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Big League Deals: A Descriptive Study of Sponsorship Levels in Grassroots U.S. Baseball and Softball Programs

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#### Abstract

Sport sponsorship lets businesses break through cluttered marketplaces, deliver messages effectively, and segment by demographics. Sponsorship also helps grassroots sports organizations enhance services as they strengthen bottom lines. Despite a decade's marked growth in grassroots sport sponsorship, little data exists detailing it. Statistics describing sponsorship in grassroots baseball and softball offer a benchmark for organizations seeking new ventures or developing established sponsorships. Furthermore, understanding why some organizations rely on sponsorships and others do not can help managers choose wisely for their own programs. A convenience sample was surveyed; results showed sponsorships were used by 86.36% of respondents from organizations operating for 20 years and by 76.70% of all respondents. Another finding was that players' costs were not lowered by sponsorships.

Big League Deals: A Descriptive Study of Sponsorship Levels in Grassroots U.S. Baseball and Softball Programs

Sport sponsorship offers corporations and other businesses a means of breaking through cluttered marketplaces, delivering advertising messages effectively, and segmenting by specific demographics. It is due to these and other advantages that investment in sponsorships was projected by the sponsorship consultancy IEG (2006) to rise to \$9.9 billion in 2007 from \$8.94 billion in 2006, accounting for 66% of all sponsorship investments. Sponsorship can be defined as a business relationship between a provider of funds, resources, or services and an individual, event, or organization that offers in return some rights and associations the provider uses to commercial advantage (Sleight, 1989, p. 4). The bulk of existing data and literature on sport sponsorship concerns professional and collegiate sports; sponsorship at the grassroots—or community-based or recreational—level has been little studied. (Grassroots, community-based, and recreational are used interchangeably here to refer to organizations and programs designed for community members and marketed primarily at a local level.) Sponsorship of grassroots, recreational, community-based sport programs differs from sponsorship of professional or collegiate sports. And, further, sponsorship at the grassroots level is often tailored specifically to the sport and league or team.

Taking sponsorship of community-based baseball and softball programs to a "big league" level can be a key to their success. Sponsorship dollars can help grassroots sport organizations and programs provide higher quality offerings and services to patrons, simultaneously assisting in the overall bottom line of the organization or program. But how many community-based baseball and softball programs take advantage of this source of funding? For programs with sponsors, what percentages of their activities are underwritten by sponsorship dollars? And what types of sponsorships do these baseball and softball programs prefer?

In Buncombe County, North Carolina, the parks and recreation department has since 2000 wrestled with a 15% budget reduction and concurrent 49% increase in facilities usage (Bynum, 2003). It has used sponsorship to close the inevitable gaps. Indeed, research suggests that external impacts that stress the budgets of recreational programs can be countered by innovative corporate sponsorship programs (Bynum, 2003). The sponsored organization benefits, and so does the corporation, since sponsoring grassroots sports is a unique way to contribute to a community, forging an intimate connection with the corporation's consumers in that community. Larger, wealthier corporations may have the funds to employ clever national television and radio spots, but even they would be foolish to overlook the power of marketing in consumers' own backyards. Sponsoring a community softball team, a local cheerleading event, or a charity fundraiser constitutes grassroots marketing that can bring advantages in staving off competition and building community trust (Local Sponsorships Build a Brand, 2005).

The research literature yields little if any documentation of ongoing sponsorship activity within grassroots sports in the United States, even though sponsorship of community-based sports is not uncommon, as suggested by a story ("A bevy of sponsors partner with the Harlem Lil League") appearing in the New York Amsterdam News (Evans, 2006). In sponsoring community-based sports like baseball and softball leagues, organizations foster positive public relations, stepping in to relieve effects that a slow economy or other factors may impose on sports programs; good public relations are valued by most organizations. The present research study intended to determine levels of sponsorship use in community-based U.S. baseball and softball programs and to identify the characteristics of sponsorships used by such programs.

Grassroots sport programs' use of sponsorship has grown substantially over the past decade. Still, to date very little data has been collected documenting the phenomenon. Statistics detailing the dollar amounts and the types of sponsorship that grassroots baseball and softball programs have obtained should provide some future benchmarks for programs seeking to create new sponsorships or develop their existing sponsor relationships. Statistics from the present research should also provide insight into the effective use of

sponsorships to underwrite program costs. Moreover, exploring why some grassroots baseball and softball programs pursue sponsorships while others do not may lead to understanding that helps managers and directors make more successful sponsorship decisions for their own programs.

#### Literature Review

Although sport sponsorship has been a prominent marketing tool at least since the 1984 Olympic Games, scholarly research on various elements of sport sponsorship has lagged behind. Even so, some empirical and theoretical research has been conducted, creating an initial understanding of sponsorship and identifying aspects of sponsorship ripe for more research. These aspects represent gaps in the literature that should be filled to enhance both academicians' and practitioners' understanding of the uses and strategic implications of sponsorship (Clark, Lachowetz, Irwin, & Schimmel, 2003).

Organizations and sport teams engaged in sponsor relationships enjoy obvious benefits, and yet sport sponsorship has been met with a certain resistance. Sponsorship can, in fact, have a down side. For example, in May 2004 Major League Baseball (MLB) experienced a public relations conundrum when it proposed to let Columbia Pictures place Spider-Man 2 logos on the bases, pitcher's mounds, and on-deck circles of all MLB parks for three days in June, in a reported \$3.6 million deal. Fans around the country opposed the deal, and within days the league had exercised its "Spidey sense," halting the promotion and a probable public relations disaster (Steinbach, 2005).

At the highest level, sport sponsorship is a multibillion-dollar business (IEG, 2006). At the grassroots level, however, dollar figures are much less impressive. And yet the potential for sponsorships to benefit both grassroots sport programs and their sponsoring corporations remains great. According to Michele Payn-Knoper, president of the consulting firm Cause Matters, "Grassroots marketing puts a face on a store and allows customers to see and understand that [the retailer is] involved and committed to the community" (Local Sponsorships Build a Brand, 2005). Corporate sport sponsorship is becoming more attractive in both the United States and Europe, thanks to the value the cultures place on entertainment, competition, and accomplishment (McCook, Turco, & Riley, 1997). Despite these facts, the author found no studies explicitly describing uses of grassroots sponsorship within community-based sport programs around the United States.

Sponsoring grassroots sports offers a corporation a plethora of benefits, including advertisements on promotional media, enhanced brand awareness, opportunities to distribute company information to participants, affiliation with an organization dedicated to promoting health or fitness, goodwill generated by the effort to give back to the community, great public relations and recognition, tax advantages, and enhanced corporate gift-giving. Sponsorship at the grassroots level can engage consumers by placing a benefit on an activity they already respond to emotionally (Meenaghan, 2001). Moreover, goodwill toward the sponsor, which influences attitude and behavior concerning the brand, is amplified for grassroots-level sport sponsors, because connections are created among consumers, their everyday community environment, and the sponsoring organization (Mason, 2005). Nevertheless a grassroots sport organization in search of a sponsor should realize that the benefits it perceives as accruing to a company through sponsorship may differ drastically from what a company is actually seeking.

Sponsorship in the world of major league sports provides a conceptual framework for grassroots-level sponsorship. In the world of community-based sports, sponsorship can contribute to a team's success just as it does in the major leagues, albeit on a smaller scale. And yet, recreational sport sponsorship is inherently different, both for sponsoring corporations and sponsored programs. How and why corporate sponsorship is used at the grassroots level must be identified if practitioners in sport organizations are to build the most productive sponsor relationships possible. Greenwald (1997) used qualitative methods to explore the strategic role corporate America perceives for grassroots sport sponsorship, generating the majority of data used by interviewing knowledgeable employees at various corporations. Greenwald identified the following objectives (table 1) for corporations' general objectives for sponsorship and their objectives when they sponsor grassroots sport programs.

Table 1

Corporate Objectives for Sponsorship Generally and Grassroots Sponsorship Specifically

Corporate Objectives: General Sponsorship	Corporate Objectives: Grassroots Sport Sponsorship
	to increase sales
to increase sales	to generate awareness
to increase sales to generate awareness to enhance image to integrate marketing strategies	to enhance image to integrate marketing strategies to reach fragmented markets to "get more for less" to increase employee morale

According to Greenwald (1997), increasing sales is one of the most important corporate objectives for sport sponsorship. Grassroots sport sponsorship, for example within youth sport programs, can enhance sales by reaching the coveted (and difficult to reach and influence) youth market (Bennett & Lachowetz, 2004). A further important objective for sponsors of grassroots sports is enhancing their images by demonstrating good corporate citizenship. Greenwald (1997) also found that establishing a community presence and

marketing strategy. Strategic giving can raise public awareness of a corporation and create a favorable image of it in a way mere advertising cannot match (Hoffman, 1998). Still, as comparison with corporate sponsorship in other industries, with corporate sponsorship at other levels of sport, and with corporate budgets for other promotional activities shows, sport sponsorship at the grassroots level is currently at the bottom of corporate promotional agendas (Greenwald, 1997).

As the unpopular and ultimately canceled deal between Major League Baseball and Columbia Pictures illustrated, sport marketing—and grassroots sport marketing—can have a down side. Reaching out in a way that is "too obvious" may result in a sponsor's getting its "hand slapped," according to Michael F. Smith, a marketing expert at Temple University, "but if you reach out to help, that is another thing" (Local Sponsorships Build a Brand, 2005). Mullin, Hardy, and Sutton (2000) suggested that the integration of a company's message with the lifestyle pursuits of a targeted market immediately brings credibility to the corporation or sponsor.

#### Method

## Sample

The research goal was to determine the extent to which sponsorship is used in community-based baseball and softball programs in the United States and to describe such sponsorship's attributes. Grassroots baseball and softball programs were first researched on the Internet. The researcher identified operating programs and then selected, for his convenience but avoiding overrepresentation of organizations from a single geographic area, the sample of 205 potential participants. Too much data from programs in a single state or region of the country would have limited the study's generalizability, since regional cultural differences may have an impact both on sport programs and their corporate sponsors.

The Internet search engine Google was used to select the convenience sample, which comprised potential contacts at grassroots baseball and softball programs and organizations having websites listed by Google. Some of these websites offered e-mail addresses of organization representatives who appeared to the researcher to be credible potential respondents. Credible potential respondents included individuals privy to their programs' financial information, as suggested by titles posted on the website: director, manager, sponsorship coordinator, treasurer, and the like. Next, the researcher set a target response count to be attained before concluding the study. At that point, e-mail-based SurveyMonkey.com was employed to inform the 205 potential participants of the study and invite them to complete a survey. The pool of credible respondents was drawn solely from sport program websites. If programs that maintain websites also tend to pursue sponsorship more vigorously than programs not maintaining websites, the study results would be affected. Additionally, the research assumed that respondents in the sample answered survey items honestly and, further, did not respond when their knowledge was inadequate to answer a given item.

## Instrument

The survey instrument was a Web-based questionnaire designed by the researcher through SurveyMonkey.com. The instrument comprised multiple choice and open-ended questions designed to obtain primarily quantitative data describing sponsorship of community-based U.S. baseball and softball programs. Items 1–16 were answered by each respondent. Item 16 determined (yes/no) whether the respondent's sport program was currently sponsored by a business. The subsequent survey items to be answered depended on the answer to Item 16.

The survey was distributed by e-mail in four waves during the 8-week period of data collection. All identified credible potential respondents were sent the e-mail in the first wave. At two-week intervals following the first wave, a second, third, and fourth e-mail was sent as necessary to those who had not yet responded. At the end of 8 weeks, the survey was closed.

## Analysis

Descriptive statistics were used to organize and summarize sets of numerical data obtained from the research questionnaire. The data were analyzed with SPSS and with visual techniques including graphs, figures, and tables. Percentages were also utilized to illustrate the study's findings.

## Results

The grassroots sport organizations represented in the convenience sample were located in 20 states around the nation. The majority of respondents in the sample, 68%, worked with programs in suburban areas; 22.9% worked with urban programs and 8.6% worked with programs in rural locales. Figure 1 presents the service area populations reported by the grassroots sport program representatives comprising the sample.



2	1	34.3%	Greater than 100,000
5	3	answered question	

Figure 1. Size of the populations served by the grassroots sport programs represented by respondents surveyed for the study.

Of the study respondents, 36.4% reported their organizations offered only baseball; another 36.4% reported their organizations offered both baseball and softball; and the remaining 27.3% reported their organizations offered only softball (figure 2).

our organization offers:		
	Response Percent	Response Count
Baseball	36.4%	12
Softball	27.3%	9
Baseball and Softball	36.4%	12
	answered question	3

Figure 2. Proportion of represented grassroots sport programs offering baseball, softball, and both.

The survey data showed that the represented grassroots sport organizations served from 40 to 2,750 players, most often youth players. Figure 3 presents the proportions of the respondents' programs reported to be of a community education, parks and recreation, or independent nature.

	Percent	Count
Community education	3.0%	
Parks and recreation	27.3%	
Independent	45.5%	1
Other (please specify)	24.2%	
	answered question	3

Figure 3. Proportions of community education-type sports programs, parks and recreation-type sports programs, and independent sports programs represented by respondents surveyed for the study.

The vast majority of respondents, 90.9%, reported all leadership positions in their programs belonged to volunteers. Only 3% reported that paid professionals led their organizations, while 6% said both paid professionals and volunteers led their organizations. In addition, 81.8% of respondents said their programs held membership in national associations, with 30.3% belonging to Little League and 21.21% belonging to the Amateur Softball Association (the two most popular memberships among programs represented in the survey); 18.2% said their programs did not belong to a national association. As to the longevity of their programs, 6.1% of the respondents said their programs had been in operation for fewer than 5 years; 9.1% represented programs 5-10 years old; 21.2% represented programs 11-20 years old, and 63.6% represented programs in operation for more than 20 years.

The survey data show that the represented programs' 2006 expenses varied greatly, from a low of \$3,100 to a high of \$326,000. Respondents who provided dollar amounts for their programs' 2006 expenses on average reported costs of \$77,500. (In all cases, estimated and budgeted expenses for 2007 were similar to actual figures provided for 2006.) In addition, the survey showed that players' costs to participate in a represented grassroots program also varied greatly. For example, one respondent said the program he worked with entailed no cost to players to participate, and another respondent reported each player paid \$150 to participate. The organizations utilized a variety of means of funding (figure 4).



	10000
answered question	30

Figure 4. Represented grassroots sport programs' sources of revenue, other than participation (registration) fees.

Of the respondents, 76.67% said the programs they worked with did currently utilize sponsorship of some type (23.33% said their programs did not). Of those whose programs did have current sponsorships, a majority (60.87%) reported their organization maintained a sponsorship package. Programs having sponsorship packages received in 2006 an average of \$18,625 in sponsor support, while programs without sponsorship packages that year received an average \$8,719. Only 8.7% of respondents reported that their programs required a sponsor to sign a contract. However, over half of respondents (52.17%) indicated that their programs' sponsors typically make commitments to the program for more than one year at a time.

In 2006, according to the survey data, sponsorships received by the represented programs were valued between \$1,000 and \$40,000; the average value (for those programs for which a dollar amount was provided by a respondent) was nearly \$13,000. For the year 2007, the respondents gave expected values of sponsorships ranging from \$1,000 to \$42,000, averaging around \$12,800. Figure 5 presents the types of sponsorship used by programs, according to the survey respondents.

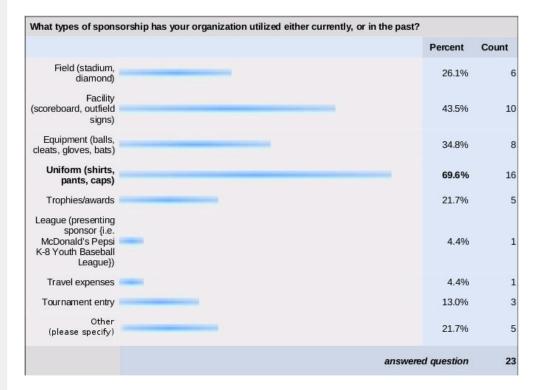


Figure 5. Types of sponsorship used by represented grassroots sport programs.

The 23.33% of respondents whose programs did not currently use sponsorship answered survey items seeking a program's reasons not to pursue sponsorship. One respondent reported there was no need for sponsorship support in the program worked with; another explained that responsibility for any sponsorship would be "one more thing for a non-existent volunteer to do"; and another attributed lack of sponsorship participation to the program's lack of a 501(c)(3) designation from the Internal Revenue Service.

## Discussion and Recommendations

The purpose of this study was to determine the levels of sponsorship utilized in community-based baseball and softball programs around the United States. Data were obtained from respondents representing such programs in 20 states, sufficient variety to support the generalizability of the findings. The study data are also meaningful in light of the proportionate numbers of programs providing the two sports of interest, baseball and softball (36.4% baseball only, 27.3% softball only, and 36.4% baseball and softball; see figure 2).

One important finding from the study is that sponsorship was actively used by 86.36% of those represented grassroots sport programs that had been in existence for over 20 years. Overall, survey respondents reporting that their programs used sponsorships comprised 76.7% of the sample. Comparing the two percentages, one might conclude that older programs have found sponsorships necessary in order to sustain their services. One might also conclude that older programs were able to remain in existence thanks in part to their use of sponsorships.

The study also found no significant difference in players' program participation costs attributable to the extent of sponsorship usage. In other words, more sponsorship dollars did not necessarily translate to lower costs for players. Any number of reasons might account for this. For instance, some programs might have had relatively more funds coming from sources other than sponsorships, or some program leaders might have directed any sponsorship dollars to expenses other than player costs.

The findings of the study might prompt programs that do not use sponsorship packages in their sponsor relationships to reconsider how they do business. Just under 61% of respondents who indicated their programs had sponsors also indicated the program maintained a sponsorship package. Thus nearly half of the represented programs that were engaged in sponsorship lacked a formal sponsorship package to present to potential sponsors. And yet, according to the study, organizations offering sponsorship packages in 2006 took in \$18,625 (on average) from sponsors, while organizations lacking sponsorship packages took in about \$8,719 (on average). A very interesting related finding is that, while 60.87% of the organizations represented in the survey maintained sponsorship packages, only 8.7% required sponsors to sign a contract.

Perhaps the most interesting data from the study are the responses to open-ended questions on why programs do not utilize sponsorship (see Results section, final paragraph). One response read, "I am not sure why our organization has not utilized sponsorships in the past [because] I have just taken over the program as of six weeks ago." This response in particular goes a long way toward illustrating why more research on grassroots, recreational sport sponsorship is needed. More research means wider knowledge from which to educate. More education can help managers and volunteers in recreational sports to locate new avenues for seeking revenue to support their services. New revenues can produce stronger organizations, improved services, and better experiences for all participants.

Because research on sport sponsorship at the grassroots level is limited, many aspects of the topic merit additional inquiry. One point of notable concern is the uncertain future of sponsorship in recreational sport. Will budget cuts lead greater numbers of recreational sports programs to develop creative sponsorships and partnerships? It has been acknowledged that sport sponsorships' dollar values are trending upward recently, perhaps the result of advancements in how sponsorship is managed. Would bringing more professionals into recreational sport programs result in more sponsorship dollars and an enhancement of services?

At the same time, perhaps recreational sport programs need to be wary of becoming too reliant on sponsorships. A situation should not be allowed to develop in which services must be canceled when sponsors cannot be found. While it is vital that managers do not dismiss sponsorship's potential, they could benefit from future research determining how much is too much, in terms of the sponsorship dollar, and what the best way to manage that dollar might be.

Finally, future research will need to address the other part of the grassroots sport sponsorship equation: the corporate sponsor. The objectives and behaviors of organizations that become grassroots sport sponsors (or do not become sponsors) are clearly of interest. The present study is merely a start in a much-neglected field of research. Future studies should gather further data, assess statistical trends, and examine a variety of sports and programs offering professionals and academicians information of use in advancing recreational sport.

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