

Development of Sponsor Value and Profit Practice in Small-Scale Commercial Sports Events

Sheng Yan

Sichuan University Jinjiang College, Meishan, Sichuan, China

Abstract: This paper analyzes the necessity of developing sponsor value and profit practice; discusses the basic principles of this work; meanwhile, combining some small-scale commercial sports events, it approaches from multiple aspects such as in-depth communication among multiple parties, refined classification of sponsors, formulation of scientific cooperation agreements, deep development and protection of intangible assets, and striving for integration of the event with sponsor corporate culture, to form a relatively complete sponsor value development plan. Some specific cases are incorporated to serve as inspiration and provide reference for sponsor management in small-scale commercial sports events.

Keywords: small-scale commercial sports events; sponsor value development; profit practice

1. Introduction

With the continuous emergence of small-scale commercial sports events in China in recent years, the development of sponsor value and profit paths has become a core issue studied by both event organizers and sponsors. In other words, the development of sponsor value and profit paths in small-scale commercial sports events must follow principles such as win-win. Based on these principles, multiple stakeholders can collaboratively develop and practice, continuously enhancing sponsors' investment enthusiasm, and realizing the sustainable development of small-scale commercial sports events in China.

2. Necessity of Sponsor Value Development and Profit Practice

From the current situation of small-scale commercial sports events in China, most rely on sponsorship income to achieve sustainable development. This also means that improving sponsor value development and profit paths can achieve the following objectives:

First, achieving sustainable development. Because small-scale commercial sports events do not have as strong an influence as large-scale sports events, they need to pay more attention to sports sponsorship marketing. Sports sponsorship marketing refers to enterprises providing support to the owners of sports intellectual property rights through cash or in-kind contributions, obtaining rights directly related to the sports intellectual property, and conducting associative marketing through the sponsored sports events to increase their own sales and enhance corporate visibility [1]. Small-scale commercial sports events thus obtain more investment to achieve their sustainable development.

Second, achieving brand synergy. Small-scale commercial sports events and sponsors achieve a win-win situation and ultimately bind each other together to realize brand synergy. For example, JD.com founder Liu Qiangdong has been committed to supporting his hometown football team (Suqian team), which has formed brand synergy between them. Similar cases include Suzhou team and Taobao, Xuzhou team and Alipay, Wuxi team and Huabei.

Third, achieving industrial development. After forming brand synergy between small-scale commercial sports events and sponsors, further development can effectively promote sports-related peripheral products, eventually forming industrial operations and continuously increasing derivative income. This is also the reason why local economic development is gradually focusing on the joint development of small-scale commercial sports events and local tourism.

3. Basic Principles of Sponsor Value Development and Profit Practice

Sponsor value development and profit practice essentially involve a game between the sponsored parties and the sponsors. Ultimately, the following principles must be followed:

3.1 Win-Win Principle

It is necessary to comprehensively consider the brand cultivation of small-scale commercial sports events (including event positioning and long-term strategy), realization of sponsors' interests (including tiered returns, shared benefits, and

shared risks), audience interests (spectator participation, ticket pricing, transportation routes, etc.), and environmental protection (event environmental impact, sports event environmental standards, etc.). This also requires that such matters must incorporate comprehensive indicators such as internationalization level, promotion of environmental protection and public welfare, and product innovation degree, based on traditional financial goals [2]. For example, in a community bicycle challenge, the organizing committee, sponsors, and participants formed a win-win bond, making the “Community Youth Bicycle Challenge” a long-term project that continuously attracts participants, expands event influence, and promotes green travel concepts. This has made the “Community Youth Bicycle Challenge” a community brand sports project, enabling sponsors to continuously promote their brands and sell products through the event. Athletes gain a platform to showcase themselves, and many spectators enjoy excellent viewing opportunities.

3.2 Integration Principle

Sponsorship of small-scale commercial sports events, fundamentally, is a publicity strategy pursuing a win-win foundation, requiring the integration of various media to continuously expand influence. For example, in Huabei’s sponsorship of the Wuxi team, television, newspapers, and online media were actively developed, continuously enhancing the brand awareness of both Wuxi team and Huabei through a media integration strategy. During sponsorship of hometown small-scale commercial sports events by Changzhou Dongha Barbecue, Xuzhou Biantang Pancakes, and Lianyungang Zuoxinfang Milk Tea, they have all actively utilized forms such as football field advertisements and live broadcasts to enhance their own and the sponsored parties’ visibility.

3.3 Evaluation Principle

Evaluation is indispensable in sponsor value development and practice. Whether it is the organizer of small-scale commercial sports events or the sponsors themselves, specific operations require dynamic assessment of sponsor value development and practice based on concrete evaluation indicators such as “brand exposure,” “media coverage,” “investment amount,” “target audience reach rate,” “rights realization,” “social media interaction level,” and “brand-event fit.”

4. Analysis of Sponsor Value Development and Profit Paths in Small-Scale Commercial Sports Events

The basic principles of sponsor value development and profit in small-scale commercial sports events were discussed above. However, due to their complexity, it is necessary to form a relatively scientific basic model for value development and value realization. By comparing relevant materials, a basic model is proposed consisting of multi-party in-depth communication, refined classification of sponsors, formulation of scientific cooperation agreements, development and protection of intangible assets, and achieving mutual benefit among multiple parties, which are discussed respectively.

4.1 Multi-Party In-Depth Communication

Whether the event organizing committee or sponsors, both actively collect information and maintain frequent contact, expressing willingness to cooperate. Of course, both parties further discuss rights and interests plans. Since small-scale commercial sports events have weaker risk resistance, negotiation of such rights and interests plans inevitably becomes the core link for cooperation implementation. The ultimate goal is to actively avoid resource misallocation between parties. Another meaning of multi-party in-depth communication is that through in-depth communication among the organizing committee, sponsors, local media, and relevant local government departments, a joint media promotion plan is determined to ensure the public image of the event, sponsors, and other stakeholders gains social recognition. For example, in Huabei’s sponsorship of the Wuxi team, the former chose the latter after detailed big data analysis. Moreover, through in-depth communication, they formed the slogan “Huabei has 41 days interest-free, supporting Wuxi (interest),” which seems simple but actually reflects deep communication and collective wisdom, creating a memorable and pun-based slogan. This shows that sports event promotion has become one of the most effective methods to improve sponsor image, product awareness, and sales [3]. Most importantly, this method costs the least.

4.2 Refined Classification of Sponsors

In the development of sponsor value and realization of benefits in small-scale commercial sports events, both the organizing committee and sponsors carefully perform refined classification of sponsors and sponsorship rights based on the event venue, event type, event schedule, and other factors. For the organizing committee, it is essential to understand the source of sponsors. Generally, sponsors of such events come from three fields: the sports industry, non-sports industries, and media. The specific characteristics of these three fields are shown in Table 1.

Table 1. Sources of Sponsors for Small-Scale Commercial Sports Events

Category	Characteristics
Sports-related Industry	Sports apparel, sports products, sports training institutions, sports media platforms
Non-sports Industry	Financial enterprises, hotels, supermarkets, branded food, branded beverages, etc.
Media	Online media, TV stations, newspapers, radio stations, magazines, etc.

Because the sports industry is closely connected with small-scale commercial sports events, it can provide the events with apparel, health drinks, and other products, thereby gaining higher exposure. Non-sports industries offer services such as financial services, accommodation, catering, and shopping consumption to participating athletes and spectators, also achieving relatively high exposure. Media sponsors refer to regional media and niche media, which generally achieve two goals by sponsoring small-scale commercial sports events: first, using the event's coverage to enhance their own influence and establish their own communication matrix; second, promoting the event to make small-scale commercial sports events into local brand events. When selecting sponsors among these three categories, in addition to considering the sponsor's financial strength, the organizing committee needs to consider factors such as their integrity and consumer group evaluation, and select sponsors in combination with event characteristics. This approach can reduce sponsor selection risks and provide a solid foundation for subsequent sponsor value development and realization.

Table 2. Sponsor Classification

Category	Characteristics
Title Sponsor	Usually only one position, a brand directly related to the sports event
Official Strategic Partner	Few in number, profit-sharing, and as strategic partners can achieve resource sharing and brand co-building
Official Partner	Profit-sharing, advertising space, plays an important role in certain parts of the competition
Official Sponsor	Advertising space at the event site; promotion on the official event website and social media platforms; selling products to spectators onsite; participating in press conferences initiated by the organizing committee
Official Supplier	Establishes cooperation with the event, enhances own brand awareness, provides products and services throughout the event process and earns income

After determining the sources of sponsors for small-scale commercial sports events, the organizing committee classifies sponsors and partners in detail according to sponsorship amounts and rights, generally forming five categories as shown in Table 2. The organizing committee deeply communicates with sponsoring units to help them choose appropriate sponsorship identities based on their industry, product characteristics, and financial strength, which is key to enhancing sponsor value.

In summary, small-scale commercial sports events can attract sponsorship externally in apparel, transportation, venues, beverages, health products, and other aspects. Meanwhile, various enterprises actively connect and use various means to obtain sponsorship qualifications. At this point, refined classification of sponsorship is essential for both the organizing committee and sponsors, and is critical for sponsor value development and transformation. Especially, the organizing committee must fully recognize sponsors' multi-affiliation behavior and sponsorship preferences, continuously transitioning from cost-competition-based red ocean strategies to differentiation-based blue ocean strategies [5]. Of course, as the main body of sponsorship behavior, sponsoring units must also effectively choose sponsorship identities according to their own situations to reduce sponsorship risks.

4.3 Formulation of Scientific Cooperation Agreements

After the organizing committee and sponsors confirm cooperation, they enter the agreement signing phase. This phase determines sponsor value development and benefit realization and must be handled with care. The specific agreement generally includes: sponsorship form and scope; core sponsor rights (brand exposure rights: ① naming rights; ② signage display; ③ priority promotion rights; commercial return terms: ① on-site product sales and revenue sharing; ② ticket benefits; ③ data sharing); mutual obligations and rights; and risk control clauses. Regarding sponsor value development and benefit realization, the focus naturally lies on the core sponsor rights section. The organizing committee and sponsors need in-depth communication, especially for sponsors to strive to obtain priority promotion, on-site short video live streaming rights, and the ability to sell products on-site (depending on sponsor type, including but not limited to functional drinks, snacks, financial products), aiming to gain relatively direct returns. For the organizing committee, due to the limited influence and insufficient number of sponsors in small-scale commercial sports events, "exclusive" authorizations should be avoided as much as possible in agreements. This ensures more sponsors can join, providing the event with more funding and resource support. From the above analysis, it is evident that sponsor value development and benefit realization in small-scale commercial sports events are a game among multiple parties, and agreements are the key factor to implement the game

results. For both the organizing committee and sponsors, cultivating comprehensive talent and improving the quality of agreement signing are fundamental prerequisites for this work.

4.4 Deep Development and Protection of Intangible Assets

The development of sponsor value and benefit realization in small-scale commercial sports events is a systematic project jointly operated by the organizing committee and sponsors. Among them, intangible assets, as the core element of sponsor value development, require both parties to establish a deep collaborative mechanism. First, before sponsors decide to sponsor small-scale commercial sports events, it is necessary to cooperate with the organizing committee to understand the specific sponsorship amount and other related requirements, include trademark usage rights, image association rights, and patents owned by themselves into the intangible asset list, then use income approach or market approach to effectively quantify the premium level obtained from sponsoring the sports event, and estimate the number of loyal consumers gained after sponsorship. Second, the organizing committee needs to deeply analyze the event, identify key points beneficial to the appreciation of sponsors' intangible assets, and assist sponsors in deep development and protection of intangible assets. For example, Suzhou Super League specially designed a "Goal Discount" activity for sponsors, where for each goal scored by the home team, the next day the sponsor's stores offer discounts on dishes. Third, multiple stakeholders collaboratively develop intangible assets, including integrating event characteristics, sponsor product features, and industry characteristics to create attractive collectibles and mascots, thereby increasing revenue and enhancing benefits for both parties. For example, in a certain marathon, the organizing committee jointly launched a mascot yogurt with a dairy company; the mascot combined viewing and tasting functions, significantly enhancing the event's influence and helping the sponsor achieve excellent sales performance.

4.5 Striving for Integration Between the Event and Sponsor Corporate Culture

The degree of fit between the event and the sponsor's corporate culture is a key factor determining the sponsor value of small-scale commercial sports events. Generally, the closer the sponsor's sales appeals and brand propositions are to the core values of the event, the easier it is to achieve synergistic enhancement of brand value. This is the fundamental reason why beverages such as Red Bull and Hongbaolai frequently sponsor sports events, as they gain significant benefits from their advertising appeals aligning closely with the event's core values (including increased brand awareness and market sales). Of course, this cultural integration also requires in-depth communication between the organizing committee and sponsors to find common interests, thereby forming the most compelling slogans and promotional models. For example, when a certain chip brand sponsored an F1 relay race, the slogan "Millisecond-level computing powers the ultra-fast engine" was developed after thorough discussion, linking event characteristics and product advantages to achieve rapid dissemination and efficient memorability.

5. Conclusion

With the frequent occurrence of small-scale commercial sports events, stakeholders such as the government, organizing committees, and sponsors need to engage in in-depth communication. On the basis of considering multiple interests through deep communication, further refinement of sponsor categories should be carried out, and comprehensive cooperation agreements should ensure the compliance of this work. Moreover, it is necessary to cultivate professional talent teams and increase research efforts on sponsor value development and realization in small-scale commercial sports events, especially in-depth studies on the appreciation of intangible assets related to events and sponsors. In addition, cultural integration between both parties should not be underestimated, as it often determines the sponsor's investment conversion rate.

References

- [1] Peng Jing, Lu Changbao. Analysis of Sports Sponsorship Marketing Management Based on Value Co-creation [J]. Journal of Wuyi University, 2020, 39(6): 82-86.
- [2] Yu Hongliang. Research on Brand Sponsorship Theory and Marketing Strategy of High-Level Sports Events [J]. Sports, 2018(17): 30-31.
- [3] Han Lidong, Shang Yong, Yang Tieli. Research on Sponsorship Issues and Strategies of University Sports Events under the Background of Building a Strong Sports Nation [J]. Shandong Sports Science and Technology, 2023, 45(3): 60-65.
- [4] Wang Tianshuo, Xu Ligong. Research on Operation Strategies of Sports Event Sponsorship in China — Taking the IAAF Diamond League Shanghai Meeting as an Example [J]. Sports Goods and Technology, 2024(12): 34-36.
- [5] Zhu Wenyan. Sponsor Selection and Sports Event Competition [J]. Journal of Wuhan Institute of Physical Education, 2009, 43(12): 35-40.