

An Investigation of Factors Influencing Decision Making for Participation in The Olympic Partners Sponsorship: A Case Study of Samsung

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Abstract

The Olympic Games is one of the largest and most complex sporting events in the world. For the last 25 years, corporate sponsorship has become an increasingly important element in the success of the Olympic Movement. During these years, corporate sponsors became significant financial supporters for all levels of the movement from the International Olympic Committee (IOC), to the Olympic Organizing Committee (OOC), as well as the National Olympic Committees (NOCs) (Giannoulakis, Stotlar & Chatziefstathiou, 2008). Why do corporations invest huge amounts of funds for sports sponsorship? Much has been written on the stated objectives for involvement in Olympic sponsorship. However, a vast majority of this research has been quantitative in nature using surveys to document rationale from lists of predisposed objectives. One might ask "Which of the following objectives best describes your rationale for this sponsorship?" Alternatively questions could be stated regarding the ranking of objectives. The limitation or perhaps the validity of this type of research could come into question as the survey subject would simply respond to the survey questions regardless of their underlying decisions without actually having conceptualized the rationale before being prompted by the survey. Thus, a qualitative study could legitimately discover decision rationale through in-depth interviews on the process.

The purpose of this case study was to determine what factors influenced corporate decision making to participate in The Olympic Partners (TOP) program. By discovering factors influencing corporate decision making via interviews; sport managers would better understand the corporate decision process and thus be able to develop more effective sponsorship programs.

Qualitative research method and case study method were selected to gain the richness and depth of data needed. A purposeful sampling method and a semi-structured interview strategy were conducted and corporate documents were used to investigate the research questions. A core decision maker of a global corporation (Samsung) was selected as a sample. The participant was in charge of sport marketing and sport sponsorship activities at Samsung. Field-based interviews

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also occurred on site at the 2010 Vancouver Olympics including an examination of sponsorship activation.

Raw data such as interview transcriptions and documents were used in the investigation. Based on the emerging themes, data were classified into appropriate categories for each factor. To avoid future investigators' misinterpretation, raw data were classified into several factors and described in detail rather than merely providing descriptions.

Results indicated, three factors, 'enhancing brand equity,' 'building corporate reputation,' and 'increasing sales,' emerged as the most prominent reasons influencing sponsorship decision making in the corporation regarding the TOP program. Corporate social responsibility was revealed as a secondary factor. The results from the study offer sponsorship professionals and international sport organizations with information to more fully understand strategies for sponsorship management.

Key Words: *Olympic, Sponsorship, Olympic Programme*

Introduction

Sponsorship has become an integral activity for most sport organizations around the world (Stotlar, 2009; Alexandris et al., 2007). According to the IEG sponsorship report (IEG, 2009), over two thirds of the total sponsorship expenditures in North America were spent in sport industries, amounting to \$16.51 billion. The trend in sponsorship spending has been well documented for many years. Over the last decade, the total amount of sponsorship expenditures has increased at nearly 10% per year until the recession of 2009. IEG (2009) indicated that 2010 sponsorship expenditures would reach \$46 billion worldwide; about \$17.1 in North America, \$12.7 billion in Europe, \$10.4 billion in Asia Pacific, \$3.7 billion in Central and South America, and \$2.1 billion in all other regions. IEG projected a 4.5 percent increase in 2010.

The Olympic Games continues to be one of the biggest sporting events in the world. The 2010 Vancouver Games were watched by a worldwide audience of 3.5 billion people. The 2008 summer Olympics, with more participating countries and a wider global appeal, had 4.3 billion people watching (IOC, 2010). Furthermore, more than six million people in the U.S. watched the Games on their mobile phones (IOC, 2009). Corporate sponsorship has become increasingly important for the Olympic Movement with just over 30% of the International Olympic Committee's

budget and about 40% of the Beijing Organizing Committee for the Olympic Games' (BOCOG) funds were derived from sponsorship (Dean, 2008). The percentage was higher for the 2010 Vancouver Winter Olympics providing 42% of their budget. Corporate sponsors have become significant financial supporters at all levels of the Olympic movement [International Olympic Committee (IOC), Olympic Organizing Committees (OOC), the National Olympic Committees (NOCs)] (Giannoulakis et al., 2008).

Jacques Rogge, president of the IOC, stated,

“Without the support of the business community, without its technology, expertise, people, services, products, telecommunications, its financing - the Olympic Games could not and cannot happen. Without this support, the athletes cannot compete and achieve their very best in the world's greatest sporting event.” (IOC, 2009, p. 38)

In addition, Gerhard Heiberg, chairman of the IOC marketing commission, commented,

“Without our sponsors, the Olympic Games would not be what they are today. The partners' support allows more athletes from more countries to compete in the Games, and they deliver the services and resources that are the driving force of the Olympic Movement.” (IOC, 2009, p. 40)

Corporate sponsorships have become very crucial, not only financially, but also operationally. Founded in 1985, The Olympic Partners (TOP) program is a worldwide sponsorship program (IOC, 2008). TOP provides the resources, products, technology and operational support such as timing and scoring systems, IT infrastructure, sustenance for the athletes, workforce and spectators, audiovisual infrastructure, security equipment, and venue infrastructure for the IOC (IOC, 2009). In 1985, there were 9 TOP partners (TOP I) which generated \$96 million for the Calgary and Seoul Olympic Games (IOC, 2008). Twelve TOP partners (TOP II) provided \$172 million in 1989, 10 partners (TOP III) spent \$279 million in 1993, 11 TOP partners (TOP IV) paid \$579 million in 1997, and 11 TOP partners (TOP V) offered \$663 million in 2001 (IOC, 2008). Most recently, TOP VI, generated \$866 million in cash, goods and services, providing around 40% of total IOC revenues (IOC, 2009).

Why do corporations invest huge amounts of funds for sports sponsorship? The issue has been investigated by many researchers (Abratt, Clayton & Pitt, 1987; Alecandris et al., 2007; Apostolopoulou & Papadimitriou, 2004; Berrett & Slack, 1999; Clayton & Pitt, 1987; Copeland, McCarville & Frisby, 1996; Cornwell, 1995; Marshall & Cook, 1992; Stotlar, 1999; Thjomoe et al., 2002). According to Abratt, Clayton and Pitt (1987), corporations initially preferred to sponsor sporting activities because of two potential markets: the participants and spectators. In their specific research among sixty corporate sponsors in South Africa, the participants indicated that the most important reasons for sports sponsorship were potential TV coverage, corporate image promotion, and the potential of gaining spectators as customers (Abratt et al., 1987). Research also demonstrated that general corporate objectives were image enhancement, positive employee morale boost, hospitality, and corporate goodwill. Their specific marketing goals were sales generation, market segmentation, competitive advantage acquisition, and increased distribution channels (Cornwell, 1995). Marshall & Cook (1992), studied the motivating factors for sponsorship participation among the top 200 UK firms, indicated that corporations believed sponsorship allowed them to target specific audiences and enhance their corporate image. Stotlar's 1999 research also indicated that market-driven objectives were more highly rated. Other important factors noted in sponsorship agreements were signage at events and access to spectators (Copeland et al., 1996).

This concept was supported by Thjomoe et al. (2002) who maintained that improving awareness of a firm or brand, developing the image of those firms or brands, and enhancing relationships with customers and suppliers are the most important reasons for a professional group to sponsor sports. Companies participated in sponsorship activities because they wanted to accomplish desired objectives or outcomes (Alexandris et al., 2007). Increased sales and marketing opportunities, image enhancement, brand recognition, community involvement, sampling opportunities, brand loyalty, and increased awareness are possible reasons and objectives of the sponsoring companies (Apostolopoulou & Papadimitriou, 2004). Berrett & Slack (1999) maintained that some corporations decided to become sponsors not based on commercial strategies but rather because of the personal interests of key decision makers.

In terms of Olympic sponsorship, there has been an impressive increase in revenue due to the implementation of the TOP program (Giannoulakis et al., 2008). Besides the TOP funding, incremental spending equal to three times of the value of their sponsorship fees is spent by TOP sponsors in order to accomplish their corporate objectives during the Olympic period (IOC, 2009). According to the IOC (2009), sponsors were accorded an excellent opportunity to develop innovative ways to build their brands, increase sales, connect with the public, build customer relationships, motivate their employees, enhance their corporate reputation and leave a lasting company legacy in the communities where they do business through the Olympic Games. Specifically, the TOP program provides attractive marketing opportunities that help firms achieve their business objectives in six ways: enhancing brand equity, building corporate reputations, developing customer relationships, increasing sales, motivating employees, and connecting with local communities in the host country (IOC, 2009). According to Giannoulakis et al. (2008), a core reason for TOP sponsorship is product exclusivity. The TOP program restricts each sponsorship category to one company. Additional benefits included the use of marks and designations; public relations and promotional opportunities; access to Olympic archives, Olympic merchandise and premiums; access to tickets and hospitality; and first right of negotiation (IOC, 2010; Stotlar, 2009).

It is evident that protecting the Olympic image and the value of sponsorship for the Olympic partners are major concerns for the International Olympic Committee. As a result, the IOC's marketing department has introduced a series of public relations campaigns with the main focus on raising awareness regarding the significant contribution of corporate sponsorship to the Olympic movement. In addition to the public relations campaigns, the IOC has undertaken several market research studies in order to strengthen and promote the Olympic image and to understand attitudes and opinions towards the relationship between Olympic Games and corporate sponsorship. In the Barcelona 1992 Olympic Games, 79% of people in the United States, England, and Spain stated that the Olympic Games would not be viable without sponsorship. Furthermore, 86% stated that they were in favor of the Games being sponsored. Similar studies in 1996 found that one third of the respondents in a nine-country study suggested that their opinion of the sponsoring company was raised as a result of their Olympic sponsorship (Brown, 2000). In Sydney 2000, 34% of the spectators stated that "sponsorship makes a valuable

contribution to the Olympics and makes me feel proud about sponsors” (“At the Olympics”, 2001). In the recent Winter Olympic Games in 2002, the IOC commissioned Sport Marketing Surveys (SMS) to conduct market research on-site with spectators, corporate guest, and media. According to the results of the study, “research results clearly illustrate that unprompted awareness of the Olympic sponsors was very high among Olympic spectators and media, and that all possessed a strong understanding of the importance of sponsorship to the Olympic Movement and the staging of the Games” (IOC, 2002, p. 21). The results showed that 92% of the spectators agreed that “sponsors contribute greatly to the success of the Games”, 76% of the media agreed that they “welcome sponsorship support if the helps that Games to continue to be stages”, and 45% of spectators stated that they would be more likely to buy a company’s product or service as a result of them being an Olympic sponsor. Similar research studies in Athens 2004 Olympic Games depicted the positive attitude of spectators and media towards the support of corporate sponsorship to the Olympic movement. In Sydney 2000, 34% of the spectators indicated that “Sponsorship makes a valuable contribution to the Olympics and makes me feel proud about sponsors” (“At the Olympics”, 2001).

In 2000, the International Olympic Committee conducted a research study in collaboration with a major Olympic sponsor and the Australian Tourist Commission (ATC). The IOC evaluated the attitudes of guests towards the Olympic brand. The sponsor evaluated the level of satisfaction expressed by its guests. Finally, the ATC examined pre- and post-Games travel patterns and the possibility for international visitors to return to Australia. Inevitably, the majority of the guests surveyed expressed a very high level of satisfaction in regards to hospitality issues and the organization of the Games. Most of the participants stated that sponsorship activities significantly affected their perception towards their Olympic experience in Sydney (Brown, 2002).

The Gap in Previous Research

The reasons why corporations invest huge amounts of funds for sport sponsorship have been investigated by many researchers (Abratt et al., 1987; Aleandris et al., 2007; Apostolopoulou & Papadimitriou, 2004; Berrett & Slack,

1999; Clayton & Pitt, 1987; Copeland et al., 1996; Cornwell, 1995; Marshall & Cook, 1992; Thjomoe et al., 2002). However, most of the previous studies investigated general objectives sought through sport sponsorship. Although this previous research examined theoretical and empirical findings about company objectives related to sports sponsorship performance (Doherty & Murray, 2007) there is little specific research about decisional influences in corporations involved in the TOP program. Few studies have investigated global corporate participation in The Olympic Partnership. Further, there are few - or no - studies that analyze specific factors that influence decision making to participate in TOP sponsorship.

As mentioned previously, Jacques Rogge, president of the IOC, and Gerhard Heiberg, chairman of the IOC Marketing Commission, believe that corporate sponsorship is essential for the Olympic Movement. If managers in international sporting organizations knew and understood the factors that corporate decision makers consider, they could develop more effective sponsorship proposals and programs. This could result in higher financial benefits for the sporting organizations and sponsors in this symbiotic relationship.

Purpose of the Study

The purpose of this case study was to determine what factors influenced corporate decision making to participate in The Olympic Partners (TOP) program. By discovering factors influencing corporate decision making via interviews; managers in sport organizations would better understand the corporate decision process and thus be able to develop more effective sponsorship programs.

Research Questions

This research was designed to determine what factors influenced decision making in a global company to participate in The Olympic Partners program. To understand what factors drive their support, researchers asked: *“What factors influenced your decision to participate in the TOP program?”*

Sub questions included the following:

- What was your responsibility regarding sponsorship?
- What was involved in the decision-making process to become a TOP sponsor?
- What results did you expect from this sponsorship?

Methodology

According to Gratt on and Jones (2004, p. 22) “Qualitative research aims to capture qualities that are not quantifiable, that are reducible to numbers, such as feeling, thoughts, experiences and so on, that are those concepts associated with interpretive approaches to knowledge. Qualitative research uses non-numerical data and analysis to describe and understand such concepts.” Furthermore, Merriam (2009) stated that “qualitative researchers are interested in how people interpret their experiences, how they construct their worlds, what meaning they attribute to their experiences (p. 14)”. Since this study asked for participants’ thoughts and experiences a qualitative research method was deemed appropriate.

According to Creswell (2007), there are five types of qualitative approach: narrative research, phenomenology, grounded theory, ethnography, and case studies. Among the five approaches, “case study research involves the study of an issue explored through one or more cases within a bounded system (Creswell, 2007, p. 73).” In terms of intent, case study is categorized into three methods: the single instrumental case study, the collective or multiple case study, and the intrinsic case study (Creswell, 2007). An intrinsic case study focuses on the case itself because the case is unusual or unique (Creswell, 2007). According to Merriam (2009), “the intrinsic case study is undertaken when the researcher is interested in the particular case itself” (p. 48).

Because very little published data could be found investigating the factors influencing decision making regarding participation in the TOP program, the researchers sought sensitive, inside information from global TOP sponsors. Further, since there are only a limited number of TOP sponsors in the world and access to the key decision makers is very limited, no attempt was made to collect quantitative data from all TOP sponsors. Based on this research protocol, a case study through

the example of Samsung was selected because access to a decision maker was available, the case fit the research paradigm, and the selection would ultimately uncover factors that influenced a key corporate decision maker to participate in TOP program.

According to Merriam (2009), “the procedures of qualitative research, or its methodology, are characterized as inductive, emerging and shaped by the researcher’s experience in collecting and analyzing the data (p. 19).” Even though the researchers do not have any direct experience with the decision-making process in becoming a TOP sponsor, they possess two related strengths, namely: a practical background in sponsorship and access to one of the TOP sponsors. It is our belief that different corporations participate in sports sponsorship for different reasons, including accessing participants and spectators, potential TV coverage, corporation image promotion, image enhancement, positive employee morale boosting, hospitality, sales generation, competitive advantage gain, and sampling opportunities. Our viewpoint, therefore, is that various worldwide corporations might have differing reasons for becoming a sponsor: setting a constructivist methodology and the rationale for this study.

Participants and Setting

Creswell (2007) maintains that “critical cases provide specific information about a problem and convenience cases represent sites of individuals from which the researcher can access and easily collect data (p. 126).” This research was designed to investigate specific information, namely the factors influencing decision making in a multinational corporation to participate in a marketing opportunity; joining The Olympic Partners program. In addition, the research fit the parameters of a convenience case because the researcher had access to the group or person who is in charge of the Olympic sponsorship decision. Criteria were set to insure that the case selected would yield results to address the research questions. TOP participant Samsung Corporation was selected as the convenience case. The following factors constituted the criteria applied. The interviewee must:

1. Be engaged in sport marketing and sport sponsorship activities at an executive level.

2. Be a core decision maker regarding participation in the TOP program.
3. Be willing to participate in the interview.
4. Be older than 18 years old.

Through these criteria, one executive was identified and contacted by email. His administrative responsibilities include managing virtually all aspects of sport sponsorship for Samsung. He has worked for the corporation for twenty years and has been in charge of sport marketing since 2005. He was in charge of sport marketing and sport sponsorship for the 2006 Winter Olympics in Torino, the 2008 Summer Olympics in Beijing, the 2009 IAAF World Championships in Athletics in Berlin, and the Chelsea in English Premier League. Most recently, he was also in charge of Samsung sponsorship activities at the 2010 Winter Olympic Games in Vancouver.

The interviews (3 in total) were conducted by phone since the interviewee lives in Seoul, Korea and researchers are in the U.S. They were completed in October of 2009. One of the researchers is fluent in Korean and personally conducted the interviews. After constructing an interview guideline following the suggestions of Creswell (2007) and Merriam (2009) and contacting the interviewee by email; the investigator set up times for the interviews based on the interviewee's preferences. The interviewee changed the scheduled interviews several times because important corporate issues arose unexpectedly. The interviews were audio recorded with the interviewee's permission so that it could be transcribed and member-checked at a later time. Field-based interviews also occurred on site at the 2010 Vancouver Olympics including an examination of sponsorship activation

Interview

In qualitative research, interview is the primary method used to collect data and sometimes is the only method used to collect data (Merriam, 2009). The most common form of interview is person-to-person. When a researcher cannot observe behavior, feelings, or how people explain their surroundings, interviews are the best method for data collection (Merriam, 2009). In this research, person-to-person interviews were conducted. In addition, when investigators are interested in past

events or activities, interviews are the most effective method to validate the case (Merriam, 2009). Because the process of deciding to become an Olympic sponsor is impossible to observe in its entirety and because the decision making activities occurred in the past, the person-to-person interview was necessary and was the major data collection method.

In the course of the research, four types of questions were used in the construction of the interview guide.

1. Background/demographic questions
2. Experience and behavior questions
3. Opinion and values questions
4. Knowledge questions

After contacting the interviewee by email, the investigators set up a time to interview based on the interviewee's preferences. The semi-structured interview format was chosen because the structure/course of the interview depended partly on the interviewee's answers. A semi-structured interview strategy was conducted; the interview was recorded and transcribed. Questions were added, eliminated, and changed from the interview guideline during the course of the interview. The interviewee could withdraw from the interview any time by exercising his right to suspension. Both the voice data and documents were kept confidential. In order to enhance internal validity, Merriam (2009) suggests conducting a member check and therefore, a copy of the transcript was sent to the interviewee to determine whether there were any incorrectly transcribed lines in the document. After the participant confirmed the data, the data were stored securely. Based on the findings from the initial interview, a field-based interview was conducted during the 2010 Olympic Games in Vancouver. Furthermore, an observation was made for sponsorship activation at the Samsung venues (Olympic Rendezvous @ Samsung and Samsung House) during the Vancouver Games.

Documents

Although data collected through interviewing was the major data of the study, it was possible that there would be documents about the case within the company. If

the interviewee disclosed the existence of these data, the documents could be collected as public records, or research-generated documents. During the interview, the participant agreed to provide documents that included classified information of the corporation, such as a sponsorship evaluation and a sponsorship plan relating to the Olympics. The documents were used as research-generated documents in order to strengthen triangulation.

Trustworthiness

Creswell & Miller (2000) introduced several research strategies frequently used in qualitative research to address validity and reliability. In this study, three strategies were utilized: triangulation, rich and thick description, and member checking. The triangulation process involves corroborating evidence from different sources to clarify a theme or perspective (Merriam, 2009). In this study, the method used to triangulate was the interviews and document examination. Because the researcher in qualitative study illustrates in detail the participants or setting under study, rich and thick description allows readers to make decisions regarding transferability (Erlandson et al., 1993; Lincoln & Guba, 1985; Merriam, 1988). Through detailed descriptions, the researcher enables readers to transfer information to other settings and to determine whether the findings can be transferred “because of shared characteristics” (Erlandson et al., 1993, p. 32). To accomplish a rich and thick description, the interview transcript recorded every detail. As noted above, member checking was used to enhance trustworthiness.

Data analysis

Choosing a qualitative research design presupposes a certain view of the world that in turn defines how a researcher selects a sample, collects data, analyzes data, and approaches issues of validity, reliability, and ethics (Merriam, 1998). Analyzing qualitative data collected through observations, interviews, and documents is the most difficult part of the entire process, especially if there is a lot of data (Merriam, 2009). Creswell (2007) stated that “data analysis in qualitative research consists of preparing and organizing the data for analysis, then reducing the data into themes through a process of coding and condensing the codes, and finally representing the

data in figures, tables, of a discussion (p. 148).” Furthermore Creswell claimed that to obtain a sense of the overall data, researchers should read through all collected data such as documents, observation field notes and interview transcriptions to develop categories (Creswell, 2007). A category is a construct that refers to a certain type of phenomenon mentioned in the data (Choi, 2006; Gall et al., 2003). Coding consisted of the process of segmenting information and assigning tags and labels to units of information. After coding and dividing the data into categories, the data were organized around topics, key themes, or central questions for interpretation (Cassell & Symon, 2004). Raw data, such as interview descriptions and documents, were systematically analyzed and classified to create appropriate categories for each factor.

Credibility

The basis for this research was a reliance on the selection of the appropriate source for the case analysis. In this instance, it was essential for the interviewee to meet the research criteria as a key executive in the decision making process for selecting sponsorship opportunities. The interviewee noted:

Practically, I administrate and manage all kinds of sport-related activities including sport marketing and sport sponsorship. I have worked for Samsung for 20 years. And I have been in charge of sportmarketing tasks since 2005. I have done work with Olympics, including the 2006 Winter Olympics in Torino, the 2008 Summer Olympic in Beijing, and the 2010 Winter Olympics in Vancouver, soccer sponsorship for Chelsea in England Premier League, sponsorship for the 2009 IAAF World Championships in Athletics in Berlin, and other sponsorship activities for large and small events.

He was asked more specifically about the depth of his responsibilities in regards to sport sponsorship.

My responsibilities... well... almost every procedure in sponsorship. From planning, finding sponsorship events, making contracts, budgeting,

managing fields to post management...Overall, I am in charge of every detail and step.

To further qualify the subject as a key decision maker, he was asked to describe his relationship between Samsung and Olympics.

Our corporation became an official sponsor of the Olympic with the Nagano Olympics in 1998 in the wireless communication equipment category. We have supported the Sydney Olympics in 2000, the Salt Lake Olympics in 2002, the Athens Olympics in 2004, the Torino Olympics in 2006, and the Beijing Olympics in 2008. Currently, we are preparing for the Vancouver Olympics in 2010 and the London Olympic in 2012. And our current contract will end after the Sochi Olympics in 2014 and the Rio Olympics in 2016. Our main marketing programs during Olympic Games are PR Center, global advertisement, providing wireless communication equipment, and a leg of the Olympic torch relay.

Findings

From the data, several themes emerged. According to the analysis, findings could be categorized into three main factors: “enhancing brand equity,” “building corporate reputation,” and “increasing sales” were found to be the factors most influential in the sponsorship decision to participate in the TOP program for Samsung. Corporate social responsibility emerged as a minor theme.

The literature showed that enhancing brand equity is one of the reasons that corporations sponsor events. According to a study involving sixty corporate sponsors in South Africa, participants indicated that one of the most important reasons for sports sponsorship was corporate image promotion (Abratt et al., 1987). Another study noted that brand recognition is a relevant decisional factor and objective of the sponsoring companies (Apostolopoulou & Papadimitriou, 2004 Stotlar, 1999). Collectively, market-driven objectives were most important to the 50 most active corporate sponsors in the US (Stotlar, 1999). According to the IOC (2009), one of the benefits of sponsorship is an opportunity to develop corporate brands.

Specifically, the TOP program provides attractive marketing opportunities that help firms achieve their business objectives in six ways: enhancing brand equity, building corporate reputations, developing customer relationships, increasing sales, motivating employees, and connecting with local communities in the host country (IOC, 2009).

Although several studies have supported the idea of brand equity enhancement as one of the main reasons for corporations to participate sponsorship activities, there is no research that investigated if that factor was related to participation in the TOP program. According to these findings, the decision maker considered enhancing brand equity as one of the most important factors. The following comments of the decision maker support that finding:

In 1997, before I worked in sport-related activities, there was an economic crisis in Korea. Our brand [Samsung] was not very famous in the world... We investigated TOP sponsorship proposal in many ways, I can't disclose all the details, but we had decided to sponsor it. We thought the opportunity was a good chance to advertise our brand name. We thought of TOP sponsorship as a platform... We analyzed the effectiveness and we concluded it [TOP sponsorship] helped our corporation to increase brand image, which was our main purpose, and to increase brand equity.

He also mentioned "building brand image" as one of the primary reasons for TOP sponsorship. The following passage was elicited from the questions 'what do you want to obtain through TOP sponsorship?' and 'what are the main reasons that your corporation to uses the sponsorship?'

We expected building brand image and reputation of our corporation. Also, sales increases...Mainly, we see the Olympic sponsorship as a tool and we want to strengthen brand image and increase sales.

The researcher asked about the benefits of the Olympic sponsorship in terms of strengthening brand image and the interviewee noted its effectiveness:

Brand image is...in terms of the result, in 1998 the brand equity of Samsung was \$3.2billion and it became \$17.7billion in 2007 which is great development. Of course this is not only because of sport marketing, but we concluded that sport marketing brought a huge impact.

This theme was supported by material developed for the press highlighting Samsung's Olympic sponsorship. Samsung's "Sport Sponsorship Philosophy" (Samsung Olympic Media Information, ND) noted;

"Sports marketing has become a major focus of Samsung's strategic marketing and communications. It is used to develop high brand awareness and build a reputation for excellence in corporate citizenship."

While previous research shows that enhancing brand equity is one of the most important reasons why companies participate in sponsorship, some claim that other factors are more important. Enhancing brand equity is probably not the most important factor that motivates smaller companies to participate in general sponsorship; however, the factor of enhancing brand equity seems to be one of the main reasons why Samsung participates in the TOP program.

Previous research indicates that building corporate reputation is an important factor for corporate sponsorship. One study examined the motivating factors for sponsorship participation among the top 200 UK firms, indicating that corporations believe sponsorship allows them to target specific audiences and enhance their corporate image (Marshall & Cook, 1992). Thjomoe et al. (2002) maintain that improving awareness of a firm or brand, developing the image of those firms or brands, and enhancing relationships with customers and suppliers are the most important reasons for engaging in sport sponsorship. In this instance the IOC (2009) purports that the TOP program provides attractive marketing opportunities including building corporate reputations and developing customer relationships.

According to this research, the interviewee noted that building corporate reputation was one of the most important factors. Similar to the brand equity motive

noted above, the following comments of the decision maker support the influence of brand reputation as a decisional factor:

In 1997... our brand [Samsung] was not very famous in the world... We thought the [TOP] opportunity was a good chance to advertise our brand name. We thought of TOP sponsorship as a platform... We analyzed the effectiveness and we concluded it [TOP sponsorship] helped our corporation to increase brand image, which was our main purpose, and to increase brand equity.

Documentary evidence was also found to support the objective of enhancing brand image coupled with increasing sales (Samsung Olympic Media Information, ND);

“Samsung aims to grow its brand image and increase sales through association with Olympic values that are most relevant on a local and regional level, via sponsorship of National Olympic Committees, National Olympics teams and individual athletes.”

During the interview, the participant always mentioned enhancing brand equity and building image as synonymous with corporate reputation. The interviewee answered that he expected to build brand image as well as the reputation of the corporation through the Olympic sponsorship. The participant also noted that Samsung sponsored the Paralympics as another opportunity for building corporate reputation. His comments were as follows:

We did many events for disabled people before, during, and after the Olympics. As you may know, after the regular Olympic there is a Paralympics. We also support Paralympics. In this case, we believe supporting it is one of the best ways to increase corporate reputation.

Thus, building corporate reputation also seems to be one of the important factors that influenced Samsung to participate in the TOP program.

According to Apostolopoulou & Papadimitriou (2004), increasing sales is one possible reason and objective for sponsoring companies. In Stotlar's (1999) work, increasing sales was the highest ranked benefited and cited by the most active sport sponsors. According to the IOC (2009), the TOP program restricts sales opportunities within the Olympic venues to TOP sponsors. In addition, these sponsors received category exclusivity for use of Olympic marks on retail goods sold.

According to the findings of the analysis, the research participant seems to believe increasing sales is one of the most important factors. The followings are comments of the interviewee.

We thought the opportunity was a good chance to advertise our brand name... Secondly, besides that factor, it [TOP sponsorship] helped to increase sales in the global market. Also, it will help in the future too. So, we decided to continue...We expected building brand image and reputation of our corporation. Also, sales increase. The rate of sales and increasing the market share showed about the same rate [600%] of growth [as brand equity].

Further evidence was found in the examination of corporate documents that the interviewee provided. With an established objective and measurement protocol in place, Samsung increased their cellular phone sales by 20% after the Beijing Olympics. The documents provided the data that Olympic sponsorship had a positive effect on increasing sales. Furthermore, the Samsung executive also commented that sales growth paralleled brand equity increases noting;

We analyzed the effectiveness and we concluded it [TOP sponsorship] ... helped to increase sales in the global market.

However, this research indicated that increasing sales, although an important reason to participate in the TOP program, seemed less influential than the other two factors, enhancing brand equity and building corporate reputation.

Research has also identified sponsor objectives related to community relations. Some researchers (Copeland et al., 1996) noted a high level of importance placed on this objective while others (Stotlar, 1999) found that most corporations placed somewhat less importance on this factor. Some evidence of community relations was found in the documents associated with their Olympic marketing activities as follows (Samsung Olympic Media Information, ND):

“Olympic Mission

To raise the spirit of the Games and to contribute to the global community, Samsung is using its leadership in wireless telecommunications equipment technology to help fans, international visitors, and athletes and their families share in the many memorable moments of the Games with people all over the world.”

Information on the website supported this concept with:

“The Olympic Games are much more than sports and competition; they are about community, camaraderie and individuals challenging themselves to find inspiration and achieve excellence,” said Gye Hyun Kwon, vice president and head of Worldwide Sports Marketing, Samsung Electronics. “Likewise, Samsung seeks to use mobile phone technology and our sponsorship to unify people around the world and help them discover their own WOW moments during the Olympic Games” (www.samsung.com/us/vancouver2010/popup_us.html) .

The interviewee also added:

What we are going to do is... well... we are going to focus on...doing our responsibility for the society not only in Korea but also in the world. Giving back to our society. Like... a charity. Trying not to focus on the purpose of marketing.

Activation of this concept could be seen at the Olympic Rendezvous at Samsung (OR@S) at both the Beijing and Vancouver Games. Researchers visited the OR@S during the Vancouver Games and made the following observations:

OR@S was a beautiful building with fan-friendly greeters who welcomed visitors to the technological displays and interactive demonstrations in the venue. Visitors could look, touch and try the latest technology offer by Samsung. It provided a “touch” and interpersonal experience with all visitors.

Website information also noted (www.samsung.com/us/vancouver2010/popup_us.html) “OR@S is one of the highlights of Samsung’s Olympics Games campaign ... and [collectively] has welcomed over 3 million athletes, fans and families.” IOC Marketing Chairman Gerhard Heiberg commented “OR@S is a showcase pavilion that will both entertain and inform.”

The upper section of OR@S was reserved for Olympic athletes and their families. The researchers were granted access to this area as part of the research project. Media information reported that “OR@S is proud to be the ‘Official Meeting Place for Athletes and their Families’ During the Vancouver 2010 Olympic Winter Games and offers a relaxing retreat from the competition” (Samsung Olympic Media Information, ND). The researchers did experience the hospitality of Samsung and can concur that it provided a secure and relaxing retreat for athletes and their families.

This research seems to support the notion that corporations placed less emphasis on community relations than market-based objectives. When asked “Would you emphasize social responsibility rather than other factors such as enhancing brand equity in the future?” The interviewee noted:

We don’t see social responsibility as a new purpose of sport sponsorship. I believe it is an assistant method to strengthen corporate reputation.

In another statement the interviewee said:

In the big picture, like I said before, the important factors are the three

main ones [enhancing brand equity, building corporate reputations, and increasing sales]. Because those three factors are important, we always care about them more than others [developing customer relationships, motivating employees, and connecting with local communities in the host country]

However, most contemporary views of sponsorship (Stotlar, 2009) support differentiated objectives based on the sponsoring corporation and specific target markets. This was supported by the data through the following statements:

Depending on the host country, the market strategy could be different. For example, if an advanced country hosts the Olympic Games, we could manage some kinds of program for our employees, yes. Then, because we think sport is the most effective tool to communicate with our customers, we use those [sports] in many ways. Also, in many ways, we connect sport to events, charities, or culture in order to communicate with the public. Those are minor purposes so I did not go into the details. Also depending on whether it is the Summer Olympics or Winter Olympics, there are differences.

Many authorities on sponsorship believe that corporate decisions about screening, selection and continuation of sponsorship should be based on and measured against objectives (Apostolopoulou & Papadimitriou, 2004 Cornwell, 1995; Meenaghan, 1998; Stotlar, 2009). The Samsung executive reinforced this concept by stating:

At that time [2007], we realized the effectiveness and functional benefits of the sport marketing as a marketing tool for the whole corporation. Since we recognized the TOP program as an effective tool, we had decided to continue [through 2016].

When asked “What is your plan for the future Olympics? If there is anything new? He replied:

We are going to focus on these kinds [Green] of strategies, for example, when we build a PR Center; we could build an environmentally friendly PR

Center. We used this method in Beijing to build a PR Center. We used recycled materials or new materials that could be recycled in the future to build the PR Center in Beijing. So, we named it as Samsung Green PR Center and we managed it in a “green” way. After the Olympics, we tore down the PR Center and use the materials through recycling again. So, we did not damage the environment at all in the Beijing Olympics. However, the cost was little expensive. We can’t disclose the exact cost but… the total construction expense cost 15% more than the ordinary construction expense.

The researchers observed the PR center in Vancouver that was also eco-friendly construction. Website data also noted “Samsung has taken an eco-friendly approach to this year’s OR@S” (www.samsung.com/us/vancouver2010/popup_us.html). Prior to the 2010 Games, Samsung sponsored a Sustainability Summit. This summit highlighted Samsung’s “Green” initiatives and emphasis on the Olympic Games attention to climate change and global warming issues.

Finally, a concluding thought was forwarded by the Samsung executive. It represents an overall sentiment about the TOP system and the players in that system. He noted;

Before, during and after the Olympic, there are a lot of invisible competitions among the TOP sponsors. Because of the rivalry, we hope and try to become the number one sponsor among them. So, we prepare a lot of good ideas and make good programs to become the greatest sponsor. There is no gold or silver medal unlike the Olympic Games though…But in Beijing, after the Olympic, there was an interview of Gerhard Heiberg, who is the chairman of the IOC marketing committee and an IOC member from Norway. He did a post-Olympic interview on Chinese national TV. One reporter asked “Which company among the TOP sponsors did the best?” He said “Well… I cannot say anything about that… but…” He said he thought in terms of Olympic sponsorship activities, sales, and so on, Samsung did the best job. This was televised on Chinese National TV. As a person who is in charge of sponsorship, that evaluation was very impressive.

Based on the results of this study, crucial information was revealed concerning factors influencing decision making in Samsung's participation in the Olympic sponsorship. Enhancing brand equity, building corporate reputation, and increasing sales were the core reasons why Samsung selected the IOC TOP program. This research was based on one case and conducted in one scenario, Samsung corporation and the TOP program. The intent of this research was not to produce "generalizable" findings, but to generate holistic insights on decisional factors about Olympic sponsorship. Future investigators could study the same factors among other corporations or other events.

Conclusion

This study addressed the factors influencing decision making in a global corporation regarding participation in The Olympic Partnership program. Many studies have investigated the factors that motivate corporations to participate in general sport sponsorship however, few studies have examined the various factors related the Olympic sponsorship. More specifically, this study represents the first research that has investigated the corporate decisional factors for participation in TOP sponsorship.

The purpose of this research was to reveal those factors through a qualitative investigation regarding decision making in a global corporation to participate in TOP sponsorship. Three primary factors were revealed in this study. Clearly enhancing brand equity, building corporate image, and increasing sales, are the principal decisional factors that emerged from the data. These factors reflect and support the results from previous research on sponsorship in general. Corporate social responsibility emerged as a secondary factor. The "Green" factor of environmental impact was presented as an emerging influence. This may have been impacted by the IOC's push for attention to Green initiatives in Olympic bid proposals. Other International Federations (most notably the IAAF) have also forwarded Green elements in bid formats. One issue with qualitative research is the generalizability of the findings. Because this research focused solely on the Samsung Corporation and the TOP sponsorship program, there is no intention to suggest that these factors would emerge for all TOP sponsors or other sport sponsors. Thus, the reader is left to utilize these finds with restriction.

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