

Survey on Sports Sponsorship

**Social Sciences Research Centre
The University of Hong Kong**

October 1993



香港康體發展局
HONG KONG
SPORTS DEVELOPMENT BOARD

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Social Sciences Research Centre, the University of Hong Kong

Survey on Sports Sponsorship

Commissioned by the Hong Kong Sports Development Board

Summary Report

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CONTACT INFORMATION

Date of Survey	: 22 July to 31 August 1993
Target population	: Business corporations in economic sectors suggested by the SDB, 1,812 corporations were identified
Survey method	: Postal survey with two chasers, totally three waves of questionnaires, sent on 22 July, 7 August, and 19 August respectively
Sample size	: 1,786 effective
Successful contacts:	418 corporations, including 20 by telephone and 14 by letter
Response rate	: 23.4%

PREAMBLE

As an effort to understand the inclination of business firms towards sponsoring sporting activities, the Hong Kong Sports Development Board (SDB) commissioned the Social Sciences Research Centre (SSRC) of the University of Hong Kong to conduct a questionnaire survey of business firms for this purpose. The principal investigator of this project, himself a Research Co-ordinator of the SDB during 1992/93, agreed to direct the project as an honorary service.

METHODOLOGY

The survey was conducted by mailed questionnaires. A list of 1,812 business corporations was compiled from business directories like The Commercial/Industrial Guide, The Hong Kong Business Directory, and directories of foreign business. The list was compiled following instructions laid down by the SDB.

On 22 July 1993, questionnaires were sent to all the 1,812 corporations selected. 74 questionnaires were returned, and 26 addresses were found to be outdated. The first chaser was sent to 1,712 corporations on 7 August 1993. 151 corporations responded, including 8 by telephone, and 8 by letter. Finally, a second chaser was sent to 1,561 corporations on 19 August 1993, attracting response from another 193 corporations, including 12 by telephone and 6 by letter. The total size of the sample is therefore 418 corporations, representing a response rate of 23.4%. In terms of postal surveys, this response rate is considered acceptable. The general profile of the respondents (with valid replies) are given in the following Section.

GENERAL PROFILE OF RESPONDING CORPORATIONS

Nature of Business

Manufacturing	66	17.6
Wholesale	55	14.7
Retail	15	4.0
Banks & other financial institution	52	13.9
Insurance	10	2.7
Real estate	4	1.1
Business services	9	2.4
Electricity, gas & water	3	.8
Restaurants & hotels	18	4.8
Transport & related services	35	9.3
Storage	1	.3
Communication services	10	2.7
Construction	7	1.9
Others	90	24.0
	-----	-----
Total	375	100.0

Size of company in its field of business (self-reported)

Very large	63	16.5
Large	141	37.0
Medium	132	34.6
Small	41	10.8
Very small	4	1.0
	-----	-----
Total	381	100.0

Geographical base of corporate headquarters

Hong Kong	135	35.6
Elsewhere (see next table)	244	64.4
	-----	-----
Total	379	100.0

Location of corporate headquarters if not in Hong Kong
(in alphabetical order)

Australia	4	1.7
BVI	1	.4
Belgium	3	1.3
Bermuda	3	1.3
Brussels	1	.4
Canada	2	.9
China	5	2.2
Denmark	2	.9
Finland	1	.4
France	4	1.7
Germany	8	3.5
Indonesia	2	.9
Italy	1	.4
Japan	39	17.0
Jersey	1	.4
Korea	8	3.5
Luxemburg	1	.4
Malaysia	1	.4
Netherlands	4	1.7
New Zealand	1	.4
Philippines	2	.9
Singapore	3	1.3
South Africa	1	.4
Sweden	9	3.9
Switzerland	6	2.6
Taiwan	2	.9
UAE	1	.4
UK	57	24.9
USA	55	24.0
Worldwide	1	.4
Total	229	100.0

SPONSORSHIP EXPERIENCE

Q3. Has your company sponsored any event or activity in 1992?

Yes	165	43.3
No	216	56.7
Total	381	100.0

Q4. If yes, how many times in 1992?

1-5	86	61.4
6-10	23	16.4
11-15	11	7.9
16-20	6	4.3
21-25	3	2.1
26-30	3	2.1
50-100	2	1.4
100+	6	4.3
Total	140	100.0

Q5. What type of events do you normally sponsor?
(Unlimited number of response)

Sport	99	28.2
Charity	94	26.8
Academic	57	16.2
Cultural	49	14.0
Others	52	14.8
	-----	-----
Total	351	100.0

Q6. What was the approximate amount spent on sponsorship in 1992?

Below \$100,000	68	43.0
\$ 100,000- \$499,999	51	32.3
\$ 500,000- \$999,999	14	8.9
\$1,000,000-\$2,999,999	16	10.1
\$3,000,000 and above	9	5.7
	-----	-----
Total	158	100.0

Q7. What percentage of your marketing budget was spent on sponsorship in 1992?

Below 5%	78	56.5
5%-9%	24	17.4
10%-14%	15	10.9
15%-19%	6	4.3
20%-24%	4	2.9
25% +	11	8.0
	-----	-----
Total	138	100.0

Q8. Out of your total sponsorship in 1992, how much was spent on sports?

None	53	35.1
1%-19%	44	29.1
20%-39%	13	8.6
40%-59%	9	6.0
60%-79%	4	2.6
80% and above	28	18.5
	-----	-----
Total	151	100.0

Q9A. Nature of event you have sponsored in 1992?
(Unlimited number of response)

Competitions & tournaments	132	56.4
Promotional activities	51	21.8
Local training & development programmes	25	10.7
Individual athletes	14	6.0
National teams	12	5.1
	-----	-----
Total	234	100.0

Q9B. Approximate amount spent on sports events:

Below \$100,000	144	68.6
\$100,000-\$499,999	53	25.2
\$500,000-\$999,999	9	4.3
\$1,000,000-\$2,999,999	4	1.9
\$3,000,000 & above	-	-
	-----	-----
Total	210	100.0

Observation 57% of the corporations surveyed replied that they have sponsored event of some sort in 1992. Among them, 65% were sponsored some kind of sport activities, mainly competitions and tournaments. However, in terms of the total number of sponsored activities mentioned, 28% were sports related. For corporate sponsors identified, three-quarters have spent less than \$500,000 in sponsorship, or below 10% of their marketing budgets. In terms of budget shares spent on sports, a bi-modal distribution was observed, meaning that corporations either spent very little (below 20%), or very much (over 80%), of their sponsorship budget on sports. In money terms, 69% have spent less than \$100,000 on sports sponsorship.

Q10. What are your main objectives for selecting certain events for sponsorship? (Unlimited number of response)

To enhance corporate image	131	33.9
To gain advertising & media coverage	81	21.0
To increase brand awareness	73	18.9
To enhance customer/staff relations	58	15.0
To generate sales	23	6.0
To create opportunities for product sampling & demonstration	20	5.2
	-----	-----
Total	386	100.0

Q11. Are you satisfied with the results of your previous sponsorship, if any?

Yes	138	89.6
No	16	10.4
	-----	-----
Total	154	100.0

Observation The main reasons for selecting certain events for sponsorship were enhancing corporate image, gaining media coverage, and increasing brand awareness. 90% of those with sponsoring experience were satisfied with the result of their sponsorship.

SPONSORSHIP INCLINATION

Q13. Would you consider sponsoring sporting events/activities in future?

Yes	177	46.9
No	194	51.5
Maybe	6	1.6
Total	377	100.0

Q14. If No, why not?

Tight/no budget for sponsorship	50	33.8
Nature of business/target market not related	22	14.9
Company/corporate policy	13	8.8
Small business/company	9	6.1
No/little interest in sports	8	5.4
Prefer community projects & charity	8	5.4
Nature of products not related	8	5.4
Not approved by mother company/headquarters	6	4.1
Too costly/expensive and little benefit	5	3.4
Other more cost effective advertising efforts	4	2.7
Prefer activities which staff can participate	2	1.4
Sports is not a priority	2	1.4
Cannot fulfil objectives	2	1.4
No precedent cases	1	.7
Not interested in sponsorship	1	.7
Others	7	4.7
Total	148	100.0

Q15. Do you have any specific areas of interest in sports?
(Unlimited number of response)

Competitions & tournaments	105	23.5
Promotional activities	81	18.2
Local training & development programmes	44	10.0
National teams	34	7.6
Individual athletes	23	5.1
No specific area of interest	159	35.6
Total	446	100.0

Q16A. Is your company interested in any particular sports?

Yes	75	41.2
No	107	58.8
Total	182	100.0

Q16B. If yes, please specify. (Unlimited number of mention.)

Tennis	22
Golf	18
Soccer	17
Badminton	9
Squash	9
Basketball	6
Diving, waterskiing, swimming	5
Dragon boat	5
Rugby	5
Table tennis	5
Yachting, sailing, powerboating	5
Volleyball	4
Horse racing	3
Running, marathon	3
Athletics	2
Car-racing	2
Cricket	2
Aerobics	1
Archery, shooting	1
Baseball	1
Fishing	1
Gymnastics	1
Hiking	1
Ice-skating	1
Polo	1
Pedal kart racing	1
Wushu	1

Total	132

Observation 177, or 47%, of the corporations surveyed have expressed interest in sponsoring sporting activities. Those not interested mainly cited budgetary constraint as the main reason. As 99 corporations answering Q5 stated that they have sponsored sporting activities in 1992, we can infer that only 56% of the potential for sports sponsorship has been exploited. Figures show that most potential sponsors were interested in sponsoring competitions and tournaments, followed by promotion activities and development programmes. The rank order of the items mentioned were almost exactly the same as that of Q9A, which listed the activities actually sponsored. In terms of type of sports, 59% did not have a preference. For those who have, tennis, golf, and soccer were the most frequently mentioned, followed by badminton, squash, and basketball.

Q17. Have you heard of the "Sports Sponsorship Advisory Service" of the Sports Development Board (SDB)?

Yes	97	25.8
No	279	74.2
	-----	-----
Total	376	100.0

Q18. If yes, from what source? (Unlimited number of response)

Magazines & newspapers	60	41.4
Personal contacts	27	18.6
SDB publications	25	17.2
SDB functions	19	13.1
SDB's presentation at professional institutes or clubs	10	6.9
Others	4	2.8
Total	145	100.0

Q19. Would you like SDB to keep you posted on relevant sports sponsorship opportunities?

Yes	173	47.0
No	195	53.0
Total	368	100.0

Q21. Would you like us to put you on the mailing list of SDB's quarterly magazine - "Challenger"?

Yes	198	54.4
No	153	42.0
Already on the list	13	3.6
Total	364	100.0

Observation Only one-quarter of the corporations surveyed heard of SDB's Sports Sponsorship Advisory Service, mainly through magazines and newspapers. 47%, or practically all those interested in sports sponsorship, would like SDB to keep them posted on relevant opportunities. Slightly more would like to be on the mailing list of SDB's "Challenger" Magazine. Contact points for these companies have been appended to this report.

CROSS-TABULATION ANALYSIS

Tables related to the further analysis of sports sponsorship experience and inclination are given in Appendix 1. It could be seen that larger companies have more experience in general sponsorship and were also more inclined to sponsor sports activities. They were more interested to be kept posted on relevant sponsorship opportunities. (Table 1-3) In terms of business nature, although the number of companies within each category were usually too small to warrant detailed statistical analysis, nevertheless, some interesting observations still emerged from the figures. Comparing figures in Tables 4 and 5, it can be seen that there are some untapped potentials for sports sponsorship in the insurance, transport, retail, manufacturing, and banking industries. In money terms, communication, transport, and retail firms seemed to be most generous in sponsoring various activities (Table 6). Finally, from Table 7, it seems that communication services companies, real estates, insurance companies, manufacturing and retail firms, were very keen to receive further information about sports sponsorship.

APPENDIX 1

CROSS-TABULATION TABLES

Table 1: Sponsorship experience in 1992 by Size of company
(Row percentages add up to 100%)

Size of company	Sponsorship experience		
	Yes	No	
Very large	34 54.8	28 45.2	62 16.4
Large	75 53.6	65 46.4	140 37.0
Medium	48 36.6	83 63.4	131 34.7
Small	8 19.5	33 80.5	41 10.8
Very small		4 100.0	4 1.1
Column Total	165 43.7	213 56.3	378 100.0

Table 2: Sports sponsorship inclination by Size of company
(Row percentages add up to 100%)

Size of company	Sponsorship inclination			
	Yes	No	Not sure	
Very large	39 62.9	22 35.5	1 1.6	62 16.6
Large	68 49.3	66 47.8	4 2.9	138 36.9
Medium	56 43.4	72 55.8	1 .8	129 34.5
Small	11 26.8	30 73.2		41 11.0
Very small	1 25.0	3 75.0		4 1.1
Column Total	175 46.8	193 51.6	6 1.6	374 100.0

Table 3: Posted on relevant opportunities by Size of company
(Row percentages add up to 100%)

Size of company	Keep posted		
	Yes	No	
Very large	36 58.1	26 41.9	62 17.0
Large	73 54.5	61 45.5	134 36.7
Medium	51 40.8	74 59.2	125 34.2
Small	12 30.0	28 70.0	40 11.0
Very small		4 100.0	4 1.1
Column Total	172 47.1	193 52.9	365 100.0

Table 4: Sponsorship experience in 1992 by Nature of business
(Row percentages add up to 100%)

Nature of business	Sponsorship experience		
	Yes	No	
Manufacturing	31 47.0	35 53.0	66 17.7
Wholesale	25 45.5	30 54.5	55 14.8
Retail	7 46.7	8 53.3	15 4.0
Banks & other financial instn.	24 48.0	26 52.0	50 13.4
Insurance	3 30.0	7 70.0	10 2.7
Real estate	3 75.0	1 25.0	4 1.1
Business services	4 44.4	5 55.6	9 2.4
Electricity, gas & water	2 66.7	1 33.3	3 .8
Restaurants & hotels	9 50.0	9 50.0	18 4.8
Transport & related services	14 40.0	21 60.0	35 9.4
Storage		1 100.0	1 .3
Communication services	7 70.0	3 30.0	10 2.7
Construction	1 16.7	5 83.3	6 1.6
Others	31 34.4	59 65.6	90 24.2
Column Total	161 43.3	211 56.7	372 100.0

Table 5: Sports sponsorship inclination by Nature of business
(Row percentages add up to 100%)

Nature of business	Sponsorship inclination			
	Yes	No	Not sure	
Manufacturing ✓	34 52.3	31 47.7		65 17.7
Wholesale	18 32.7	36 65.5	1 1.8	55 14.9
Retail	9 60.0	5 33.3	1 6.7	15 4.1
Banks & other financial institutions ✓	29 55.8	22 42.3	1 1.9	52 14.1
Insurance	6 60.0	3 30.0	1 10.0	10 2.7
Real estate	3 75.0	1 25.0		4 1.1
Business services	3 33.3	6 66.7		9 2.4
Electricity, gas & water	2 66.7	1 33.3		3 .8
Restaurants & hotel	8 44.4	9 50.0	1 5.6	18 4.9
Transport & related services ✓	18 52.9	16 47.1		34 9.2
Storage		1 100.0		1 .3
Communication services	7 70.0	3 30.0		10 2.7
Construction	1 14.3	6 85.7		7 1.9
Others	35 41.2	49 57.6	1 1.2	85 23.1
Column Total	173 47.0	189 51.4	6 1.6	368 100.0

Table 6: Amount spent on general sponsorship in 1992 by Nature of business
(Row percentages add up to 100%)

Nature of Business	Amount spent in 1992					
	<\$100k	<\$500k	<\$1m	<\$3m	\$3m+	
Manufacturing	10 35.7	10 35.7	3 10.7	3 10.7	2 7.1	28 18.2
Wholesale	15 60.0	6 24.0	1 4.0	2 8.0	1 4.0	25 16.2
Retail	2 28.6	3 42.9	1 14.3		1 14.3	7 4.5
Banks & other financial inst.	9 36.0	9 36.0	2 8.0	4 16.0	1 4.0	25 16.2
Insurance	1 33.3	1 33.3	1 33.3			3 1.9
Real estate	2 66.6	1 33.3				3 1.9
Business services	2 50.0	1 25.0		1 25.0		4 2.6
Electricity, gas & water		1 50.0		1 50.0		2 1.3
Restaurants & hotels	8 100.0					8 5.2
Transport related services	3 25.0	6 50.0	2 16.7		1 8.3	12 7.8
Storage						
Communication services	1 16.7	2 33.3	1 16.7	1 16.7	1 16.7	6 3.9
Construction		1 100.0				1 .6
Others	14 46.7	7 23.3	3 10.0	4 13.3	2 6.7	30 19.5
Column Total	67 43.5	48 31.2	14 9.1	16 10.4	9 5.8	154 100.0

Table 7: Posted on relevant opportunities by Nature of business
(Row percentages add up to 100%)

Nature of business	Keep posted		
	Yes	No	
Manufacturing	34 56.7	26 43.3	60 16.7
Wholesale	21 40.4	31 59.6	52 14.5
Retail	9 60.0	6 40.0	15 4.2
Banks & other financial institution	23 45.1	28 54.9	51 14.2
Insurance	6 60.0	4 40.0	10 2.8
Real estate	3 75.0	1 25.0	4 1.1
Business services	3 33.3	6 66.7	9 2.5
Electricity, gas & water	2 66.7	1 33.3	3 .8
Restaurants & hotels	9 52.9	8 47.1	17 4.7
Transport & related services	14 41.2	20 58.8	34 9.5
Storage		1 100.0	1 .3
Communication services	10 100.0		10 2.8
Construction	3 42.9	4 57.1	7 1.9
Others	31 36.0	55 64.0	86 24.0
Column Total	168 46.8	191 53.2	359 100.0

SURVEY ON SPORTS SPONSORSHIP

Kindly fill in the following questionnaire to the best of your knowledge and return it to us using the reply envelope enclosed. Your information will be kept strictly confidential. (Please tick the appropriate answers, or specify if necessary)

I. COMPANY INFORMATION

Name of Company: _____

Contact Person: _____ Position: _____

Telephone No: _____ Fax No: _____

Address: _____

Nature of Business:

- | | |
|---|--|
| ☐ Manufacturing
<i>Please specify product</i> _____ | ☐ Real Estate |
| ☐ Wholesale
<i>Please specify product</i> _____ | ☐ Business Services |
| ☐ Retail
<i>Please specify product</i> _____ | ☐ Electricity, Gas & Water |
| ☐ Banks & other financial institutions | ☐ Restaurants & Hotels |
| ☐ Insurance | ☐ Transport & related services |
| | ☐ Storage |
| | ☐ Communication Services |
| | ☐ Construction |
| | ☐ Others
<i>Please specify</i> _____ |

II. ESTABLISHMENT

1. How would you rate the size of your company in your field of business?

a. Very large ☐ b. Large ☐ c. Medium ☐ d. Small ☐ e. Very small ☐

2. Is Hong Kong the corporate headquarters of your company?

a. Yes ☐ b. No ☐ (If No, please name the country) _____

III. SPONSORSHIP EXPERIENCE

3. Has your company sponsored any event or activity in 1992?
- a. Yes ☐ b. No ☐ (If No, please skip to Part Four, Question 13)
4. If Yes, how many times in 1992? _____
5. What type of events do you normally sponsor? (You can tick more than one box)
- a. Cultural (including arts, music etc.) ☐ b. Academic ☐ c. Charity ☐
d. Sport ☐ e. Others ☐
6. What was the approximate amount spent on sponsorship in 1992?
- a. Below \$100,000 ☐ b. \$100,000 - \$499,999 ☐ c. \$500,000 - \$999,999 ☐
d. \$1,000,000 - \$2,999,999 ☐ e. \$3,000,000 and above ☐
7. What percentage of your marketing budget was spent on sponsorship in 1992?
- a. Below 5% ☐ b. 5% - 9% ☐ c. 10% - 14% ☐
d. 15% - 19% ☐ e. 20% - 24% ☐ f. 25% and above ☐
8. Out of your total sponsorship in 1992, how much was spent on sports?
- a. None ☐ b. 1% - 19% ☐ c. 20% - 39% ☐
d. 40% - 59% ☐ e. 60% - 79% ☐ f. 80% and above ☐
9. Please list all the sport events you have sponsored in 1992 in the table below. Please also indicate their nature together with the approximate amount spent by circling the appropriate code on the two columns at the right. (For nature of event, you can circle more than one code)

Name of event/programme	Nature of event *	Amount spent #
	a b c d e	a b c d e
	a b c d e	a b c d e
	a b c d e	a b c d e
	a b c d e	a b c d e
	a b c d e	a b c d e

Nature of event/programme *

- a. Competitions and tournaments
b. Individual athletes
c. National teams
d. Local training & development programmes
e.g. training course, award scheme, etc.
e. Promotional activities
e.g. sports festival, demonstration, fun day,
sports clinic, etc.

Amount spent #

- a. Below \$100,000
b. \$100,000 - \$499,999
c. \$500,000 - \$999,999
d. \$1,000,000 - 2,999,999
e. \$3,000,000 and above

10. What are your main objectives for selecting certain events for sponsorship? *(Please tick as appropriate, you can tick more than one box)*

- a. To enhance corporate image ☐
- b. To increase brand awareness ☐
- c. To generate sales ☐
- d. To create opportunities for product sampling and demonstration ☐
- e. To enhance customer/staff relations ☐
- f. To gain advertising and media coverage ☐

11. Are you satisfied with the results of your previous sponsorship, if any?

- a. Yes ☐
- b. No ☐

12. If No, why not?

IV. SPONSORSHIP INCLINATION

13. Would you consider sponsoring sporting events/activities in future?

- a. Yes ☐
- b. No ☐

14. If No, why not?

15. Do you have any specific areas of interest in sports?
(You can tick more than one box)

- a. Competitions and tournaments ☐
- b. Individual athletes ☐
- c. National teams ☐
- d. Local training & development programmes ☐
e.g. training course, award scheme etc.
- e. Promotional activities ☐
e.g. sports festival, demonstration, fun day, sports clinic, etc.
- f. No specific area of interest ☐

16. Is your company interested in any particular sports? If Yes, please specify.

17. Have you heard of the "Sports Sponsorship Advisory Service" of the Sports Development Board (SDB)?

- a. Yes ☐ b. No ☐

18. If Yes, from what source? (You can tick more than one box)

- a. SDB functions ☐
b. SDB publications ☐
 e.g. brochure entitled "Strike Gold with Sports Sponsorship",
 "Challenger", Annual Report
c. Magazines and newspapers ☐
d. SDB's presentation at professional institutes or clubs ☐
e. Personal contacts ☐
f. Others, please specify _____ ☐

19. Would you like SDB to keep you posted on relevant sports sponsorship opportunities?

- a. Yes ☐ b. No ☐

V. FURTHER CONTACTS

20. Please suggest other sections of your organisation which might like to be involved in sports sponsorship, if any.

Company	Product/Brand	Contact Person	Telephone

21. Would you like us to put you on the mailing list of SDB's quarterly magazine - "Challenger"?

- a. Yes ☐ b. No ☐ c. Already on the list ☐

***** The End *****

On behalf of the Sports Development Board, thank you for participating in this survey.
Please return the completed questionnaire to:

Social Sciences Research Centre
The University of Hong Kong
Rm 1026 K K Leung Building
Pokfulam Road
Hong Kong