

Sport Sponsorship versus Crowd funding: Substitution or complement?

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Sponsorship is a form of sports funding. Sponsorship is defined as "a technique of communication that is, for any organization, to create or directly support a socio cultural event independent of itself to achieve communication objectives in Marketing". Through this, the companies support events, clubs, federations, sports facilities (naming), athletes in exchange for visibility, hence the exclusion of a number of athletes remained in the shadows. In order to practice their sport in the best conditions to train for high-level contests, athletes need funding. Even after having reached a high level performance, many athletes have difficulties to obtain private financing because their reputation is either too low or nonexistent. These athletes have started using crowd funding as a way to access a new source of revenues. Participatory financing relies on a project leader (whatever its status: private, commercial or non-commercial organization) who uses the services of a funding platform (general practitioner or specialist) to propose a project (or finalized not) with a community (large or targeted) supporting qualified contributors (backers) in exchange of predefined counter parties. Meanwhile, crowd-funding platforms have become new players in the financial markets. This form of crowd funding became known by supporting artistic, humanitarian projects, innovative start-ups, and developed more recently in the sports sector. The crowd funding appears as a funding source alternative sponsorship for these athletes with little media coverage. If this model seems the most studied in the literature devoted to crowd funding, it does not allow crowd-funding platforms to be profitable (from the interview with an official of the platform Brokers me). Thus, platforms have established sponsorship relationships with private companies in order to increase their revenues and to align the specific projects of companies. There is in this case a complementary between these two financing options. To understand and analyze the concepts of sponsorship and crowd funding in sports, the authors conducted interviews with managers of platforms and athletes looking for funds on crowd funding platforms. Based on a qualitative analysis, the purpose of this communication is to clarify the links between different financing solutions and suggest recommendations for practitioners.