DEVELOPMENT OF THE SPONSORSHIP PROCESS FOR THE SPORT ASSOCIATIONS OF THAILAND

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Abstract

This research is aimed to study the current situation of the Sport Association’ sponsorship process and the methods of its development using Qualitative methods. The methods are consisting three steps; 1) Study the current situation of the Sport Association of Thailand’s sponsorship process by in-depth interview with 10 executives. 2) Study the method of development in finding sponsors using Delphi technique with 21 experts 3) Confirm the method attracting sponsors using Focus Group method with 11 executives. The findings reveal that 1) The current situation of the Sport Association’ sponsorship process is not totally ideal since its administration still relies on bureaucracy 2) There are 4 steps of development to attract sponsors for the Sport Association of Thailand; (1) Specify objectives and qualification (2) Identify the target group matching the products (3) Administerate (4) Conclude and evaluate. All can be extended as Brand Management, Product Identification (sports), Brand Awareness, Product Development, Sport Public Relation, Identifying the Sponsor Target Market, Matching Product and Sponsor, Selling the Product, Good Governance, Privilege, Good Governance for Privilege, Evaluation and Monitor, and Servicing the Partnership.

The suggestion is the government should issue a policy supporting strategies to find sponsors for the Association. The Sports Authority of Thailand should have definition in the program to develop and provide more privilege.

Keywords: Development; The Sponsorship Process; The Sport Associations of Thailand

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INTRODUCTION

Nowadays, sports play significant role in our life. It is considered important to people’s health physically and mentally. Sports can implement morality and virtue which are essential to people’s quality of life, family, and society. Sports can lead to economic, social, and other development. So it is a tool bringing harmony and value conducing strength to family, society, and nation. In a developed country such as America, they blossom sports to be a social drive making income to the country and now it is an industrial with the biggest market share in the world. As of now, Thai government has enacted the Royal Decrees and Ministerial Regulation Regarding Exemption from Revenue Taxes, number 559, 2013, to exempt every tax from the Code of Revenue (Ministry of Finance, 2013), which are personal income tax, value added tax, specific business tax, and revenue stamp, to contribute sports for 3 years (January 1st 2013 – December 31st 2015), followed by the Code of Revenue number 596, 2016 to contribute sports for another 3 years (January 1st 2016– December 31st 2018). This contribution is in favor of sport equipment acquisition, practice and competition, sport center or field building and development, athletes and personnel development.

Sponsors from commercial business need public relation to reach every consumer group, to brand the products ideally, to make their products favorable, for sales and general popularity. These leading business therefore support sports and abide by governmental condition. They believe that to support sports activities will make decent image despite the enormous investment. So, they are willing to have advertisement for further reputation (Sports Authority of Thailand, 2015). There are very few sports in Thailand that are considered successful and all are individual sports, such as Tennis, and Golf. To be successful, family is an important factor. Besides female Volleyball, there is no other team sport that is as good in Thailand. Government should take into consideration that to develop sports, it should start from the players, the organized administration, and the sponsorship. Then, support and promote sports that can be successful internationally. General public will have an attention. Such sports will be fashionable in the country. Private sectors will have more concernment by being a sport sponsorship. They will also have marketing though sport. In consequence, sports association or organization will have more budget aside limited governmental fund. This financial hole can be filled from the help of private sectors and state enterprises. Accordingly, a sponsorship process has occurred. So that sports will be prepared for world stage with financial stability. Sports association need strategy to attract sponsors to be able to execute and administrate constantly on its own.

All of the above, the researcher has intended to study the process of sponsorship finding for Sports Association of Thailand, for it to be the future guideline in planning and operation. Sports in Thailand should be excellent. Thailand will be competitive to nations. And also for people to be healthy from sports and exercise for long.

PURPOSES OF THE STUDY

The Purposes of the Study were:

1) To study the current situation of the Sport Association of Thailand’s sponsorship
2) To study the method of development for Sport Association of Thailand’s sponsorship process.

CONCEPTUAL FRAMEWORK

1) Concept about Sport Sponsorship
Ko, Clauss and Kim (2008) cited that to sponsor the sports is to do a public relation for the organization, products, and service indirectly. The sponsors contribute in cash or value-in-kind. They can give information to the press conveying the needs of the giver and to create an ideal image for consumer to relate the attitude, to have intention to purchase, and to repurchase. In short, the researcher found that being a sponsor is to work altogether with other organizations for mutual benefits by exchanging the so called benefits with marketing information from the organizations, sport consumers and viewers or audience who are sponsors will contribute help in cash or value-in-kind which is their rightfully authority.

World Academy of Sport (2013) Sponsorship management of applicants, which the management of sports organizations consists of 3 major components: athletes, administrators and trainers which in all 3 parts, it will cover the basis of 4 services as well are Athlete Services, Program Services, Business Services and Marketing Services which these 4 sections will work in harmony to drive the sports organizations with linked each other as shown in Figure 1.

Concept 2 From the study found that being a marketing sponsorship is a fast-growing marketing communication tool. Marketing sponsorship is also relevant to activities or events that aimed at achieving corporate objectives in areas such as consumer awareness and enhancing brand image, also the value of turnover was increased.
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Bonham. (2000) (cite in Mr. Nutthapon Jitprapai. 2007) was arranged the process of marketing support that described as follows; 1) Defining objectives of being an activities sponsorship 2) Targeting the target groups that businesses try to reach for various purposes need to define the target audience to be clear that what kind of group? What style? to be an information to decide on choosing the type of activity to be sponsored by. 3) Defining the concept and business model of the participating activity must consider to the related various factors. 4) Defining marketing strategies by means of a form of indirect communication, which requires continuous reinforcement.

Concept 3: The researcher was studied the finding sponsorship process in the sports sponsorship system, by studied the finding sponsorship process in sports sponsorship of the University of San Francisco. The process of finding sponsorship is 4 steps as follows;

Step 1 means finding sponsorship requirements, targeting the target group, product definition and the image.

Step 2 means planning to create activities and determine the method or pattern in product matching.

Step 3 means creating administrative components, defining related elements or factors and effective management mechanism.

Step 4 means post sponsorship evaluation. From the collecting, study and synthesis of information on the finding process of sports sponsorship of the Sports Association of Thailand, the researcher found that there are 3 concepts with suitable finding process of sports sponsorship in this research. The summary is Figure 2 as follows;

Figure 2 The process of finding sports sponsorship
Step 1: Defining Qualifications and Objectives.

1.1 Brand Management. Those who support the sport must be known, including sports associations, there must be clarity in the well-known and recognition, which the sports agency must ensure that the investment is worthwhile and that its brand is known. Without good awareness enough, there is no chance of branding.

1.2 Product Identification. Sponsorships with sports organizations are like business partners where both parties have to increase their prices. The sports organization must response to the sponsor’s marketing. Qualification can meet the needs of potential and attractive sponsors. It needs to define the properties and benefits together.

1.3 Brand Awareness is the marketing process of the sport for those who are sponsors to know and realize the brand, with it is the starting point for being a sponsor.

1.4 Product Development is a process that results from effective management, due to continuous development of the product will make the market attractive.

1.5 Sport Public Relation is the dissemination of information and activities to society in order to be aware of the activities and operations of various sports associations. The society will also include those who will support the operation of the sports association. At the same time, it is a channel to connect with target customers who will support.

Step 2: Targeting and Matching Products.

2.1 Identifying the Sponsor Target Market Targeted with success or failure drive will determine the security of the investment and the level of revenue, so will have to focus on finding opportunities and public relations. The marketing strategy may be based on media such as television, radio, printed matter and advertising, by selecting the most effective and cost-effective tools.

2.2 Matching Product and Sponsor, matching the athlete and the potential qualities of the sponsor must take into account the sporting qualifications that will meet the needs of the sports sponsor. Gather information that is beneficial to the sport and develop marketing, which is might found more supporters.

Step 3: Management

3.1 Selling the Product, which aim at this stage is to clearly introduce the sport and show how it will meet the needs of the sports sponsor. The presentation should include the following elements: 1) Introduction to the sporting outlines 2) Executive outline introduction to sports 3) Key features 4) How to meet the needs of sponsors 5) Special offers to sponsors 6) Expenditure details 7) Methods of implementation and planning.

3.2 Good Governance is a key element in the management process, making it efficient and effective, and based on the principle of fairness, transparency, accountability and a sense of management, there are 6 main principles: the rule of law, principle of morality, principle of transparency, principles of participation, Responsibility and the main value.

3.3 Privilege management is the process by which a person or company is rewarded for sponsoring a sporting event in the form of an advertisement and public relations during the event or competition, which beyond that will depending on the agreement of both parties.
3.4 Good Governance for Privilege is a key element in the management process, making management effective and efficient and based on the principle of fairness, transparency, accountability and a sense of management, there are 6 main principles: the rule of law, principle of morality, principle of transparency, principles of participation, Responsibility and the main value.

Step 4: Summary and Evaluation

4.1 Evaluation and Monitor, is the evaluation of the activity to know the good point, bad point, strong point and weak point for sponsors and product owners for future collaborations and opportunities to develop as sponsors.

4.2 Servicing the Partnership, is monitoring on performance of the objectives. How much do you want? Is it effective? The results of the follow-up will be used as a basis for decision making and modify the plan implementation to make it more productive.

4.3 Servicing the Partnership, sponsorship services provide assurance to sponsors to work in the future and the next opportunity. This must be done alongside the benefits system.

METHODOLOGY

This research is a developmental study using Qualitative methods. 1) Study the current situation of the Sports Association of Thailand’s sponsorship process to make an in-depth interview. The population involved in the research phase 1 is the executive of Sports Authority of Thailand, which is responsible for finding sponsors or those involved, according to the Sports Authority of Thailand Act 2015, for one person each association, including 10 persons. 2) Develop the method to attract sponsorship using Delphi technique. The researcher has set criteria for selecting experts that consists of; the Private sector executive sponsorship for sports, State enterprise executive sponsorships for sports, sports marketer, sports press, Scholar on sports management and 21 representatives of the National Olympic Committee of Thailand. Researcher selected the sample by purposive sampling that consists of the population in sample group, with 3 persons each group. The researcher has set criteria for selection of experts who will be required is a responsible person or has working experience, knowledge or competence in the field of sports, also, involved in the finding sponsorship process of the Sports Authority of Thailand. The experts who are in the selection criteria must be in the sports industry for not less than 5 years and occupy for executive at level 7 above in the organization or as a senior executive in sports. 3) Confirm the process using Focus Group method. The researcher selected the sample by purposive sampling that consists of 11 executives of the Sports Association of Thailand or those who were involved in the operation of the Sports Association of Thailand, which is a sports association in grade A, according to the results of the evaluation of Sports Authority of Thailand in 2015.

RESULT AND DISCUSSION

The methodology gives us the picture of current situation of Sports Association of Thailand’s Sponsorship process. However, both revenue and budget come through the Sports Association directly or through the Sports Authority of Thailand and the National Sports Development Fund are insufficient to
develop the sport of Thailand and the development of Thai athletes to be equivalent to athletes at international level as well as the promotion of personnel in sport. The Sports Authority of Thailand is seeking efforts to find sponsors through state enterprises or private organizations to support for sports and to support budgets for each category of sport, without spending a budget from the public sector and the key issue is finding sponsor is a diminishing number of sponsors, which affects the budget that will be used in the running of the Sports Association and the development of athletes. Delphi technique in step 2 reveals that all the experts and executives all agree with the process offered in sponsorship finding which are the 4 steps and 13 approaches. The confirmation of the method using Focus Group in finding the sponsorship for the Sports Association of Thailand. The conclusion is:

1. The current situation of the Sports Association of Thailand’s sponsorship process
   This process is mainly supported by government.

   The recent operations on the sponsorship process for the sport associations of Thailand were still lack of appropriateness due to it contained the nature of bureaucracy that mainly required extra supports from the government. The research results of the current condition of the sponsorship process for the sport associations of Thailand are the following operations.

   Currently, the sport associations are sponsored by both public and private sectors. The associations will submit annual plans for association support grant including the budget for preparation of athletes in various sports events annually. The government budget will be regulated by government regulations to take in charge of the budget. And budgets from the private sector will directly reported to the supervisor. The purposes are to invite all interested parties to be hosts of various sports events and to be as a media in the public relations. There will be the third party assigned to be responsible for all the benefits. New sponsors of the associations, the administrators of the associations will meet the new sponsors to present plans or associations’ operational projects and to explain about benefits that the sponsors will receive in return to be considered. This is a method to present projects to new sponsors. The associations will have the criteria for receiving sponsorship proposals that do not affect existing sponsors. Also, the associations will track the results of the proposed projects presented to new sponsors for about a week to wait for the feedback of consideration. The decision-making power of selecting sponsors is at the board of directors or the president of the associations. The decision to provide benefits to any sponsor will take into account the benefits that the associations will receive in both forms of money support and other benefits as priority. The performance of athletes will be created for excellence by providing a list of athletic performance and contributions to sponsors. The sports events will be upgraded to be interesting and broadcasted from the mass media in order to make the sports more popular in the society. This is a sponsorship process through Sport Marketing. The sponsorship forms include an annual support, support in each sports event, and support in a mutual help project.

   In addition, many associations were sponsored in terms of the relationship between associations’ administrators and sponsoring private companies. Also, some associations were sponsored by associations’ former
administrators who continued providing patronages. And some associations were sponsored by the performance of athletes of the sport associations. Some associations were well supported by sponsors because of their transparency of benefit management as well as encouraging the public to be interested and aware of the sports in charge by the associations. The problems of the sponsorship process, some associations were lack of good governance. Meanwhile, some sports required high investments, especially in expensive sports materials, so they could not find sponsors to support. Also, some associations had no popular athletes so that they could not receive interests from sponsors ultimately.

2. 13 approaches to develop the process of sponsorship for the Sports Association of Thailand

The current condition requires the sponsorship process to support sports in various areas increasingly. The recent operations of the sponsorship process for the sport associations of Thailand have been sponsored by both public and private sectors due to it is actually considered as the popular culture broadcasting through entertainment media.

The research resulted that the 4 steps and 13 approaches. Obviously, the major problem in finding supporters is that the Sports Associations gained sports sponsorships that funded by the government. The reduction in the number of sponsors from the private sector has impacted on the budgets that will be used in the operation of sports associations and the development of athletes. In addition, there is a problem of the standard system of operation and accounting system of sports associations are not standard or the same system, which decline in confidence from the supporters to the sports associations. The researcher has developed a method to develop a finding sponsorship process for the Sports Association of Thailand to fix the problem. All these 13 processes cover the initial management process, with product planning and targeting, management procedures in practice and the process of summarizing, evaluating and monitoring all the results are 4 steps according to the process of finding sponsors based on the research results.

Step 1 Specify Objectives and Qualification using these approaches;

1) Brand Management. The Sport Association of Thailand need an ideal image for people to appreciate and be encouraged to love and be enthusiastic for sports. Issuing policy in accordance with its principals and philosophy can help.

2) Product Identification. The Association need to build prominent points for athletes and send more athletes to international competitions. Sports activities are important to be held for connection with sponsors. The association should also create public relation for sponsors simultaneously with sports activities.

3) Brand Awareness. Images of athletes are to be promoted to general public. Knowledge and information must be there for sponsors. So that they can understand each sport clearly. Interesting and prominent point must be attractive to spectators making it more extensive.

4) Product Development. The Sports Association of Thailand should have improvement to meet the sponsors’ requirement. Distinguished identity and progress are needed. Innovative and modern
knowledge should be emphasized. The association should publicized its accomplishment regularly and develop sports using various body of knowledge such as applying knowledge from local wisdom and must enhance athletes’ potential continually.

5) Sport Public Relation. The Sports Association of Thailand should publicized and propagate information about the association via variety of channels such as, social media, television broadcasting, publication, or directly in person. The easiest approach is the social media, should be preferred. The public relation should be conducted constantly for people to acquire information and for the press to be of attention.

Step 2 Identify the target group matching the products
The Approaches are;
1) Identifying the Sponsor Target Market. The association’ administration should be in accordance with the sponsors and the target group of such product. There should be a survey to be acknowledged the requirement from sponsors. Product image should benefit the association and sponsors including the privilege should be served fairly.

2) Matching Product and Sponsor. The Sport kind and sponsor must be satisfaction for both the association and the sponsors. And the same category of products must not be oppositions.

Step 3 Administrate
The Approaches are
1) Selling the Product. The sponsors will look for athletes or sports that give the most advantage to them. The linkage should be made to meet the target. Sports should be interesting, be accessible in many ways for general public.

2) Good Governance. The Sports Association of Thailand should have standardized administration, should have good governance which is verifiable. Internal affair should be organized and fair such as the executive election. All transaction should rely on six principles; rule of law, virtue, lucidity, participation, responsibility, and worthiness. Privilege should be offered to sponsors rightfully.

3) Privilege. The Sports Association of Thailand has to perform according to the agreement ethically. Hold a meeting to discuss between the association and sponsors to notify and be acknowledged every requirement of both. The Sports Association of Thailand should always provide new privilege to attract sponsors.

4) Good Governance for Privilege. Payroll system in the association should be verifiable. The financial affair must be undoubtedly explicit and abide by the agreement. Reports of progress must be presented regularly to the sponsors. The association should rely on the six principals as mentioned above.

Step 4 Evaluate and Monitor
The Approaches are;
1) Evaluation and Monitor. The Sports Association of Thailand is to report and sum up the progress for the stakeholders. If there are problems, they should be followed up no matter from the sports activities or not. Identifier must be evaluated both from the association and sponsors. Evaluation is to be made alongside each steps of operation which are pre-operation, during operation, and post-operation. The conclusion and evaluation must be on good governance. Objectives to
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evaluate have to be clear. There also needs to have a long-term evaluation.

2) Servicing the Partnership. The Sports Association of Thailand must regularly report the performance and administration progress to those in concern. The association need to administrate with integrity to gain trust from the sponsors. Fairly serve the privilege to sponsors. We may see from the steps of finding sponsors, it starts with the very first step to the last which is the conclusion and evaluation which helps the sponsorship process to be standardized. This process can also help creating approach of financial development and to have more sponsors as well as to keep the sponsors.

SUGGESTION

1. Policy suggestion

1) Government should legislate the regulation to strictly inspect the expenses when using governmental budget. Ministry of Tourism and Sports along with Sports Authority of Thailand should support and generate body of knowledge about sponsorship process. Advance the privilege for the Sports Association of Thailand. Place the identifier in the evaluation program in more rigid maneuver.

2) The campaign such as “One Sports Association, One State Enterprise” should be executed continually including public private partnerships, should be made concrete. There should be a policy extending tax reduction for sponsors which they can reduce the tax down to twice as much of the contribution but not more than ten percent of net revenue (the Royal Decrees and Ministerial Regulation Regarding Exemption from Revenue Taxes, number 596, 2016, effective from January 1st – December 31st 2018)

2. Practical Suggestion

1) The Sports Authority of Thailand should write a manual for Sports Association of Thailand to use as guideline for sponsorship process and should hold training events for personnel to understand the process. This can be included the provincial sports association.

2) The Sports Authority of Thailand should monitor and follow up after a budget is approved. It should strictly follow up about the privilege that each association is executing.

3) The Sports Authority of Thailand should support and promote events educating members to know and understand about sponsorship process.

3. Suggestion for further research

For further research, we suggest that;

1) Study the efficiency of sponsorship process of the Sports Association of Thailand

2) Evaluate and monitor the sponsorship process of the Sports Association of Thailand

3) Study and develop the sponsorship process for provincial association

4) Study the sponsorship process for athletes

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