic Symbol (Protection) Act 1995 prevents unauthorized use of the Olympic Symbol, the word 'Olympic' and *Citius Altius Fortius*, or similar words.¹⁶ This Act was updated and augmented by the London Olympic Games and Paralympic Games (Protection) Act 2006, which provides extensive powers to combat ambush marketing (Ewing 2006, p. 14). Ewing states that 'the protection applies not only to commercial sponsorship but to political opposition, and is underpinned in some cases by the criminal rather than the civil law.' People carrying anti-Olympic slogans could be charged with criminal offences. (Ewing 2006, pp. 14–16, see also Horne and Whannel 2011)

As a source of income for sport, sponsorship has continued its dramatic growth. Worldwide sponsorship revenue in 2008 was projected to be \$43.5 billion, compared to \$13.4 billion in 1996. In North America alone, sponsor companies were predicted to spend \$16.8 billion in 2008, compared to \$850 million in 1996 (Sanghak 2009). The 'unholy alliance' between television, sport and sponsors has been a financial bonanza for those sports which dominate television time. During the 1980s, the roots of corruption in international sport governance were also established. Far from providing a model for the beneficent impact of corporate sponsorship, elite sport offers a cautionary tale. The combination of large and growing sums of money, a lack of transparency, the payment of inducements, the corruption of officials and the absence of public accountability has come to constitute a corrosive force within world sport.

Notes

- 1 'The Multi Million Pound Plug', *World Sports*, March 1972, pp. 12–15.
- 2 Ibid.
- 3 *Sponsoring a New Leisure Age* 1971, Daniel J. Edelman Ltd.
- 4 *World Sports*, March 1972: 13.
- 5 *Sponsorship: Commercial Sponsorship of Sport and Other Activities in the United Kingdom* (1973), London: System Three (Communications) Ltd.

- 6 Interview, *Selling The Games*, produced by Flashback Television for Channel 4, 1986, on which Whannel was the researcher.
- 7 The figures in Swiss francs were roughly equivalent to £8 million and £14 million.
- 8 Figures based on approximate conversion from Swiss Franc figures of 30 and 200 million.
- 9 Conversation with ISL executive, 1986, in the course of research for *Selling The Games*.
- 10 'Spending on Sport,' John Roberts, in *Sport*, the magazine of the Sports Council March/April 1994, p. 20.
- 11 Allen, Mary, (1990), *Sponsoring the Arts: New Business Strategies for the 1990s*. London: The Economist Intelligence Unit.
- 12 'Through The Sponsors' Eyes.' Andrew Mann in *Sport*, the magazine of the Sports Council March/April 1994.
- 13 Such as MarketLink Research, Millward Brown, Research Services Ltd. (RSL) Sponsorship Information Services, Sponsorship Research International (SrI), a division of ISL Marketing, Sports Marketing Surveys, The Sponsorship Research Company.
- 14 Select Committee Enquiry into the Picketts Lock affair: 'Alternatives to Picketts Lock.'
- 15 See, for example, *Making Sponsorship a Success* (2000), London: Sports Sponsorship Advisory Service.
- 16 'Intellectual Property and the London 2012 Olympic Games – 'What businesses need to know', By Malcolm Davies, Partner, Berry Davies LLP., www.ipa.gov.uk/news/newsletters/ipinsight/ipinsight-200911/ipinsight-200911-4.htm, accessed 10.07.10.