



Sponsorship, merchandising and revenue link as tools for effective management of soccer Clubs in Oyo State

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Abstract

This study was conducted to examine the tools for effective management of soccer clubs in Oyo state with emphasis on sponsorship, merchandizing and revenue links. The descriptive survey research design was used for the study, while the purposive sampling technique was used to select a sample size of 200 respondents. All the respondents' questionnaires were returned and used for data analysis. Inferential statistics of chi-square (X^2) was used to test the hypotheses formulated at 0.5 alpha level. All the respondents were of the opinion that the variables were tools for effective management of soccer clubs in Oyo state. This study therefore recommends that sponsorship, merchandizing and revenue link should be sought after as a source of funding soccer clubs in Oyo State.

Keywords: sponsorship, merchandizing, revenue link, effective management

Introduction

Sports has universally been a veritable tool for promoting physical wellbeing, mental alertness, social harmony, wholesome entertainment, leisure employment and healthy rivalry. Morakinyo (2000) ^[10] stated that sports have continually taken over the prime time and space in the electronics and print media and also occupies the subconscious of man to such an extent that man has become fanatically committed to the cause of sports either as athletes, spectators or managers. Sports management according to Fasan (2004) ^[7] is activities which were intended towards the development of sports in general and carried out by specific people trained in the administration of sports. He enthused that sports management can also be defined as the art of managing programmes, human and material resources in sports organisation so as to achieve the best result and to satisfy the demand and expectation of the management and interest of the general public.

Bucher and Krotee (2002) ^[4] referred to management as the attainment of organizational goals in an effective and efficient manner through planning organizing, ling and controlling organizational resources in accordance to laid down policies. They stated that sports management is not an end itself but a means to an end. They opined that Sports administrative function is a crucial ingredient in any sports programme and must be soundly implemented if such programme is to be conducted in an effective, efficient and meaningful fashion. They asserted that it involves the interaction between those who administer and those who participate in sporting process. They maintained that it involves, but not limited to such important matter as a resources, long-range planning, programming, facilities, budget, legal liabilities, marketing and public relation.

One of the objectives of the sports development policy according to Audu (1998) ^[17] is to provide the nation with the opportunity of measuring its sporting might against those of other nations of the world with a view to establishing a respectable position for Nigeria among the sporting community of the world. Sango (2000) ^[17] postulated that sports presently remain the only platform

that promote togetherness, recreation and international relation. He emphasized that its importance has been realized in the foregoing national and international understanding and cohesion. He submitted that the relative peace prevalent in the world today is predicated upon mutual understanding and respect engendered by sports. Sports is no doubt significant in nation development because recreation and leisure enhance productivity and healthy living. Administration of soccer is no doubt capital intensive. Asagba (1992) ^[1] described soccer as a game played and enjoyed by male and female, old and young. He stated that among all other things, soccer's early development might be regarded as a study in one of the earliest forms of globalization. Therefore, the researcher embarks on this study to examine the challenges facing effective management of soccer clubs in Oyo State.

Concept of sports

People thought that all sports are competitive and that, that is the major characteristics of sport. However, Morakinyo (2000) submitted that sports are an institutionalized competitive activity that involves vigorous physical exertion whose participation is motivated by a combination of the intrinsic satisfaction associated with the activity itself and the external rewards earned through participation.

According to Pitts and Stotlar (2002) sports participation is absorbed in an activity for the sheer joy of it and not lust to satisfy or accomplish a particular end or purpose. Oduanya (2002) ^[13] maintained that the low participation of female students in sports in Nigeria is no longer news. However, unlike their male counterparts, female students are hardly and ever adequately represented in sporting activities. He maintained that students have to be mobilized to develop a culture where all girls and boys will have equal opportunity access and equal support in sports at all levels and in all capacities as decision makers. Administrators, Coach, technical officials, as well a participant, as they can develop and achieve their full potential and enjoy the benefit that sports can offer.

Sports Sponsorship

Sports sponsorship from whatever dimension we look at it can be a humanitarian gesture as a result for the love for sports or commercial venture, or as a result of financial involvement and sponsors expectation. It can also be seen as a process or event which brings an organization from a state of obscurity to limelight due to the provision of assistance to a sporting organization in term of cash benefits, donations of products or souvenirs (Fasan, 2004) ^[7]. Onifade (2002) ^[15] defines sponsorship as the elements in promotional mix using investing in a sport entity (athlete, league, team or event) to support overall organizational objectives marketing goals and promotional strategies. Sponsorship can also be defined as the provision of financial and/or "value in kind" support to an organization in return for certain promotional and advertising rights and opportunities (Lloyd, 2001) ^[9].

There is the believe according to Nwaogu (2008) ^[11] that sponsorship will easily be made available for events, sadly, this is not the case and only if it is handled in a professional and appropriate manner can sponsors be found in most cases. He maintained that many sponsorship deals are still found on personal contact and that this should be exploited to the full, though obviously, it cannot be relied on. He is of the opinion that preparing the necessary documentation for presentation to a sponsor with follow up calls can sometimes produce sizeable amount of money to support worthwhile sporting events.

Herbert (2000) ^[8] identified reasons why sponsorship is an appealing avenue for corporate organizations. These include:

1. The image of product services and brand can be enhanced when a company aligns itself with a successful sports league or an individual.
2. Sponsorship is a cost-efficient mechanism for reaching specific target markets in contrast to traditional mass marketing.
3. Sports sponsorship is inherently flexible and can provide opportunities for leverage.
4. Sports elicit emotional attachment amongst its consumers, hence, the marketing messages delivered by companies via this medium may have greater effect.

Pitts and Stotlar (1996) ^[16] examined exchange theory in relation to sports sponsorship suggesting that partners exchange to enjoy benefits that cannot be attained in isolation. Their idea is that people seeking partners should discover effectively what the potential partners are looking for and how the sponsorship seekers can satisfy their c:es They further suggested that new sponsorship initiatives are likely to be undertaken when placed in the context of the past success and present priorities. They maintained that event should be aimed to meet a number of objects including the success of the sponsorship and that the outcome should be realistically in line with what all concerned are hoping for.

Merchandizing

The Vision 2010 supported the idea that sports organization should find alternative means of funding sports activities by suggesting gate takings, payment of television right, sports trust fund, club membership drive, sports lottery, royalties from sports promotional items, sports marketing and advertisement. Olukanmi (1997) ^[14] stated that British clubs

are the pacesetters in exploiting the commercial potential of merchandizing; sales of souvenirs, match programmes, restaurants and bars and raffle draw at match venues. He stressed that at present, Manchester United gets about 50% of its (\$70 million) odd revenue yearly from merchandizing. Nba.com website also revealed that the Chicago Bulls Los Angeles lakers etc. engage in merchandizing activities to generate income such as operating of restaurant/bar. superstore among others. David (2003) ^[5] stated that sports related business such as health club and sporting goods companies also utilize special events as a means to attract and retain members and to sell merchandize.

Revenue links in sports

The responsibility of marketing sports rests on the sports managers who is guided by the relevant laws and all other occupations to convince their clients to use the sports medium; advertising agencies, print and electronic media, to achieve a significant impact in driving sports revenue. Abone (2003) stated that sports is a dynamic force whose magnitude has been highly enhanced evolution of mass media and modern communication He stressed that the impact of sports on mass media bit as great as the impact of the media on sports.

All over the world television and radio rights for a tournament more than anything else earn the highest revenue for sports. Media revenues generated through sales of packaged rights to networks and cable operators have increased tremendously during the past thirty-five years (Obi, 2000). David (2003) ^[5] stated that TV sports represents a content category where the product are more heterogeneous than other goods and services. Many sports programmes are unique to the viewers and this are different to copy or substitute at least compared with other forms of television programming.

Lloyd (2001) ^[9] opined that television with (\$2.75 billion) has outstripped all other main stream media advertising. Tourism is another area that revenues in sports can be achieved. Butcher and Krotee (2002) ^[4] defined sport tourism as arising from the unique interaction of activity, people and place. Some authors defined sports tourism as all forms of active or passive involvement in sports activities be it for professional purposes or for the same of amateurism. Pre-requisite is however, travelling away from the place of permanent abode. Sports tourism they maintained requires high quality infrastructure in terms of physical environment, services, transportation, housing, entertainment, facilities and organizations which attracts whole lot of sports tourist on exchange for huge revenue.

The lack of stable administration, inadequate funding and uncondusive social environment are responsible for paucity of competition and sponsorship of sports events. Sports has been used to play major roles in national and international politics by various government world over (Elebute, 2000) ^[6] Olukanmi (1997) ^[14] stated that due to the present economic recession, the government which has been the sole or primary source of income for sports organizations at the federal level is finding it difficult to cope with the demand of various sporting associations and has therefore counts on support which only comes in terms of sports marketing and sports sponsorship. He reiterated that the present economic inflation or recession has made things to be pretty difficult on both micro and macro- economic level. Hence, investors find it difficult to invest at the expected

standard or even diversify their areas of operations. He enthused that most corporate organizations find it difficult to pay workers salaries due to poor sales and other economic problems.

Statement of the problem

The development of sports most especially soccer which is unarguably the most popular sports in the world needs special attention from the government of Oyo State if any meaningful development is to be achieved. Thus, the need for good management of the soccer clubs in Oyo State becomes imperative for the promotion and advancement of soccer in the state. Therefore, the researcher embarks on the study to investigate the challenges facing the management of soccer clubs in Oyo State.

Research Questions

1. To what extent will sponsorship be a challenge facing

- effective management of soccer clubs in Oyo State?
2. Will merchandizing be a challenge facing effective management of soccer clubs in Oyo State?
3. To what extent will revenue link be a challenge facing effective management of soccer clubs in Oyo State?

Research Hypotheses

1. Sponsorship will not be a challenge facing effective management of soccer clubs in Oyo State.
2. Merchandizing will not be a challenge facing effective management of soccer clubs in Oyo State.
3. Revenue link will not be a challenge facing effective management of soccer clubs in Oyo State.

Methodology

Hypothesis 1

Sponsorship will not be a problem facing effective management of soccer clubs in Oyo State

Table 1: Chi-square on Sponsorship

| | SD | D | A | SA | Total | X ² Crit. | X ² Cal | DF | P |
|-------|--------------|-------------|--------------|--------------|-------------|----------------------|--------------------|----|------|
| Q1 | 122 (98.4%) | 50 (92.6%) | 13 (8.2%) | 15 (3.2%) | 200 (25.0%) | 16.9 | 682.384 | 9 | .000 |
| Q2 | - | 2 (3.7%) | 35 (22.0%) | 163 (35.2%) | 200 (25.0%) | | | | |
| Q3 | 2 (1.6%) | - | 81 (50.9%) | 117 (25.3%) | 200 (25.0%) | | | | |
| Q4 | | 2 (3.7%) | 30 (18.9%) | 168 (36.3%) | 200 (25.0%) | | | | |
| Total | 124 (100.0%) | 54 (100.0%) | 159 (100.0%) | 463 (100.0%) | 800 (25.0%) | | | | |

Table 1 above showed that Sponsorship will enhance effective management of soccer clubs in Oyo State (X² crit =16.9, Cal.= 682.384, df = 9, P < .05). It was observed that the X² crit was less than the X² cal.) The null hypothesis is rejected.

This study is in agreement with Butcher and Krotee (2002)^[4] who stated that sponsorship represents a business transaction rather than corporate patronage or philanthropy.

They submitted that the commercial dimension of sponsorship involves an investment in cash or kind in a sports/event in return to an access to the exploitable commercial potential associated with that sports/events.

Hypothesis 2

Merchandizing will not be a problem facing effective management of soccer clubs in Oyo State.

Table 2: Chi-Square on Merchandizing

| SD | D | A | SA | Total | X ² Crit. | X ² Cal | DF | P |
|-------|------------|--------------|--------------|-------------|----------------------|--------------------|----|------|
| Q1 | - | 163 (30.3%) | 37 (14.2%) | 200 (25.0%) | 12.6 | 113.878 | 9 | .000 |
| Q2 | 2 (100.0%) | 148 (27.5%) | 50 (19.2%) | 200 (25.0%) | | | | |
| Q3 | (%) | 151 (28.1%) | 49 (18.8%) | 200 (25.0%) | | | | |
| Q4 | (%) | 76 (14.1%) | 124 (47.7%) | 200 (25.0%) | | | | |
| Total | 2 (100.0%) | 538 (100.0%) | 260 (100.0%) | 800 (25.0%) | | | | |

Table 2 above showed that merchandizing will enhance effective management of soccer clubs in Oyo State (X² crit = 16.9, Cal. = 113.878, crit = 9, P < .05). It was observed that the X² crit was less than the X² cal.).

The null hypothesis is rejected.

This finding corroborates the assertion of Olukanmi (1997)^[4] that British clubs are the pace setters in exploiting the commercial potential of merchandizing, sales of souvenirs, match programmes, restaurants and bars, raffle draws at matches, etc. He submitted that sports related investment in merchandizing in England in the year 2000 was valued at around £860m. oped/structured questionnaire. The

questionnaire will be a modified and close-ended Likert-type technique of summated ratings and the responses will be on a four-point rating of Strongly Agreed (SA), 4 points, Agreed (A) 3 points, Disagreed (D) 2 points and Strongly Disagreed (SD) 1 points. The research instrument consist of two sections A and B. Section A will deal with demographic data of the respondents, while Section B will collect information on the variables under study.

Hypothesis 3

Revenue link will not be a problem facing Effective management of soccer clubs in Oyo State

Table 3: Chi-square on Revenue

| | SD | D | A | SA | Total | X ² Crit. | X ² Cal | DF | P |
|-------|--------------|-------------|--------------|--------------|-------------|----------------------|--------------------|----|------|
| Q1 | - | - | 13 (9.5%) | 187 (41.3%) | 200 (25.0%) | 15.5 | 800.448 | 9 | .000 |
| Q2 | 7 (3.9%) | | 27 (19.7%) | 166 (36.6%) | 200 (25.0%) | | | | |
| Q3 | 166 (91.7%) | 24 (82.8%) | 5 (3.6%) | 5 (1.1%) | 200 (25.0%) | | | | |
| Q4 | 8 (4.4%) | 5 (17.2%) | 92 (67.2%) | 95 (21.0%) | 200 (25.0%) | | | | |
| Total | 181 (100.0%) | 29 (100.0%) | 137 (100.0%) | 453 (100.0%) | 800 (25.0%) | | | | |

Table 3 above showed that Revenue link will enhance effective management of soccer clubs in Oyo State (X^2 crit = 15.5, Cal. = 800.448, df = 9, $P < .05$). It was observed that the X^2 crit was less than the X^2 cal.). The null hypothesis is rejected.

This finding is in agreement with the Vision 2010 which supported the idea that sports organization should find alternative means of revenue mobilization for sports activities when it made case on gate takings, club membership drive, payment of television rights, sports lottery, sports trust fund, royalties from sports promotional items, advertising and sports marketing.

Conclusion

Based on the findings from this study, it was revealed that most members of the management team are not inclined in the art of managing soccer clubs through aggressive revenue drive. It was also established that sponsorship is very vital to the success of any soccer club and should be properly harnessed if something tangible is to be achieved by the soccer clubs. This study stressed the need for merchandizing which on its part brings in a huge capital to soccer clubs.

Recommendations

Based on the findings of this study, the following recommendations are hereby made:

1. The management of the soccer clubs should explore the numerous opportunities that sponsorship offers by partnering with corporate organisation, wealthy individuals and the government.
2. The club management should look forward to funds generation. This can be achieved through merchandizing.
3. Management of the soccer clubs should endeavour to embark on aggressive revenue drive to support funds from the government.

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