

# Relationship Marketing Approach Effect on Financial Loyalty of Football Sponsorship Case Study: Iran's football Professional League

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*Received: March 19, 2015*

*Accepted: May 2, 2015*

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## ABSTRACT

Marketing knowledge has found significant importance for organizations and institutes. This skill have increased in a way that has been known as one of important elements of service and productive organizations and institutes, and this importance in rising increasingly. In order to be successful in sport industry, sport marketing and its utilization in inevitable and vital matter. Park House knows sport marketing as customers' needs and demands using relationship marketing approach on financial sponsors loyalty in Iran's football professional league. This research is surveying form by designing and distributing questionnaires among statistical society of 90 people from sport gyms sponsors in Iran, and after gathering questionnaires, data has been tested using SPSS and Lisrel software relying on SEM technic and research hypotheses. This research results have totally showed that relationship marketing approach has significant and positive effect on financial sponsors' loyalty of Iran's football professional league. In examined pattern of fitting indexes (AGFI=0.9 and GFI=0.92) have shown the property of pattern.

**KEYWORDS:** relationship marketing approach, loyalty, football professional league

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## 1. INTRODUCTION

Today scientific marketing process has been known as a main necessity in all occupations and jobs. Sport industry with its certain complications is not exceptional from this rule. Predominant view is that today in world sport industry marketing is considered as its weakest part; therefore, it should be notified that this belief is originated from non-understanding of this expression, and it is not performed as well as it should by people and organizations (David, 2002). Sport marketing states when an organization or person decide to fulfill his needs and demands in a certain way. Attempts have been done to change interactions from potential to action in sport marketing. In this framework, it is necessary gyms and sport organizations to be precisely explored.

This deduction that sport as a special field can use relationship advantages was first proposed by Cohen about sport goods customers and fans (Cohen, 1996). The increase in technologic innovations and creativities, information technology, sport marketing researches growth, and intention to increase sport recreations in leisure time among public and private are the main reasons of relationship marketing approach development in sport industry (McDonald, 1997). Burnett, Menon, and Smart (1993) agree with this fact that sport industry structure change needs relationship marketing.

In recent decade, relationship marketing is focus of attention both in universities and in actions. It was relatively in the late 20<sup>th</sup> century that relationship marketing was proposed as scientific field in marketing, and in recent years it is proposed as main stream in business management and marketing (Igan, 2001). Relationship marketing consider instituting loyalty in customer with instituting value in all parts involved in transaction (Pang and Wung, 2006). In other words, customer loyalty is the ultimate purpose of relationship marketing.

3 main elements are as gyms resources and sponsors including: financial sponsors, media, and fans. Among these 3 groups, financial sponsors has found significant importance for undertaking gyms expenses in considerable goods and scopes, and now in the world, there are codified and scientific views defined in relation with interaction with sport gyms and their financial sponsors. Today the view of gym to its most important customer means financial sponsors is for the policy purpose of financial sponsors' loyalty. (Nufer, Gerd, 2011)

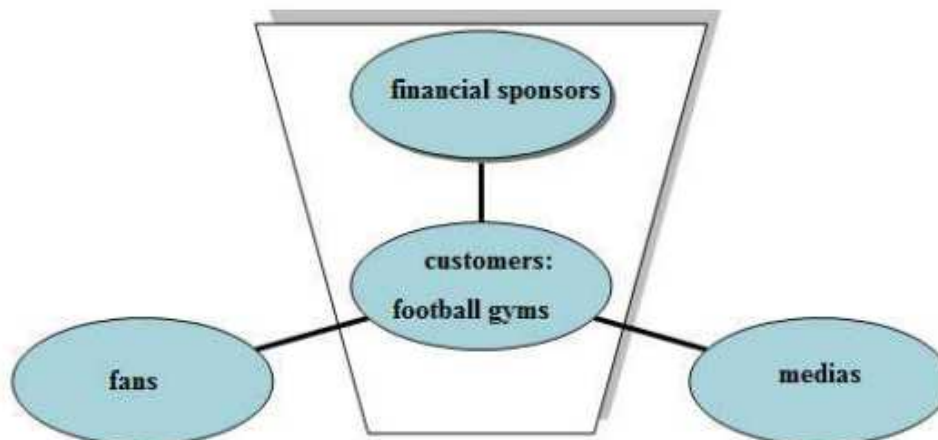


Figure 1) sport gyms main sponsors

In past decades financial resources provider was limited to gyms contributions and also charity helps, but today sport gyms financial circulation specially world great leagues have high financial numbers that sometime a great fortune is spent to attract a paler. In the present time, sport gyms financial provider system is supplied by financial sponsors and incomes from contests playing right (Nufer, Gerd, 2011).

One of the most important issues proposed in the present time in interaction between sport gyms and their financial sponsors is communication management as the main core in related issues to sport marketing (Salari, 2004). While relationship marketing concept has been used as the main vector in sport goods and merchandises marketing, using this concept has been considered less in sport organizations like teams and gyms, and sport sectors. The relationship between sport gyms and their sponsors in particular has been considered less according to relationship marketing view (Nufer, Gerd, 2011). Using relationship marketing concept in attracting and loyalty of their sport customers is called in this research as financial sponsors who can have sustainable effects in all-dimension development of teams. Relationship marketing in sport gyms and teams means permanency of positive, confidential, and mutual relationship between sport professional organizations and their stakeholders who can be sport sponsors. Other stakeholders are audiences, governments, and rivals. Financial support matter has not been considered in Iran sport industry scientifically and documentarily yet. The defect the majority of researchers in Iran sport economics fields declare is sport teams and gyms main sponsorship is governmental budget and unfortunately it is limited for the lack of budget leading to non-development of sport in all dimensions in regional and global scopes (Iran Dak, 2013). Sport gyms financial sponsors are considered as main element in their financial management that exploring one of their samples which is changing permanently. In other world, gyms in Iran haven't had sponsors for their varieties in Iran. There are various reasons imaginable changing for sport gyms financial sponsors. This thesis main purpose is scientific and accurate exploration of effective factors on financial sponsors' loyalty in Iran in framework of relationship-oriented marketing approach. In other world, present thesis is exploring this fact that whether non-using relationship-oriented marketing approach as an effective tool beside other effective factors and variables can lead to continuous changes in sport gyms financial sponsors.

## 2. RESEARCH LITERATURE

### Marketing Concept

Kotler, P, and D. Gertner know marketing as human activities to fulfill human needs and demands by transaction. Emphasize on needs and demands fulfillment in marketing has great importance in a way that organizations will be successful in marketing which put their goals on their customers' needs satisfaction (Ktler and Gertner, 2002). Peck et al. defined marketing as activities which guide services and goods from producer and provider to consumer in order to fulfill customers' needs and provide organizational purposes (Peck et al. 1999).

Marketing can be defined as 2 managerial and social points of view. Marketing from social point of view is s social process which people can groups achieve to what they need by supplying and demanding valuable goods and services. According to managerial point of view it is "the art of selling products" but "Peter Draker" one of the theorist of management says: the purpose of marketing is to exaggerate about selling. The purpose of marketing is identifying customer and understand him to provide goods and services proper for him (Kotler, 2004).

In Kotler definition from marketing three are 3 distinctive notions: 1- need, human need and will is the main column of new marketing- 2- product, it is what is provided for market and able to fulfill need. 3- Transaction process which is the marketing central core. There are 2 parts in transaction and each part has valuable thing for another; as though, each part is permitted to reject or accept another part (Kotler, Armstrong, 2006).

## **Relationship Marketing**

Relationship marketing was proposed for the first time in 1980s by some of marketing authorities, but this branch base is marketing which has very close relationship with customers' behavior is obtained from the researches relationship between seller and buyer in medium and relatively great businesses. In these paradigms instead of having hostile look toward bargaining in each transaction of buyer and seller, their reach agreement to get to their purposes and get commitments in designed pattern and shape their relationships (Palmer et al, 1994). Today more than any other time industries should identify their customers to fulfill their needs better and prevent from their any changes to the other firms. Accordingly, relationship-oriented marketing is one of the most successful approaches. Many firms have moved toward this kind of marketing to be able to increase their customer loyalty toward their goods and services. Relationship-oriented marketing obliged managers to follow innovative ways of making mutual relationship in customers benefit (Chang and Ching, 2006). Relationship-oriented marketing is all steps a firm takes to identify and provide better services for its valuable customers. Relationship-oriented marketing is continuous process to identify and make new values for customers by considering mutual benefits. This benefit is divided in whole life time (Takala and Uusitalo, 1996).

Relationship marketing rationality is what obliges firm to focus on long-term advantages it means firm expenses increase when a new customer enters to firm, because finding new customers costs 5 to 10 times costlier than maintaining present customer. These costs have been obtained according to imposed costs of entering new customers such as selling and prediction, commission, products samples, customer credit control, administrative management, and data banking. Obtained value from maintaining long-term customers enables firms to tolerate returns in long-term better. In this case, firm benefit increases as much as relationship-oriented marketing implementation time passes (Gilbert, 1996).

One of relationship marketing features is to put reducing losses related to customer on the head of the other activities. These losses are divided in to 2 groups:

- Indirect losses such as costs for delay in providing good to customer
- Mental losses such as stress caused by delay in providing good to customers (Rees & Gardner, 2003).

### **Customer Loyalty Concept Study**

Customer loyalty is one of the most important relationship marketing frameworks. Therefore, it is necessary for customers' loyalty that marketers focus on important effective factors on customers conceptions from the relationship between customers and firm.

The purpose of marketers to the end of 20<sup>th</sup> century and the early of 21<sup>th</sup> century was to provide customers' desirable products fast and efficiently so make life convenient for them in a way that products in each time, place, and price customers want to pay be ready to provide for them. It means marketers up to recently just wanted to find customers and selling group was searching for hunting customers, but in modern view, marketing means "growing customer" it means paying attention to his satisfaction and quality according to his view and finally its marketing art that customers in an organization are coworker and out of it are sponsor and fan of organization. Today, making customers loyal has gotten certain status (Heydarzadeh, 2002).

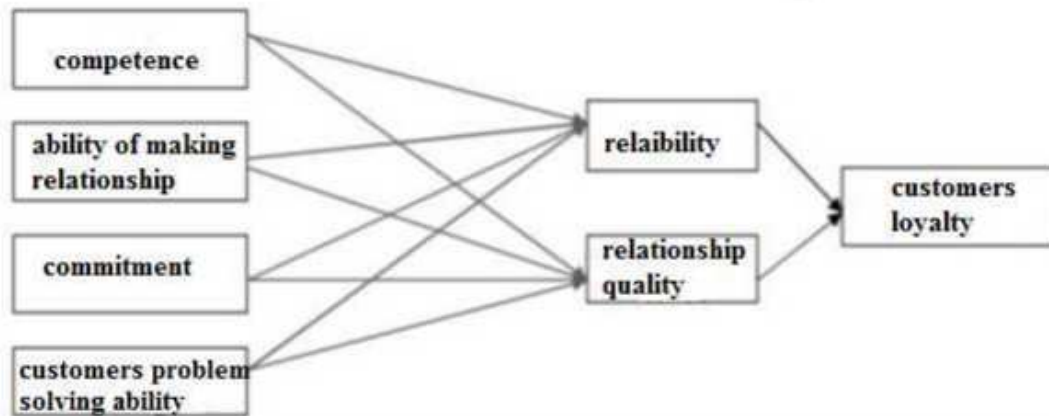
According to Rosenberg et al (1984) in previous years, customers' loyalty has been mentioned considerably. Competitiveness globalizing, market saturation, and information technology development increase customers awareness and make a conditions that price optimization and product quality are not obtainable, instead firms build their success based on their long-term relationship with customer. According to this reality customers' expectations are increasingly permanently, organizations are obliged to go further than customers' initial needs and move their center of concentration from customers' expectations providing to just fulfill their needs to make customers' loyalty by making long-term, mutual and beneficial relationship for both parts. In this way, 2 important issues of selecting customer and his loyalty have attributed all attempts in marketing knowledge field to it, because economics agencies main purpose of attempt and competitiveness is attracting him and interaction and long-term benefits from him (Bahramzadeh, 2009). Actually, for increasing growth of competitiveness, certain focus of attracting new customers has been changes to safety and improvement of customer loyalty (Sramek et al., 007).

### **Relationship-Oriented Marketing Effect on Customer Loyalty**

Competitiveness intensity in markets and customers maintaining importance conception for organizations caused them to take step toward making and maintaining long-term relationships with customers. According to researchers' points of view, relationship-oriented marketing is the most proper way to accomplish this fact (Ranjbarian and Barari, 2009). In order to get success in competitive markets, customers' satisfaction is the main factor in loyalty (Kumar, 2004). Therefore, they worked in ways to attract customers' satisfaction. One of the approaches is making relationship between economics and customer to obtain useful information about customers' needs and offering services lead to customers' satisfaction. Therefore, relationship-oriented marketing tries to make very close relationship with customers to find out customers' needs efficiently and supply them. Relationship-oriented marketing helps to increase market stock yield and reducing costs besides understand customers' needs. Researches have shown that service providing costs to a loyal customer is as many as 5 to 6 times less than attracting cost and providing services to a new customer (Ndubisi, 2003).

Berri (1983) knows relationship-oriented marketing as attracting, maintaining and reinforcing relationships with customers. Rap and Collins (1990) argued that relationship-oriented purposes is making and maintaining permanent relationship between economics and customers as though it is beneficial for both parts.

Dubisi in his research tried to analyze relationship marketing dimensions effect on customers' loyalty. His model is as following:



### 3. RESEARCH METHODOLOGY

Present research method is applicable according to purpose, and causal according to nature and method, because it works on occurrence an event in educational administration of Tehran. Accordingly, based on SEM technique has been used that mainly works on causal relationships between variables. In this research, statistical society includes all financial sponsors of participator gyms in state professional league including premier league, first and second division leagues in previous 5 years which approximate statistic is 100 fans.

Codified questionnaire is distributed among effective organizational occasions. In this research, board of directors' members, chief executive, administration and financial assistant of financial fans public relation management have been considered as aimed society of questionnaire distribution. These people selection base is for their penetration in decision making process in financial support. Principally in the first step, firms public relations management have be explored in various ways, then after expertise exploring, the matter is referred to related assistant (administration-financial) then highest executive principal means chief of executives.

Finally, the issue is proposed in board of directors, if designated, it will be executed. By this definition, aimed statistical society is about 400. Sampling method is simple random based on Morgan table, and statistical sample is 196.

Perpetuity coefficient has been used to measure perpetuity. For this purpose, questionnaire experimentally has been distributed among society members. In this research, alpha Cronbach coefficient has been used to measure questionnaire credit. Alpha Cronbach coefficient has been calculated by SPSS software that obtained alpha Cronbach for questionnaire is 0,925 that indicate this questionnaire has high credit.

#### Data Analysis

In this part, SEM has been used to explore research conceptual model to indicate how much conceptual model fits with gathered data.

Following diagrams show SEM estimation coefficient and significant numbers.

Fitting test deductive analysis in path and confirmative analysis, RMSEA or approximate error variance estimation square less than  $\chi^2/df$  is less than 3 and (GFH, CFI, IFI, NNFI) is higher than 90%. T-value for significance coefficient of each variable more than 1.96 and less than -1.96

Shows that model has good fitting; in other words, society has reasonable approximation.

The relationships between implicit variables (internal and external) and explicit variables (items) of model have been addressed in evaluating model measurement. In this part, the purpose is determining credit or reliability or perpetuity of used indexes. In order to explore model reliability, T-value of paths between each pair of implicit variables and their related indexes has been worked. After confidence of each dimension perpetuity and reliability, standard estimation coefficients have been offered to show effect of each index on related variable and fitting index table to show this notion whether data is enough for model or not.

In order to explore Bronza variable perpetuity and reliability second-order functional analysis has been used. According to the results of SEM shown in the following diagrams, all model parameters are significant. It means correlation among variables dimensions is significant and correlation among questions and factors has reached to significant level.

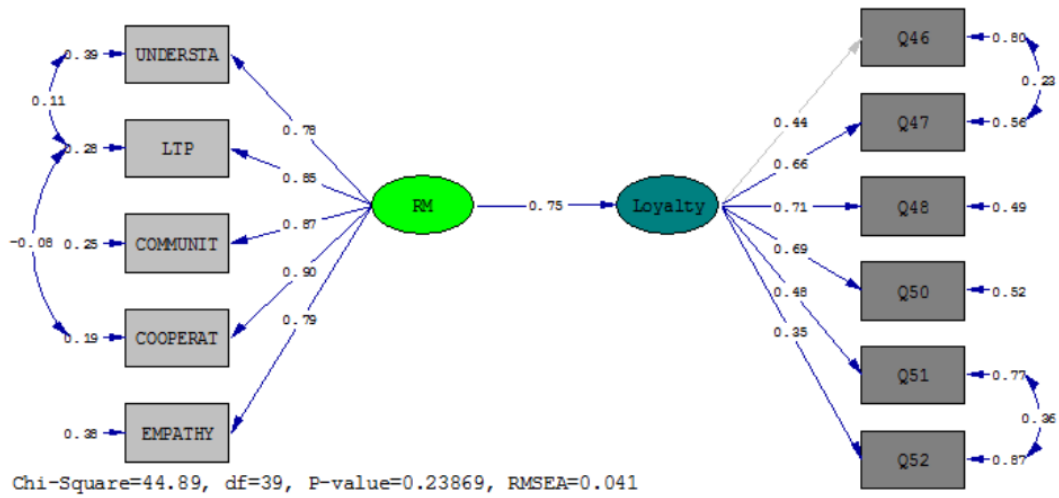


Diagram 1) Model fitting diagram in standard mode

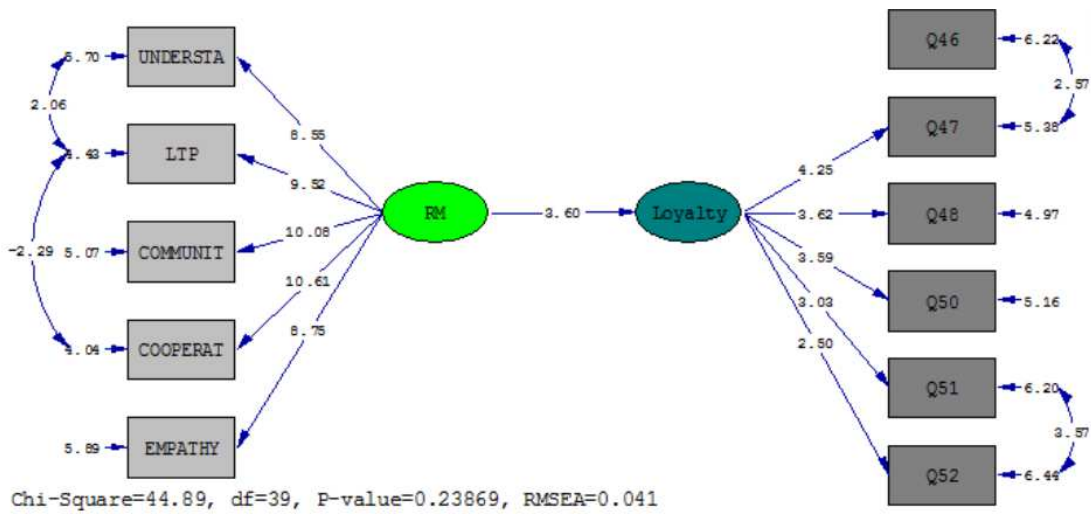


Diagram 2) model fitting diagram in significant level

As it is seen in diagram (1), all structures and variables have been posed in proper place and variables relationships are significant and all hypotheses are confirmed.

Accordingly, Lisrel software 8.5 has been used to evaluate designed model. In this regard, indexes X2 freedom degree, GFI, AGFI, RMR, NFI, NNFI, IFI, CFI and very important index of RMSEA have been used which are shown in the following table.

Based on table 1, all fitting indexes are placed in proper place.

Table (1) model fitting indexes and fitting result

Fit index	Favorite value	Pattern value
$\chi^2/df$	3.00<	1.15
GFI(Goodness of Fit Index)	0.90>	0.92
AGFI(Adjusted Goodness of Fit Index)	0.90>	0.86
RMR(Root Mean square Residual)	0.05<	0.045
NFI (Normed Fit Index)	0.90>	0.91
NNFI (Non-Normed Fit Index)	0.90>	0.97
IFI(Incremental Fit Index)	0.90>	0.98
CFI (Comparative Fit Index)	0.90>	0.98
RMSEA(Root Mean Square Error of Approximation)	0.08<	0.041

#### 4. Conclusion

In this research, we addressed relationship marketing approach effect on sport gyms financial sponsors loyalty according to conception of financial sponsor loyalty in sport gyms. In this research, we offer criteria to make loyalty in customers in a way to make competitive advantage in services of various industries and conditions. Obtained results of past researches indicate that relationship links causes customers' loyalty increase. It is supposed in this research that

relationship-oriented elements can increase loyalty in customers. Therefore, obtained results from previous researches showed that relationship-oriented elements have positive and significant effect on gyms fans loyalty.

In addition, obtained results from hypotheses tests have shown that:

1. Relationship-oriented marketing has positive and significant effect on gyms' sponsors' loyalty.
  2. Interactive conception has positive and significant effect on gyms' sponsors' loyalty.
  3. Long-term view has positive and significant effect on gyms' sponsors' loyalty.
  4. Communications has positive and significant effect on gyms' sponsors' loyalty.
  5. Cooperation has positive and significant effect on gyms' sponsors' loyalty.
  6. Sympathy has positive and significant effect on gyms' sponsors' loyalty.
- In addition, this research showed that according to effectiveness on gyms financial sponsors' factors of cooperation, communications, sympathy, interactive conception, and long-term view have from the most to the least importance, respectively.

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