



## Sport Sponsorship, Promotion and Corporate Image: An Impact Assessment of MTN Nigeria

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### ABSTRACT

This paper examines the public view about MTN's involvement in sponsorship and promotion of sports in Nigeria. The survey method was used, with the questionnaire and interview as instruments for data collection. Findings showed that sport sponsorship and promotion enhance the corporate image of organizations. It was discovered that organizations use sports sponsorship and promotion to introduce new product, services and ideas and to reinforce sales support for existing ones. The study also found out that the Federal Government of Nigeria has made a tax deductible policy for organizations involved in sports sponsorship and promotion in Nigeria. Based on these findings, the study recommends that sports sponsorship and promotions should be part of an organization's initial Public Relations plan and that organizations should focus on effective service delivery to back up their Public Relations initiatives among others.

**Keywords:** Corporate Image, Sports Sponsorship, Promotion Impact.

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### 1. INTRODUCTION

The word sport is derived from the Latin word “disport” which means to amuse, to direct oneself. It includes play, amusement, entertainment or recreation. Sports has existed for ages, as man's invention to interact with others, to display skills and physical process and to entertain or offer excitement. Most sports involve some forms of running, throwing and jumping, all of which developed from basic hunting skills. As civilization shifted from hunting and gathering to agrarian state, previous activities were carried over into “non hunting context” at the earliest to form sports. However, man's desires for improvement and change have seen sporting activities grow into organized form, with universal appeal. It is noteworthy that the 19<sup>th</sup> century invention of additional sporting activities and facilities have complicated previous set of rules and brought sports to the jet age, today sport is one of the most pervasive social phenomenon. Not only is it a popular leisure activity, but a social institution that permeates several aspects of life in the 21<sup>st</sup> century. Sports are “the youths past time, adults recreational outlets, the poor's leisure and therapy for the rich” (Gbesan: 1995:12).



People have always taken keen and active interest in sports; in the early days, they devoted the period following the harvesting of crops to wrestling, horse racing and acrobatic displays. Today sports, with the invention of cable network, are simply one of the strongest unifying forces we have as a people. This explains why most corporate organizations have taken advantages of this height to involve in the sponsorship and promotion of sports. In fact, Gbesan (1995) explained that Sport in Nigeria now involve big money, big names, big prizes and big fame. As sports became an ever-more popular entertainment medium for TV and Radio broadcasting, sponsorship became an ever-more popular way for large corporations to market themselves: it is a very effective way of associating their brand or identity with the values represented by a particular sports. As professional sport became increasingly driven by money; with players and other participants demanding high wages, sponsorship seems to be the only way to provide the cash necessary to keep the sport running to the standard that television viewers demand. Media coverage of sports therefore became inevitable. It is almost impossible to watch any major sporting event not subjected to corporate logos as part of the television images. Sponsorship enables corporations brands to reach millions of people worldwide, via a single or multi-channel of communication. Many companies allocate huge sums of money to their sponsorship budgets in order to achieve this goal.

Promotion or sponsorship is an element of marketing communication, within the broader context of marketing mix of: product, Price, Place, Promotion, distribution and marketing communication. Adeosun et al, (2013:65), Meenaglem (1991: 24) further argued that sponsorship is similar to the advertising tool, considering the humongous amount of money invested for commercial purpose. Furthermore, sponsorship involves investment in events or related causes with the purpose of achieving various objectives, such as increasing sales volume, boosting company's reputation and corporate image and to create awareness for the goods, services and ideas. Sponsorship builds goodwill as well as Increase Company's product or brand. It changes the perception of brand or product. It also demonstrates humanity and responsibility; and indirectly increase sales, stimulates demand and identifies brand or product with a particular market segment.

Sponsorship is an attempt for an organization to connect the brand with highly publicized sport events (Farrelly, 1998: 15:16). It involves allocation of resources with the aim of attaining certain organizational objectives. It is part of a company's good citizenship efforts to contribute to the local and the surrounding community.

The ability to create meaningful cordiality with an organization's publics is a major challenges that every enterprises faces, from day to day. The besides profit making, depends largely on the understanding and supports of its target publics.

### **1.1 Statement of Problem**

Corporate bodies and business organizations, whether indigenous enterprise, multi-nationals or transnational's seek to count the goodwill of the people within its identified public to maintain cordial and meaningful relationship with them. This aligns with the function of public relations which seeks to establish and maintain mutual understanding and goodwill between an organization and its publics. In recent times, it has been observed that a number of organizations have shown great interest in the sponsorship and promotion of sports in Nigeria. One of such corporate organizations is Mobile Telecommunications Network (M T N) a telecommunications company.

Watchers of the Nigerian society have observed with concern, what reasons may be responsible for this trend. This study therefore seeks to find out the extent MTN has been involved in sports and how it has helped in achieving the company's corporate objectives.



## 1.2 Research Questions

The following research questions were raised for the study:

1. What is responsible for the sponsorship of sports by MTN Nigeria?
2. To what extent does sports sponsorship and promotion enhance the corporate image of MTN?
3. How does the public's view the involvement of MTN in sports sponsorship and promotion in Nigeria?
4. Has sports sponsorship given the organization the desired goals?

## 1.3 Objective of the Study

This study has the following objectives:

1. To ascertain the extent at which MTN is involved in sports sponsorship and promotion
2. To find out whether the sponsorship and promotions enhance the image of the organization
3. To know the aims and objectives for which the management of M T N has embarked on sponsorship and promotion of sports in Nigeria

## 2. RESEARCH METHODOLOGY, POPULATION/SAMPLING PROCEDURE

The survey method was used for this study. The populations of the study were the 997 staff of all the eight Sport Management Authorities based in Abuja, the Federal Capital Territory. (NFF, 2004). The study used quota sampling method to select respondents from each organization. This gave us 240 respondents used for the study. Out of 240 only 231 questionnaires were properly filled and returned. This amounted to 97 percent return rate.

### 2.1 Theoretical Framework

This study is rooted in social judgment theory. This theory is a societal marketing communication instrument. It says that, social stimuli, such as message design effort, attitudinal and behavioral changes are subject to judgmental distortions "can't trust" and assimilations (Decarlor, 1997:488-462). According to him; "can't trust" refers to a shift in judgment away from one's established attitude, whereas "assimilation" refers to a shift towards one's attitude. Decarlor posits that since an individual's judgment will have significant influence on his behavior and attitude, it could be seen to have serious implications for message planning and development. He asserts that one of the obvious implications is that:

Message that are within the range of acceptability to one's own position, attitude of acceptance are seen as closer than they actually are and message that are on the side of one's own range of acceptability attitudes of rejection are seen as father from one's range of view than they actually are, which increase the likelihood of message rejection. Nkanmebe (2004:32) says that the theory is suggesting that the pervasiveness or otherwise of a societal marketing message in the context of behavioral change and support will greatly depend on whether the message falls within the target audience's latitude of acceptance or rejection. He argues that this implies research as the yardstick for creating societal marketing messages. He is of the view that without the basic research to capture what constitutes a particular target audience's latitude of acceptance or rejection before the message strategies evolve, such an effort will always be fruitless.

Folarin (1998:83) also asserts that the social judgment theory is related to the social relations perspective, since it views individuals as representative of social group and assumes that mass-mediated message could alter or reinforce people's perceptions and sentiments towards other people or organizations. The social judgment theory is relevant to this study because it is a useful tool in explaining the variables that predicate people's behavior in relation to social relations and societal marketing communication targeted of strategies adopted to boost societal relations.



In this study, the theory is adopted to explain the effectiveness of sports sponsorship and promotion in enhancing the corporate image of an organization. Social judgment concentrates on human behaviors as a tool of explaining social relations and emphasizes the use of effective communication strategies as essential components of societal marketing. It also gives credence to socio-economic orientations of the people as determinants of how effective or otherwise communication can be used to such relation.

### 3. DATA PRESENTATION AND INTERPRETATION

**Table 1: Objectives of Sports Sponsorship**

Options	Frequency	Percentage
Corporate Social Responsibility to society	28	12%
Aggressive Marketing Campaign	60	25%
To Promote Brands and Services	26	11%
To Boost Corporate Image	50	23%
All of the above	67	29%
Total	231	100%

**Source: Field Survey 2017**

Respondents constituting 23% on the other hand stated that the objective of sports sponsorship and promotion by organizations is to boost the corporate image of such organization. The remaining 67 or 29% of the respondents constituting the highest position, emphasized that all the factors stated above underlies the objectives of sports sponsorship and promotion by organizations. This information shows that sports sponsorship and promotion is not a charitable venture so one may think Rather, it is a full-time business and various motives underlines the objective of sports sponsorship and promotion by various organizations it also implies that organizations which venture into sports sponsorship and promotion have series of goals and objectives, which they intend to achieve. It therefore means that no organization ventures into sports sponsorship and promotion just for the fun of it.

**Table 2: Tax and Motivation Towards Sports Sponsorship**

Options	Frequency	Percentage
Yes	102	44
No	54	23
Not sure	75	33
Total	231	100%

**Source: Field Survey, 2017**



Data in Table 2 showed that out of the 231 respondents stated that the Federal Government’s tax deductible policy on money spent on sports sponsorship and promotion is responsible for the involvement of their organization in sports sponsorship and promotion. Another 544 or 23% of the respondents; on their part, stated that organization’s involvement in sports sponsorship and promotion is not motivated by the Federal Government’s tax deductible policy, while another 75 or 33% of the sampled respondents on the other hand, stated that they are not sure as whether it is the Federal Government tax deductible policy that motivated the organizations or the organization had the intension and motivation before the policy.

Given the overwhelming response that the policy is the motivation factors, therefore, it implies that most organization’s involvement in sports sponsorship and promotion are motivated by the tax policy to maximize gains. This could also account for the reasons why there are more complaints and mixed feelings about the charged fee that, FL (the German company that bought the broadcast rights for the 2015 Orange African Cup of Nations) placed on the Broadcasting Organization of Nigeria (BON) to pay, if they wanted to televise the matches live. Owing to the fact that MTN Nigeria is the focus and basis for assessment for this research, the tenth question in the questionnaire was designed to elicit information from the respondents on how they will compare the corporate image and reputation of MTN in terms of demands for their products, before and after, they ventured into sports sponsorship and promotion.

**Table 3: Comparison of MTN Image/Reputation**

Options	Frequency	Percentage
Increased Demand	133	58%
Decreased Demand	0	0%
Increased Prestige	61	26%
Difficult to Measure	37	16%
<b>Total</b>	<b>231</b>	<b>100%</b>

**Source: Field Survey 2017**

The data in Table 3 shows that out of 231 respondents sampled, 133 (58%) respondents constitute the highest, and aligned with the option that MTN’s reputation / image with regards to demands for their products and services has increased significantly since they ventured into sports sponsorship and promotion. Sixty-one (61) or 26% said it has significantly increased their prestige in returns of corporate image reputation and demands for their products and services. 37 (16%) of the respondents, however, stated that it is difficult for them to measure MTN’s image and reputation. Nevertheless, the overwhelming responses that sports sponsorship and promotions have increased the demands for MTN’s products and services as well increase the prestige or the corporate reputation of the organization is a kind of advantage which implies that MTN’s involvement in sports sponsorship has enhance its corporate image and reputation.



The eleventh question in the questionnaire sought to find out from the respondents, whether they think sports sponsorship and promotion have enhanced the corporate image of MTN in Nigeria.

**Table 4: Sponsorship and Enhanced Image.**

Options	Frequency	Percentage
Yes	165	68%
No	22	9%
Not sure	53	23%
<b>Total</b>	<b>231</b>	<b>100%</b>

**Source: field Survey, 2017**

Data in Table 4 above shows that out of the 231 respondents sampled, 156 or 68% of the respondents constituted the majority opinion that says the involvement of MTN Nigeria in sports sponsorship and promotion has enhanced its corporate image. However, only 22 or 9% of the respondents are of the view that sports sponsorship and promotion have not enhanced the image of MTN Nigeria, while only 53 (23%) of the respondents on their part; stated that they are not sure whether sports sponsorship and promotion have enhanced the corporate image of MTN Nigeria. Taken independently, the 22 (9%) respondents who stated that sports sponsorship and promotion have not enhanced the corporate image of MTN become significant and therefore inconsequential to the study. This means that sports sponsorship and promotion have, to a considerable extent enhanced the corporate image of MTN Nigeria.



#### 4. CONCLUSION

From the findings above, it is clear that sports sponsorship and promotion have inherent potentials to enhance the corporate image and reputation of organizations in both public and private sector. Sponsorship and promotions have proved to be effective in turning around the fortunes of organizations by connecting their products and services with highly-rated and publicized sports event in order to create awareness and influence the perception and disposition of the public, thereby indirectly increasing sales. It also boosts the image of the organizations. It has also become clear that sports sponsorship and promotions have the capability for inducing attitudinal change; as well as buildings and maintaining relationships with a particular market segment, while at the same time supporting the overall organizational goal.

#### 5. RECOMMENDATIONS

This study recommends as follows:

- i. That corporate organizations as a matter of necessity should focus attention on their image as well as their business efforts since both determine how the public view them as responsible business concerns.
- ii. Corporate organizations in Nigeria should emphasize and sustain effective service delivery as the basis for image enhancement. This is because apathy will set in when the public discovers that sports sponsorship and promotion are merely used by the organizations to shield their shortcomings away from the public.
- iii. Further studies should be carried out to ascertain the level of involvement and commitment of other corporate organizations in Nigeria to sports sponsorship and promotion as a part of sports sponsorship on economic development.
- iv. Federal Government tax deductible policy on money spent on sports sponsorship should be sustained while bidding process for sponsorship should be made transparent to give equal opportunity to all willing investors.



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