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The [E-]Business of Sport Sponsorship

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Introduction

Over the last two decades sport sponsorships have matured to play a dominant role in many organizations' promotional mix. Conversely, many sport organizations, sport event managers, leagues and even individual athletes see lavish corporate spending as the most viable, if not the only, path to profitability (cf. Pitts & Stotlar, 1996). The unique role sport sponsorship plays for sport marketers is also evidenced by the fact that many text books and monographs in the field of sport marketing devote entire chapters to the topic (see, e.g., Milne & McDonald, 1999; Pitts & Stotlar, 1996; Shank, 1999). However, while from the perspective of the recipient, sponsorship acquisition is a strategic tool with immediate implications for the organization's (or event's, league's, etc.) bottom line, from the perspective of the sponsor, sponsorships have mostly been considered as one tactical component among others in the company's larger integrated marketing communications strategy (Quester & Thompson, 2001; Weilbacher, 2001).[1] In addition, corporations have become increasingly sophisticated consumers of sport sponsorships, demanding from their partners to develop more complete sponsorship packages. Based on the sponsor's designation of the target market, event sponsorships, for example, may incorporate traditional communication vehicles such as mass advertising, promotions, point-of-purchase merchandising, cross-selling opportunities, and public relations as well as non-traditional Internet-based techniques, including online games and event-specific communities. Hence, unless marketers of sport sponsorships continuously add value to their product, they will see their share in the corporate communication budget dwindle in the future.

As the content of sponsorship packages changes, so does the need for measuring effectiveness (see also Meenaghan, this volume). Yet, in comparison to modern data-driven direct, one-on-one, and relationship marketing techniques, sponsorship represents a crude marketing tool because return on investment is notoriously difficult to measure. Even a seemingly simple task such as comparing brand awareness between sport fans and non-fans poses myriad problems. Linking sport sponsorship dollars to product sales is infinitely more complicated.

But as companies feel the pressure to justify large sponsorship investments to employees, investors, clients, and trade partners, proof that brand equity and financial objectives are being achieved is needed. Clients increasingly demand evidence that links fungible deliverables like sales volume and stock price more or less directly to their investment in the sponsorship (Shimp, 1997). Accountability is key and recipients must therefore do whatever they can to support clients in their effort to justify the sponsorship.

The challenge for sport marketers is to represent their sport organizations to potential sponsors and to sell their assets in an increasingly competitive global marketplace is tremendous. Two relatively new forces add additional layers of complexity to the business of sport sponsorship: the Internet[2] and what has been called the globalization of markets (Adam, Awerbuch, Glonin, Wegner & Tesha, 1997; Cairncross, 1997; Quelch & Klein, 1996; Stauss, 1997). To succeed in this brave new world of global e-business, sport marketers must understand what threats the Internet poses to sport *(e-)sponsoring*[3] and what opportunities may open up with this new medium. Hence, before integrating the Internet into a sport sponsorship package for a global market, marketers need to be able to judge whether the personality of the sponsor's brand aligns well with the Internet and if the Internet fits with the target audience (see also Madrigal, Bee and LaBarge, this volume). In addition, marketers need to understand how to coordinate an online strategy with an offline strategy and whether the objective of using the Internet for sponsorship purposes is the creation of brand awareness, exploration, or commitment (Rayport & Jaworski, 2001). Beyond such conventional questions about the medium, marketers of global sport sponsorship packages must be sensitized to its unique characteristics, in particular its ability to aggregate global consumers and to create the conditions of possibility for intimate consumer relationships (see e.g., Zwick & Dholakia, 2004).

Our goal here is not to provide a step-by-step prescription of how to implement a successful electronic sport sponsorship initiative, although we do have something to say about the "how-to" aspect as well. For the most part, however, we prefer a different route. We suggest that what is needed first and foremost in this rapidly emerging, but still scattered and nebulous e-business landscape is a conceptual understanding of the implications of the Internet for marketing strategy in general. Developing sound business knowledge of the Internet is not a purely theoretical exercise. Rather, this discussion will provide the foundation for proper analyses and strategic implementation. To paraphrase Manuel Castells, 2001, p. 4) our purpose here is analytical because we believe that knowledge should precede action. Special attention will be paid to the transformative power of the Internet on two key concepts in marketing: customer relationships and brands. Armed with an understanding of the new realities of e-business, we will then consider how these general transformations affect the nature and role of global sport sponsorship. In particular, we will sketch out the limitations and promises sponsorships hold for sponsors in the global digital marketplace and what sport marketers trying to attract sponsorships have to do to continuously add value to their clients. Finally, we spend some time pondering the need for global sport sponsoring to exploit the capabilities of e-business if it is to actualize its full potential in a global economy. We suggest that the addition of the "e" to sport sponsorship will make it the promotional tool par excellence for the fragmented, "glocalized" marketplace of the twenty-first century.

Understanding the Internet Revolution: Of Relationships and Brands

Today, not even a decade after its inception as a popular medium, the Internet is everywhere. A wholly pervasive, transformative, threatening and liberating medium, the Internet's cultural, economic and social logic is still largely a mystery.[4] The past several years have been characterized by a frenzy of new ideas, opinions, forecasts, and speculations about the impact of the Internet on business in general and marketing in particular (e.g. Kelly, 1998; Levine, 2000; Peppers, 2001). As Manuel Castells (2001, p. 3) points out, "[T]he speed of transformation has made it difficult for scholarly research to follow the pace of change with an adequate supply of empirical studies on the why and wherefores of the Internet-based economy and society."

Indeed, the speed with which knowledge was produced and disseminated mirrored the fierce race of companies to innovate and seize new opportunities. On the business-to-consumer (B2C) side, which is the focus of our paper, the attention has been mostly on developing tactics and so-called killer applications (customerization, community, content, personalization, etc.) for the "new economy" (e.g. Godin, 1999; Hagel & Armstrong, 1997; Wind, Mahajan & Gunther, 2002). Experiments with banner ads, e-mail promotions, opt-in/opt-out scenarios, pop-up ads, personalized webpages and many more have been undertaken, modified, adopted and abandoned. As the dust settles a little, it is time to take a more conceptual perspective on the effects of the Internet on marketing management. From our perspective, two key areas of marketing strategy that have been strongly affected by the Internet revolution need to be discussed in more detail because these transformations entail important ramifications for the practice of sport marketing as well. First, the trend of the 1990s towards customer-centric business organizations has received a dramatic push in the age of interactive computer-mediated communication (Hoffman & Novak, 1997). It is no accident that Customer Relationship Management (CRM) has become the buzzword of our times, gradually eclipsing (at least in the trade press and academic writings, if not in strategic importance) previous management paradigms such as Enterprise Resource Planning (ERP), Supply Chain Management (SCM), and Total Quality Management (TQM). The Internet has played a critical part in this shift because it has the potential to bring the company ever closer to the customer, thus ushering in what has been variously called customerization, personalization or the one-to-one future (Fink, Konnermann, Noller & Schuab, 2002; Peppers, 2001).

Second, as the Internet matures from a sales channel to a multimedia experience, discussion has ensued about the effectiveness and viability of the medium for brand-building initiatives. The success of companies like Yahoo, Amazon or eBay has shown that formidable online brands can be developed and sustained. But for existing offline consumer brands, things might not be so clear. Should they consider e-business a threat or an opportunity to their brand? Most marketers tend to focus on the potentially brand-strengthening features of the new medium (e.g. innovative content, increased reach, improved targeting, etc.), overlooking that the same medium spawns new forms of customer involvement and consumer behavior that might have *brand-diluting* effects (see Dussart, 2001).

E-business Transformations [1]: Customer Relationship Management

Customer Relationship Management[5] is increasingly taking center-stage in organizations' corporate strategies (Greenberg, 2002; Swift, 2001). Closely related to notions of relationship and database marketing, CRM aims at creating, developing, and enhancing personal and valuable relationships with customers by providing personalized and customized products and services (McKim, 2002; Rigby, Reichfeld & Schefter, 2002). For it to work, a CRM system relies on its ability to swiftly accumulate accurate individual customer records at every organizational touch point.[6] Customer profiles are stored in a central database, making them available to every part of the organization at any time. If well executed, the company gains a 360º vision of each customer, allowing it to very accurately determine for each customer his or her costs to serve, profitability, and customer lifetime value (Ryals & Knox, 2001).

Particularly, the Internet has increased the level of buyer-seller interactivity (Achrol & Kotler, 1999). In the world of relationship-based electronic commerce, personal information is acquiring enormous financial value and some companies have noticed that their consumers tell them more online than offline (Dussart, 2001). Because a minority of customers account for the bulk of revenue and profits for many companies (Donath, 1999; Libai, Narayandas & Humby, 2002), competitive strategies now emphasize customer retention over customer acquisition in efforts to maximize customer equity (Blattberg & Deighton, 1996). To implement this strategic shift, successful firms increasingly depend on vast amounts of customer data (Baig, Stepanek & Guess, 1999; Shapiro & Varian, 1999). The assumption is that details about customers' real needs and requirements can be extracted from this data to help businesses satisfy them better and build loyalty.

CRM can thus be seen as a company's tactic to gain an "informational edge" (Berthon, Holbrook & Hulbert, 2000) over competitors. In other words, whoever owns the most information about a customer owns the relationship with him or her (Seybold, 2001). Therefore, in the age of e-business all customer-facing organizational touch points should be reconceptualized to capture customer information. The key to success lies in the interactivity and data-capturing capabilities of the Internet. Every interaction between the customer and the company that takes place through this channel is automatically recorded and can be used for targeted promotional and sales efforts.

These capabilities however change the expectations regarding marketing and promotional efforts. Traditional mass-media based advertising, for example, while by no means obsolete, has several disadvantages vis-à-vis highly targeted interactive direct marketing techniques such as indeterminable return on investment and one-way communication flows[7] (i.e. no identifiable, collectable, and advertising-related data stream coming back from the customer) (Hoffman & Novak, 1996). Advertising formats that make use of the Internet's interactive capabilities deliver on these dimensions and therefore increasingly end up on management's radar screens. Hence, with growing expectations metrics for measuring marketing and communication effectiveness change. Accurate ROI evaluations and amount and quality of customer data gathered – operationalizing "soft" measures like value of relationship or customer lifetime value (Wind et al., 2002) – will increasingly be used to assess the value of marketing efforts.

Traditional vehicles of a company's integrated marketing communication strategy such as sponsorship programs will need to find ways to deliver on the promises of the interactive communication paradigm. In other words, only if the sponsorship activity becomes an interactive customer touch point that generates incoming flows of customer data will it be able to position itself as a valuable promotional tool for the sponsor. We will return to this important aspect later.

E-business Transformations [2]: Branding

The importance of branding in today's overcrowded and hyper-competitive marketplaces can hardly be overstated. Strong brands reduce customer acquisition costs, increase loyalty and customer retention, and protect against competitors undermining the price premium consumers are willing to pay (Aaker, 1996; Aaker & Joachimsthaler, 2000). From a strategic marketing perspective, a strong brand is a key asset in the successful implementation of the relationship paradigm (Fournier, 1998). Creating a strong brand has never been easy but with the advent of the Internet, it has become a whole lot more difficult. Before the Internet became the "channel of universal communication" (Castells, 1998) effectively decentralizing communication flows, companies could exert a tremendous amount of control over source, form and content of the marketing message. In effect, companies could rely on the structural security of the mass communication model with its one-way communication flow. Consequently, a company could make product claims without being too concerned about direct and immediate customer opposition to these assertions. Consumers hardly ever talked back and therefore brand managers equated control over means of communication with control over the brand.[8]

The Web, however, has changed all of this by opening up a dialogue between consumers and companies (including manufacturers, designers, marketers, etc.)

and, infinitely more important, consumers and consumers. "Brands are now an open book for all to look into" (Travis, 2001, p. 16). False statements about the performance or quality of a product can be exposed quickly by consumer activists armed with a laptop computer and Internet access. Consumers now talk back to the brand manager and what is more, they talk to each other, effectively *co-creating the brand on a global basis* (Kozinets, 1999). Therefore, the Internet "will drive the last nail into the coffin of controlled branding, selective distribution and set price lists. The power of negotiation that has mostly passed into the hands of mass distributors may end up entirely in those of customers" (Dussart, 2000, p. 390).

The end of brand management may also bring about the end of developing a coherent corporate identity, leaving the business with little more to sell than an aggregation of product and service characteristics. In other words, with brand equity under severe attack marketers will lose the benefit of distinguishing between representation and reality that hitherto has governed the modern consumer gaze (cf. Harvey, 1996). The manipulation of the product and service on the *symbolic level* for the purpose of perceptual differentiation (Lien, 2000) becomes infinitely more difficult and consumer behavior differentiated by loyalty and price insensitivity becomes less likely.

In short, the Internet, while here to stay and to develop further, is not necessarily good news for companies (Porter, 2001). Marketing guru Regis McKenna points to the threat of e-business to commoditize all and everything because the only variable customers are looking for on the Net is price (Kuchinskas, 2000). Furthermore, models like "name your own price," "group buying," "reverse auctions" and "shopbot buying" create markets that ignore the symbolic properties of vendor and product (i.e. the brand) and thus lead to *brand dilution*.

Conceptually, as e-business develops we observe increasing difficulties on the part of businesses to create brand proximity or intimacy. These concepts denote the degree to which a customer perceives a certain brand to address his or her symbolic and material needs (see Figure 6.1).

The important question then for marketers will be to figure out ways to turn some of the obvious negative effects of the Internet – brand dilution due to commoditization and distancing – into positives ones for their brands. In other words, can the Internet be used to resuscitate brands that have been weakened by e-business commoditization? For this to happen, the Internet must be used in ways that help decrease the distance between consumer and brand and to create more proximity and intimacy (see Figure 6.2). We argue below that for a number of reasons, sport e-sponsorship is a very promising proposition for businesses that want to recreate their brands. Commoditization

Sport Sponsorship in the Age of E-Business

So far, we have discussed two major transformations of marketing strategy in the age of e-business: the radical move towards information-intensive customer relationship management and the dilution of brands characterized by the

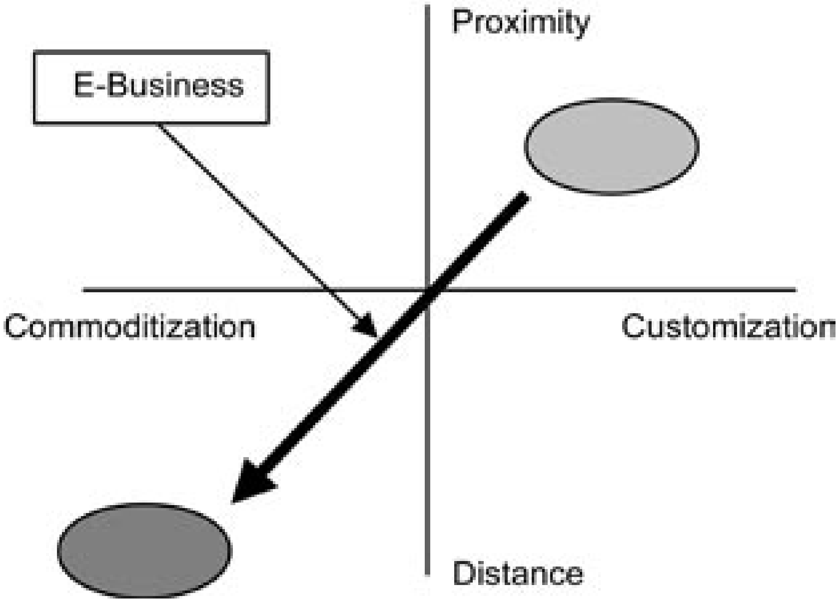

Figure 6.1 *Effect of internet on brand (adapted from Dussart, 2001).*

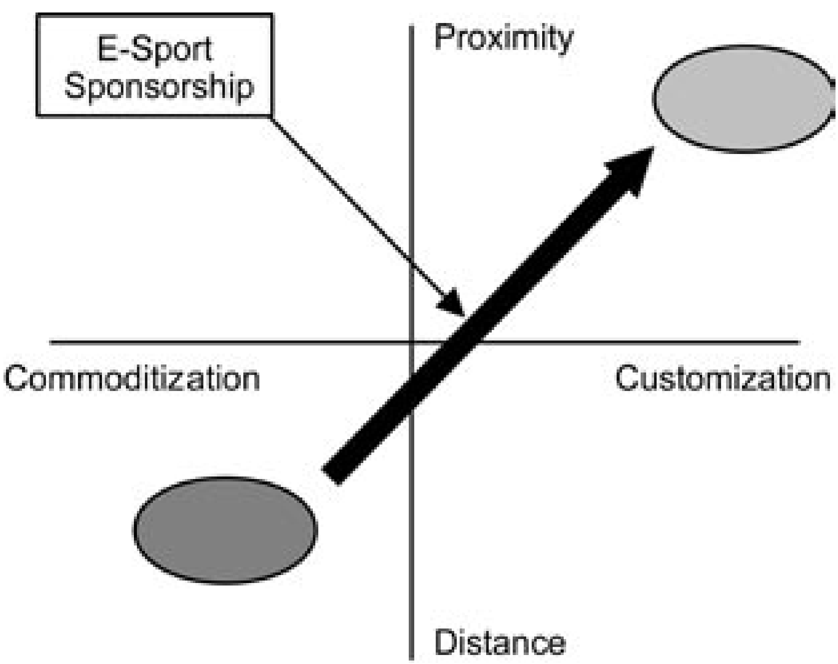

Figure 6.2 *Potential effect of e-sport sponsorship on brand (adapted from Dussart, 2001, p. 634)).*

double threat of brand distancing and commoditization. Two imperatives with tremendous implications for sport sponsorship initiatives emerge from these observations: (1) for a good relationship there is a permanent need for up-to-date and detailed *customer information* (Berthon et al., 2000); and (2) there is a need for creating *brand involvement* that brings the customer closer to the brand and defers brand aging (Fournier, 1998). Promotional marketing tactics that can deliver on these needs have a great chance of successfully supporting the entire marketing mix.

The question we need to investigate, then, is whether a sport e-sponsorship can be used to address the two marketing imperatives of information and involvement. In the following we discuss what a sport e-sponsorship that adds value to the sponsor's promotional mix should look like. In a second step, we take a cursory look at some examples to illustrate the still undeveloped use of the medium's interactive capabilities for sponsorship. Finally, we shed light on the opportunities that emerge for e-sport sponsorships within the global marketplace.

The information and the Involvement Imperative

In the age of information-intensive marketing, the organization must rethink every touch point with the customer as a source of customer knowledge. Previously, advertising was a non-interactive flow of data, streaming one-way as it were, from the organization to the audience. Now, advertising can be created as an interactive experience in which the consumer engaged with the ad in active and creative ways. Advertising and promotions are thus no longer passive vehicles for a company's message but by the customer *co-created brand environments* (cf. Berthon et al., 2000). In these spaces, much more than in their off-line equivalent, customers are willing to tell marketers about themselves. In addition to the increased quantity of customer data, information provided by the customers in these co-created advertising spaces like Amazon's recommendation boards, the discussion forums of the National Basketball Association, or Nike sponsored RunLondon website (http://www.runlondon.com) is much more accurate and hence useful for actual marketing purposes.

The key to a real and shared sense of relationship between the marketer and the customer, indeed the brand and the customer, is whether the message can get the customer involved. Involvement leads to a lasting brand relationship and a higher willingness to share information, which is mission critical for both electronic customer relationship management and brand equity.

Paradigmatic of involvement-generating use of the Internet is the innovative community site Neopets.com, the most popular youth site on the Web. It counts about 70 million registered users worldwide and records seven billion hits per month. In this community, users begin by designing a virtual pet for which they then have to care. The pet demands to be fed and entertained, checked by the doctor, and taken shopping, among other things. To do all of these activities, the pet owner needs NeoPoints which can be collected by playing the games offered in various parts of the site. Users quickly find themselves deeply immersed in a world of games and playful interaction with other pet owners, where the transition from playing the new Spy Kids 3–D game to watching the latest movie trailer in the "Disney Theatre" is seamless. In the Thinkway store, easily accessible with a few clicks, users receive NeoPoints for watching ads for Thinkway's new line of Neopets toys.[9] Not unlike product placement in movies, this type of immersion advertising transforms the brand into a "natural" part of the virtual landscape. Immersion encourages lengthy, intimate, and active interaction with the brand. In fact, the Internet provides the infrastructure for global interactive brand environments that are no longer recognized as channels for corporate marketing communication. Conceptually, Internet-enabled immersion advertising transforms the brand from a selling proposition to a reliable partner who is essential in accomplishing the required task of raising and caring for one's virtual pet. Put this way, marketer and pet owner become complicit in creating, maintaining, and advancing the brand.

E-sport sponsorships are uniquely positioned to involve customers with the brand by making them *co-creators of the sponsorship*. In addition to the interactive element of the Internet, which allows for a conversational relationship between brand, customers and marketers (see Zwick & Dholakia, 2004) and the immersive experience described above, the medium attracts a youthful market segment. As the average age is much lower for online sports fans and buyers than for traditional ones, the Internet delivers a powerful strategic vehicle to prevent brand ageing. Finally, given the youthful image of sports in general, Internet-enabled sponsorships align more naturally with the characteristics of the target market than any other marketing communication channel.

As the Nike Runlondon website example shows, with the extension of the sponsorship of the "London 10k" run into the virtual space, Nike does more than merely deliver a passive message to its audience. The site allows for some basic form of immersion by inviting runners to interact with its capabilities and to make it "work" for them in several ways, including watching oneself crossing the finish line, connecting with other runners, getting friends involved that are not yet runners, and shopping. In effect, Nike is creating a platform for runners to extend the experience of the run all the while keeping the runner (inter)actively involved with the brand. By doing so, Nike vanishes as a corporate brand message and re-emerges as a relationship partner in the project of experience creation. Nike is the beneficiary, within legal restriction, of the information exchange as well as the ongoing economic and symbolic exchange that characterizes brand equity.

Thus to the degree that the sponsorship can be upgraded by the use of electronic media, including effective tie-ins with traditional promotional vehicles, it is more likely to get the desired results. A website is but one of the possibilities for electronic mass interactivity with customers – handheld devices, for example, will play an increasingly important role in companies' promotional strategies and sponsoring will be included there – but it is still the most promising one based on the multimedia content that can be delivered via high-speed Internet. However, creating an engaging, involving, and interactive site is not a simple affair. Customers today expect a website to perform like software, full of capabilities, responsiveness and functionality. Disconfirming these expectations of the cyber consumer would lead to a negative attitude toward the site and the sponsoring brand (cf. Brown & Stayman, 1992). The "realness" of the action and interaction allowed by the site can be positively linked to attitude-behavior consistency through the notions of direct versus indirect experiences with an attitude object (Coyle & Thorson, 2001). Specifically, attitudes developed through direct experiences are held more confidently, are more enduring and more resistant to attack than are those developed through indirect experience. It has further been argued that more direct experiences with an attitude object lead to more consistency between attitudes and behavior than do indirect experiences (Fazio & Zanna, 1978). Therefore, the capability of the medium to produce a sense of direct and real involvement with the brand, what we call immersion, is crucial for the effectiveness of the sponsor's communication efforts. Hence, the attitude toward the brand as mediated toward the ongoing involvement with the site is continuously shaped even after the main event has ended. The Nike site marks a simple, yet effective execution of e-sponsorship because it addresses better than any other medium both the need for customer information and lasting involvement with the site.

Nike's "London 10k" site (http://www.runlondon.com/) is also an example of a global player leveraging the Internet's "placelessness" for developing a highly localized form of sponsorship. Placelessness here refers to the freedom from large transmission sites and printing presses needed for traditional media production. Setting up a website of this kind is very inexpensive – especially when compared to traditional forms of marketing communications like television and newspaper – and its message is highly relevant to a well-segmented and narrowcast audience. This independence from the broadcasting model of traditional media allows the Internet to become the ultimate form of localized communication within a global network of information flows (Wellman, 2001). As we will discuss in more detail below, marketers of sport sponsorships can use the Internet to both localize the package (e.g. tie-ins with local retail promotions, use of local stars for chat events, etc.) and globalize it at the same time. Online communities, for example, are able to draw a highly involved and globally dispersed audience together and align it for the branding efforts of the sponsor.

Companies continue to struggle to leverage the interactive nature of the Internet for sponsorship purposes. Siemens Mobile's (www.siemens-mobile.com) sport sponsorship involvement, for example, is substantial and yet its use of the Internet to support their sport marketing communication efforts is rather basic. The company also follows a philosophy of localized representation; but on a large scale nevertheless. In May 2000 Siemens's mobile branch embarked on a massive soccer sponsorship campaign across Europe combining twenty-four clubs in its portfolio as well as the English FA Premier League. Since 2002, Siemens Mobile has been a sponsor of Real Madrid, arguably the world's most glamorous and prestigious soccer club. In addition, top national soccer clubs Lazio Rome, Girondins de Bordeaux, Olympiakos Piraeus and Aalborg BK count Siemens Mobile as their main sponsor. Siemens Mobile also has a large stake in Formula One as the provider of communication equipment. Siemens Mobile customers can sign up for special services such as up-to-date race results or drivers' positions during a F1 race, notifications of breaking news and "trading rumors," and logo downloads to display on the phone's screen. These are early examples of how mobile commerce can be leveraged by generating sales that are directly linked to the sponsored event. Yet, Siemens Mobile's German website, at least on the soccer side of things, is not as good in making use of the company's sponsorship involvement. It is limited to a few general remarks on the game of soccer and a chat archive with two German soccer players. The games available for cellular phones bear no relation to the nature of the sponsorships and there are no opportunities for unique downloads that would leverage the company's involvement such as images from athletes or their cars (as in the case of Formula One), top athletes' personal greetings in lieu of a ring tone, among other things.

Siemens Mobile does a better job using the Internet to leverage its significant presence in the Formula One as a technology partner (www.my-siemens.com/f1). The F1–specific website offers a number of interactive activities such as a video game, quizzes, chats with Formula One drivers, e-cards, etc. In order to participate in these activities the user must first register by creating a profile complete with login name and password. The Siemens Mobile F1–website, thus, offers the usual mix of entertainment, interactive games and information that makes a site sticky. By inviting the visitor to spend time on the F1 site Siemens Mobile hopes to establish an emotional link between the brand and the consumer. In addition, asking the visitor to fill out a brief personal profile questionnaire can be regarded as a valid form of customer information gathering, notwithstanding the problems inherent in this method. When combined with cookies and site tracking tools, a relatively detailed picture of a visitor emerges (Berry & Linoff, 2000; Hoffman, Novate & Penalta, 1999). Tracking software is now able to monitor every minute detail of online consumers (Locke, 2000). Computers capture where consumers go with their mouse and how long they linger at a site. What is more, software can capture whether a consumer who was exposed to company X's banner advertising when visiting website Y, actually visits company X's website even if she does so three days later (Allard, Graves, Gluck, May & McAteer, 1999). With such information at hand, stored in customer databases and if needed accessed and analyzed with lightning speed, the sponsor gains invaluable data that can be mined for hidden customer preferences and unexpected correlations (Fayyad, 2001; Fayyad & Uthurusamy, 1996). Whether Siemens Mobile uses these techniques for marketing purposes is another question.

It is significant, however, that on the poorly developed and surprisingly unprofessional-looking home page of the Federation Internationale De L'Automobile (www.FIA.com), the governing body of Formula One, no reference is made to the Siemens Mobile involvement and no link can be found to its sponsors' sites. Ignoring these most basic capabilities of the medium has become rare but is by no means unique to the FIA site. Particularly, smaller sporting events struggle to include some of the website's communicatory potential in favor of the sponsor and thereby forgo a legitimate value-added service. The official site for the Kroger St Jude ATP tennis tournament (http://www.atptennis.com/memphis/), for example, exhibits "non-clickable" logos of its sponsors including Conair and Pepsi. Also, the official home page of the 2003 Ford Curling World Championships in Winnipeg, Canada (http://www.wcc2003.ca/index2.php) did not offer any clickable logos of its many sponsors, including what they refer to as the event's Gold Sponsors. Completely absent are any attempts to create an immersive online brand environment (e.g. virtual golf or tennis games) and tie-ins with offline promotions.

Even such a cursory look at a few efforts to incorporate the Internet into the sponsorship package reveals that the website has not yet been discovered as a legitimate aspect of the sponsorship package. It appears that marketers on both sides of the sponsorship dyad still lack a basic understanding of how the Internet can add value to the promotional mix in general and the sponsorship package in particular. Simply transferring the broadcasting model to the Internet does not do justice to the possibilities of the medium. Well-executed e-sponsorships open up ongoing and involving conversations with consumers (Levine, 2000), the foundation of relationship marketing and brand equity in a world of scarce consumer attention and crowded marketplaces.

Globalizing E-Sponsorship

Late capitalist global expansion of markets forced especially multinational corporations to adapt their promotional strategies to the local contexts in which they seek to place their products (Silk & Andrews, 2001) (see also Silk & Andrews, and Grainger, Newman & Andrews, this volume). Sport sponsorships have proven to be a valuable strategy for addressing consumers and trade on a local level (Gordon, 1994). To be sure, global umbrella campaigns remain indispensable in the battle for market share and mind share but the crisis of the Fordist regime of standardized mass production and consumption in the 1970s and the subsequent transition to flexible production, labor relations, and "postmodern consumption" (Firat & Dholakia, 1998; Lury, 1996) required an accompanying system of signification that allows for the manipulation of the commodity sign on a local scale (Andrews, Carrington, Jackson & Major, 1996; Harvey, 1989). In fact, under the post-Fordist mode of production we have also seen a certain promiscuity in the production of locally relevant brand images without, however, leading to true heterogeneity of meaning because companies maintain the "cultural power" to limit the range of possible interpretations of the brand image in the place of reception (cf. Wilson & Sparks, 2001). The strategic "brandscape" envisioned by multinationals is thus characterized by what Wilk

(1995) calls the "structure of common difference" where Appadurai's (1996) "global localities" are being developed according to a Western corporate script.

Here is where the Internet comes in because it delivers to multinational businesses the promise of continuously writing and rewriting the dominant script, thus maintaining relative control over their brand image the world over while at the same time diversifying it. In fact, the Internet has emerged as the "globalization tool" par excellence, where companies from Microsoft to Nike author, as it were, their vision of global localities and create the structure of common difference that prove strategically most gainful to them.

The key to the Internets success as a global-local promotional tool is on the one hand its modular character, which permits rapid production and distribution of slight variations of the overall branding theme, and on the other its global connectivity. Unlike television commercials, flyers, and print ads, which, once produced, are finished products enclosed in themselves, Internet-based messages, services, and environments can quickly become versions of themselves (Rayport & Sviokla, 1995). A website allows for immediate and detailed changes of its content which appeals to the local consumer while at the same time emphasizing the company's global corporate image. The power of versioning of the sponsor's Internet presence according to specific needs of national or regional subsidiaries is amplified by the seamless and effortless distribution of these versions to their appropriate local target markets.

A good example of modular, surface-level adaptations is Nike's corporate website (www.nike.com), where each visitor is encouraged to go to a world region of his or her choice. Based on the region clicked, a unique yet distinctly "Nikean" adaptation of the "original" site appears, catering to the local sporting taste (e.g. soccer in Europe, gymnastics in Hong Kong), average connection speed (basic graphics for Latin America, sound and animation in Korea) and language preferences. If nothing else, the Nike website becomes a metaphor for global localities in which the company realizes its vision of common differences believed to be exhibited by the markets around the world.

From the sponsee's perspective, the website could become a strategic asset that adds significant value to the sponsorship. In the case of events like the World Cup, a global sponsor such as MasterCard (www.mastercard.com) is technically and theoretically able to network its own site to locally relevant content (news, reports and video feeds from individual national teams, online chats with national players, sweepstakes, virtual games, country-specific promotions, etc.) as well as content of global appeal like game schedules and results, global chats (usually in English) with the event's superstars, or a global sweepstake campaign. The ability to deliver a rich and engaging media experience in the context of what is a very emotional issue for many people around the globe fulfills all the prerequisites for an immersive brand experience. As an important by-product, marketers collect exclusive customer data, which supports strategic efforts to improve customer relationships and decreasing brand distance to specific target groups. Hence, the strategic significance of the Internet for sport sponsorship marketing stems neither from its ability to deliver locally relevant versions of the sponsor's message cost-effectively nor from the medium's global reach but the combination of both.

Given the strategic opportunities for "glocalization" of the brand via the Internet, the fact that MasterCard has done almost nothing to exploit this communication vehicle in their massive sponsorship efforts during the soccer World Cups of 1998 and 2002 comes as a surprise. The company's online presence for its sponsorship of the UEFA Cup Champions League competition is even more disappointing. As one of only four official sponsors, enjoying category exclusivity, MasterCard makes very little of this opportunity on its own website, be it the English or the German or any other of the company's nationally specific home pages. Apart from links to the official UEFA site where the visitor is exposed to some banner ads sporting the MasterCard logo and some outdated information about the league's schedule of games, nothing indicates that any effort was made to localize the sponsorship and to use the medium's interactivity for purposes of data collection, customer relationship management and brand management.

Clearly, strategic opportunities to extend a sponsorship into the virtual space abound. Yet, as the case of MasterCard and the other examples illustrated above show, sponsors are a significant way from really understanding and actualizing the vast potential of e-sponsorships, particularly when adding to the level of promotional complexity an analysis of the medium's capacity to create desirable versions of global localities. This is a challenge and an opportunity for the sport marketer. If he or she can successfully demonstrate the medium's potential for improving customer relationship management and brand proximity as well as its superior structural facility for "thinking global and acting local" (Macrae & Uncles, 1997), the sponsorship's value will increase exponentially, enhancing the chance for sponsor satisfaction and loyalty and finally, event profitability.

Conclusion

The age of e-business transforms marketing in many ways, from channel, to price, to product strategies. Affected perhaps most of all by this transformation is the promotional ecology because the Internet ushers in enormous opportunities and imposing threats at the same time. As an information-collecting tool, the Internet provides businesses with the unprecedented power to really know their customers and give them what they want. Yet, according to economic theorists (see Brynjolfsson & Kahin, 2000; Nikell, 2000; Varian, 2000), e-business leads to a more transparent and cutthroat marketplace in which products and services become commoditized and sellers are forced to compete on price. As a result, the value per dollars spent on the symbolic power of the brand may decline, brand equity is threatened, and marketers may see consumers becoming less involved with, and more distanced from, the brand.

We argue that in this paradoxical state of affairs electronic sport sponsoring could become a particularly promising tactical tool for marketers because if well managed it can deliver on what we identified as the two imperatives of an information-driven business environment: (1) intimate customer relationships based on rich data profiles; and (2) brand involvement through immersive environments and versioned communication. When we look at CRM and e-branding in this way they emerge as two sides of the same coin. Sport sponsorships should be conceptualized as a relationship-building tool rather than as an advertising or sales vehicle. In the age of instant information flows and global communication networks, the currency of marketing is behavioral customer information. Especially in a marketplace of global localities that is characterized by structures of common differences (Wilk, 1995), customer information is critical for the creation of a more involving and relevant brand experience. For sport sponsorships to grow on a global scale, they must be turned into interactive, information-driven and immersive customer experiences. Only then will they be regarded as a cornerstone of the overall marketing objectives of building one-to-one customer relationships, providing cross and up-selling opportunities, customizing direct marketing communication, retention and increasing customer equity. What we see so far, however, is a more or less wholesale transfer to the Internet of the unidirectional broadcasting model, ignoring the medium's potential for imagining entirely new types of customer-brand interactions.

To conclude, electronic sport sponsorship represents a powerful proposition in the global marketplace. By combining worldwide reach and low production costs for targeted sponsorship versions with the ability to capture a geographically dispersed but homogeneous customer segment, sport marketers' capacity to add value to a client's integrated marketing communication increases, especially in the age of globalization. The Internet is the post-Fordist accomplice to flexible production and global marketing. It turns trepidation into opportunity by virtue of modular communication formats. Sport marketers who harness the power of decentralized electronic communication networks like the Internet for their clients are likely to succeed *in mobilizing the local consumer as part of the global market* (cf. Miller, 2000; Probyn, 1998). If that happens, sport sponsorships will emerge even more prominently as prime movers of corporate globalization.

Notes

1. Of course, sponsorships can be considered strategic assets, as in the case of MasterCard and its category ownership of the FIFA World Cup. Also, in some instances sport sponsorship takes on strategic importance in brand development as was the case with Mountain Dew's early sponsorship of extreme sports in the early 1990s. Because the Mountain Dew's commitment preceded the sport's mass commercialization, the company was able to position itself as a genuine supporter of a cultural movement rather than a corporate parasite (Holt, 2003).
2. We use the Internet here as a short-cut to represent the more general rise of new information, communication, and database technologies (Poster, 1995; Robins &

Webster, 1999; Varian, 2000), as well as its much more specific incarnation as e-commerce (see e.g., Dholakia, 1998; Hoffman & Novak, 1997; Siebel & House, 1999).

3. We refer to a sponsorship that has a large digital, interactive and virtual component as electronic, or e-sponsorship.
4. As opposed to the Internet's technological workings, which are quite well understood.
5. With information technology (IT) becoming a critical CRM enabler (Goodhue, Wixom & Watson, 2002), we believe CRM and electronic CRM (eCRM) will converge, if they have not already done so. Thus, we will use these terms interchangeably.
6. Therein lies one of the difference between CRM and database marketing. For database marketing to be successful a company "does not need every customer record populated with data" (McKim, 2002).
7. Other disadvantages are quality of impressions, absolute media cost (although probably not cost per thousand) and segmentation accuracy.
8. Of course, we mean *relative* control. Companies have never had complete control either over communication or the brand. But they certainly used to have a lot *more* of both before information systems and communication processes became decentralized by telecommunicated networks of personal computers (cf. Castells, 1998).
9. Recently, McDonald's in the US launched the Neopets Happy Meal, which comes with one of 109 different toys. We recognize the important ethical, moral, and potential legal questions raised by immersion advertising. We do not endorse NeoPets business model. We merely wish to draw attention to the company's innovative use of the Internet as branding tool.

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