2011

Gambling on sport sponsorship: a conceptual framework for research and regulatory review

Matthew Lamont
Southern Cross University

Nerilee Hing
Southern Cross University

Sally Gainsbury
Southern Cross University

Publication details
Published version available from:
http://dx.doi.org/10.1016/j.smr.2011.04.004
Abstract

Commercial gambling providers (CGPs) have recently intensified the promotion of their products and services through sport sponsorship. Consequently, gambling products and services now gain substantial exposure to large audiences via media broadcasts of sport. Due to the mainstream appeal of some sports, television audiences and fan-bases can include youth, at-risk and problem gamblers, who may be prompted to gamble, or to increase their gambling, by the direct marketing, alignment of gambling with a ‘healthy’ activity and increased normalisation of gambling. Therefore, sport sponsorship by CGPs promotes a potentially risky behaviour and may exacerbate the public health issue of problem gambling.

Regulatory measures have been implemented by governments and private organisations in relation to sport sponsorship by tobacco companies in recognition of the potential harmful impacts of this form of marketing. Subsequently, the involvement of ‘unhealthy products’ including alcohol, junk food and gambling in sport sponsorship has been publicly questioned. This may lead to further regulatory changes that would directly affect the management of sport organisations. Few studies have examined these issues and there is little knowledge of the impacts that sport sponsorship arrangements have on society. Research is needed to inform prudent decision-making about the appropriate regulation of sport sponsorship. This paper reviews the current gambling sport sponsorship landscape and proposes a conceptual framework aimed at facilitating a systematic, interdisciplinary research agenda for examining corporate social responsibility issues pertinent to the sponsorship of sport by CGPs.

Keywords: corporate social responsibility, sport, sponsorship, gambling, regulation
Gambling on sport sponsorship: A conceptual framework for research and regulatory review

1. Introduction

Sponsorship is an important communication tool within the contemporary marketing mix. Further, sponsorship revenue is a key source of income for sporting organisations from the grassroots level through to the upper echelons of professional sport (Independent Sport Panel, 2009). Recently, commercial gambling providers (CGPs) have intensified their sponsorship of sporting codes, teams and events (Danson, 2010). Concurrently, regulatory agencies are becoming increasingly reactive to community concern about public health issues. Indeed, many jurisdictions have restricted or prohibited the promotion of certain products through sponsorship that are suspected or empirically proven causes of harm, particularly tobacco and alcohol (Howard & Crompton, 1995). In addition to their legal obligations, sport and business organisations face increasing stakeholder pressure to be socially responsible (Aaronson, 2003; Smith & Westerbeek, 2007). For these reasons, regulators, sponsors and sport organisations should be mindful of the likely ethical and public health implications of promoting potentially harmful products through sport sponsorship.

Empirical research into issues surrounding promotion of gambling through sport sponsorship is lacking, hampering development of prudent public policy (Monaghan, Derevensky and Sklar, 2008). McKelvey (2004) notes that ‘no reported scholarly research’ (p. 202) has been conducted into the sponsorship nexus between CGPs and sport, and the implications these relationships have for both sport consumers and society. Further, there are few conceptual frameworks to guide research into issues surrounding promotion of gambling through sport sponsorship.

Therefore, the purpose of this paper is threefold. First, it reviews the extant literature on gambling sponsorship of sport. Second, it explores stakeholder implications arising from regulatory change to sponsorship of sport by CGPs. Third, the paper contributes a conceptual
framework mapping a stakeholder-based, multidisciplinary research agenda into sponsorship of sport by CGPs. It is envisaged that this research agenda will inform regulators, sport managers and other stakeholders of key considerations surrounding sponsorship alliances between CGPs and sport organisations. This review and proposed framework will enhance the ability of key stakeholders to engage in appropriate research, implement sound theoretical and empirically proven management practices, and enact appropriate regulations or codes of conduct for sport sponsorship agreements with CGPs.

This review and proposed conceptual framework are significant for several reasons. While a few articles have offered formative commentary on the involvement of CGPs as sponsors of sport (e.g. Danson, 2010; Harris, 2005; McDaniel, Mason & Kinney, 2004; McKelvey, 2004), they have not provided a basis upon which a coherent research agenda may be launched. Further, new trends have emerged in which CGPs are increasingly and intensively promoting ‘hard’ types of gambling through sport sponsorship. These include electronic gaming machines (EGMs), online sports betting, and venue-based and online casino gambling. Simultaneously, evidence has emerged about the heightened risks of negative consequences associated with these gambling forms. A review of these contemporary issues and a re-evaluation of areas on which research efforts should focus is therefore timely and warranted.

2. Current associations between sporting organisations and commercial gambling providers

2.1 Sport sponsorship

Most definitions of sponsorship emphasise an exchange of resources between two parties that is capable of yielding mutual benefit (Walliser, 2003). For example, McCarville and Copeland (1994) describe sponsorship as a relationship in which a sponsor exchanges resources (such as cash, product, or labour) with an individual, cause or event (the sponsored party, or
‘property’), where sponsors expect that this exchange will yield a return on investment. As such, the notion of mutual benefit differentiates sponsorship from other arrangements including philanthropy, charity and patronage, where there is nil or little expectation of reciprocity or return on investment. Although sponsorship involves a second party, the activity or cause sponsored, (Speed & Thompson, 2000) and although some charitable intentions may be involved, sponsors also seek to strategically position their brand name on the sponsored property as advertising (Abratt & Grobler, 1989). Perimeter signage at sports stadia and organisational logos on athletes’ clothing are examples.

Numerous studies have investigated organisational motives for engaging in sponsorship (see Quinn, 1982; Abratt, Clayton, & Pitt, 1987; Scott & Suchard, 1992; Arthur, 1999; Stotlar, 1999; Carter & Wilkinson, 2000. An early investigation (Quinn, 1982) found businesses engaged in sponsorship mostly as an ad hoc reaction to requests from organisations and individuals, while corporate image development was a secondary motive. Current motives reflect growing recognition and use of sponsorship as a vehicle for achieving profit-oriented business objectives including increased market penetration, brand awareness, media exposure, and subsequent contribution to revenue (Arthur, 1999; Javalgi, Traylor, Gross, & Lampman, 1994; Stotlar, 1999; Walliser, 2003). Brand development, particularly image enhancement, can be achieved by aligning an organisation with a prestigious ‘property’. Indeed, sponsorship has been recognised as an effective tool for targeting specific audiences ‘through activities in which they are personally interested’ (Howard & Crompton, 1995, p. 238). However, sponsorship motives may differ according to variables such as organisational size and value of the sponsorship exchange (Slack & Bentz, 1996; Lamont & Dowell, 2008).

Sponsorship expenditure, particularly for sport, events and the arts, has grown steadily in recent years compared with other promotional media such as advertising and sales
promotion (IEG, 2009). The IEG Sponsorship Report noted that worldwide sponsorship expenditure totalled US$44 billion in 2009, a 2.1 per cent increase over the previous year (IEG, 2009). Further, the 2009 figure is almost double that of 2003 (IEG, 2003). This growth emphasises that sponsorship is an extensive and growing global activity engaged in by a wide variety of organisations.

### 2.2 Sport sponsorship by commercial gambling providers

Recently, sport sponsorship by CGPs has increased markedly in many developed countries. For example, Danson (2010) noted that seven of the 20 English Premier League teams have ‘shirt’ (or naming rights) sponsorship arrangements with CGPs. This has been facilitated by the British legal framework which allows advertising of gambling services, along with the sport/gambling symbiosis (Danson, 2010). He also noted the powerful reach of the English Premier League across Europe and Asia, assisting gambling sponsors to obtain widespread media exposure.

CGPs have also strengthened their involvement as sponsors of sport in Australia. A basic content analysis conducted by this paper’s authors of the web sites for two widely televised Australian professional football competitions, found that 14 of the 16 teams in one league had sponsorship arrangements with CGPs for the 2009 season. These included sports betting agencies (particularly online sports betting agencies), EGM manufacturers, EGM software makers, and gaming venues including casinos, hotels and clubs. In total, 43 CGPs sponsored teams in this competition. In another high profile Australian professional football competition, three CGPs were listed on the competition’s web site as competition sponsors, while 12 of the 16 teams had sponsorship arrangements with one or more CGPs.

Similarly, McKelvey (2004) has described growth in marketing alliances between professional sport organisations in the United States (US) and CGPs. These relationships include sponsorship of teams, individuals, broadcasts, events and outright team ownership.
Significant growth in the legalised gambling industry, widespread acceptance of gambling as a form of entertainment, and a softening of internal policies and codes of conduct amongst professional sport organisations have resulted in an environment conducive to sponsorship arrangements between these two parties (McKelvey, 2004). McKelvey further asserts that, similar to the corporate goodwill generated toward tobacco companies by sponsorship (Furlong, 1994), CGPs have begun utilising sport sponsorship as a marketing vehicle because sponsorship has the ability to improve customer perceptions of corporate citizenship (Dean, 1999). Such perceptions are perhaps ironic given that sponsorship by CGPs may have potentially harmful impacts (Harris, 2005).

It is clear that CGPs have seized opportunities to widely promote their products to the public. Sport sponsorship appears an ideal mechanism for gambling operators to meet their marketing objectives. Given the widespread popularity of sport, sponsorship allows CGPs to increase the legitimacy of their product and reinforce the notion that gambling is an acceptable form of entertainment (McKelvey, 2004). Furthermore, sports fans often represent key target demographics for CGPs, a motivation identified by marketing executives from Mohegan Sun for the casino’s sponsorship of the Boston Red Sox and other Major League Baseball clubs (Crasnick, 2003).

To help optimise return on investment, many CGP sponsorships are heavily leveraged, particularly during match telecasts. Indeed, media commentary has increased about the almost ubiquitous presence of gambling associated with contemporary media broadcasts of Australian sports matches and events. Frequent verbal updates are given on the odds of victory for each side, together with the ‘admonition from the commentator that we must bet responsibly’ (Fitzsimmons, 2009, p. 14). Additionally, on-site venue signage constantly or intermittently displays logos of the sponsoring CGPs and is clearly visible in the associated television coverage. During commercial breaks, advertisements for CGPs are frequent and
often themed around the sport being telecast. ‘Pull through’ advertising banners containing messages from gambling companies are used, involving a moving banner from one side of the bottom of the television screen to the other during play. Further, the logos of gambling sponsors on players’ uniforms can be seen in close-up shots. Web sites of CGP sponsors often feature images and logos of the property they sponsor, along with reciprocal hyperlinks to the competition web site. Promotions themed around the sponsored property, such as online tipping competitions, also promote gambling.

Television audiences for major sporting leagues and events are significant. For example 3.2 million and 3.5 million television viewers tuned in to the grand final matches of two major Australian professional football competitions in 2010 (Talking Footy, 2010). Further, 13.4 million viewers tuned into Game 7 of the 2008 American League Champion Series between the Tampa Bay Rays and the Boston Red Sox (Reynolds, 2008). These figures do not include viewers watching on international broadcasts or Internet streaming. Accordingly, CGPs can obtain extensive exposure and promote their products by accessing large, mainstream audiences through sponsorship agreements with major sporting organisations.

2.3 Influences on regulation of sport sponsorship

Sponsorship has long been used as a vehicle for marketing ‘unhealthy’ products. The literature contains numerous examples of sponsorship promoting tobacco, alcohol, ‘fast’ and ‘junk’ food, and more recently, gambling. Indeed, Howard and Crompton (1995) noted that alcohol and tobacco companies have been the most prominent sponsors of sport over time. They questioned the inconsistency of using sport, which embodies a healthy and active lifestyle, to promote products that can harm one’s health, an issue also raised by Cornwell (2008).
However, empirical studies investigating the links between the promotion of products such as tobacco and alcohol through sponsorship and uptake and/or increased consumption of these products are sparse and inconclusive. Most papers examining links between tobacco sponsorship and smoking have focused on young persons’ brand awareness and recall, along with attitudes toward tobacco sponsorship of sport (e.g. Ledwith, 1984; Aitken, Leathar, & Squair, 1986; Hoek, Gendall, & Stockdale, 1993; McDaniel & Mason, 1999; Sparks, 1999).

Ledwith (1984) conducted a notable study, finding a significant increase in cigarette brand awareness amongst 880 British secondary school students following a televised snooker competition sponsored by a cigarette manufacturer. The author concluded that ‘the increase in awareness of the sponsored brands suggests that even fairly brief exposure to tobacco-sponsored sports on TV, if linked to well-publicised images, may produce a considerable increase in levels of brand awareness and association with sport’ (Ledwith, 1984, p. 88).

Similarly, Sparks (1999) found amongst a sample of 14 year-old New Zealand school students (N=366) that 100 per cent successfully recalled an event sponsored by a cigarette brand, and concluded that ‘selectively targeted cigarette sponsorships can help to build positive brand associations and awareness in the youth (starter) market’ (Sparks, 1999, p. 214). The effect of sport sponsorship on youth was further demonstrated by Vaidya, Naik and Vaidya (1996) who found a significantly higher prevalence of experimentation with smoking amongst respondents who had watched television coverage of a professional cricket match sponsored by a cigarette brand, than amongst those who had not.

A catalyst for the proliferation of sponsorship of sport and the arts by tobacco companies was the US Government’s ban in 1971 of tobacco advertising on television and radio. In Australia, tobacco advertising via broadcast media was banned in 1976, and in print media in 1989 (Howard & Crompton, 1995). Tobacco companies swiftly turned to sponsorship as an alternate promotional medium. In time however, restrictions on this new
practice were implemented, with tobacco sponsorship of sport and the arts banned in Australia in 1993 (Howard & Crompton, 1995).

Hill and Caswell (2004) have argued that sponsorship, particularly sponsorship of sports events, by alcohol companies is a popular promotional medium because these events attract large audiences who are ‘most receptive to “experiential learning” about a product’ (p. 343). They also noted that sports events provide a salient audience, allowing alcohol companies to target young males, who are typically heavier drinkers. McDaniel and Mason (1999) noted the long-standing hedonic relationship between sport and alcohol consumption. Many people consume alcohol while participating in or watching sport to enhance their leisure experience, thus ‘alcohol and tobacco companies are willing to invest significant sums to reach sports-minded consumers’ (p. 486). These arguments could be equally applied to sponsorship of sports events by CGPs, particularly given the similarities of the target demographics between CGPs and alcohol companies. Furthermore, sports betting, including online sports betting, is one of the most rapidly growing forms of gambling, experiencing a 12 per cent annual growth in Australia (Reilly, 2010). Estimates predicted that US$80-$85 million would be bet in Nevada on Super Bowl XLIV (2010) and US$1.58 billion on the 2010 FIFA World Cup through UK-based bookmakers (Giles, 2010). These figures do not account for unregulated sports betting including unregulated Internet betting. Sponsorship of sport by sports betting companies may normalise this activity and increase the frequency with which spectators gamble on outcomes.

Alcohol and fast food sponsorship are also extremely prevalent, particularly in the area of sport. However, compared to tobacco sponsorship, other industries face few restrictions on their marketing alliances with sporting associations and associated advertising. For example, a report commissioned by the Australian Federal Government in 2009 titled *The Future of*
The issue of alcohol and fast food sponsorship is fundamentally different to that of tobacco sponsorship. There is no safe level of tobacco consumption; therefore there is no justification for advertising or sponsorship to promote its use. There are safe levels of consumption of alcohol and fast foods. Nonetheless, the Panel also is acutely aware of the health and social problems associated with over indulgence in alcohol and fast food (Independent Sport Panel, 2009, p. 133).

Some regulations have been introduced for sponsorship of sport by CGPs. For example, in the UK, the use of logos and promotional material on merchandise designed for children, including team shirts, has been banned (Office of Public Sector Information, 2005). Legislation also prohibits gambling advertisements during timeslots commonly watched by youth (Gambling Act, 2005) although, as noted by Monaghan and Derevensky (2008), this does not include the promotion of CGPs during sporting events. Nevertheless, these regulatory changes suggest that policy makers have considered the role of sport sponsorship and further laws may be introduced that could have a significant impact on the management of sport.

2.4 Factors that may influence future regulatory change

Health-oriented policies are measures taken by governments and industry intended to inhibit the adoption of risky gambling practices and cognitions and the subsequent onset of problems (Williams, West, & Simpson, 2007). Policies to restrict gambling promotional activities are based on the belief that these activities may induce gambling in vulnerable groups (e.g.,

---

1 This report is known more commonly as the ‘Crawford Report’, referring to the Panel’s Chair, David Crawford.
problem gamblers, minors), or may serve to counter-act advertising that promotes responsible or low-risk gambling (Williams et al., 2007). There is some support for these assertions. For example, in one study almost half (46%) of a sample of pathological gamblers reported that advertising triggered them to gamble (Grant & Kim, 2001). The second most common trigger was ‘boredom/free time’ (24%), and the third was ‘thoughts of winning’ (19%).

Some jurisdictions have already implemented regulation that impacts on sport sponsorship by CGPs and several factors may influence further policy changes. Increased awareness of these would enable appropriate research to inform and influence future regulations. Alternatively, adoption of socially responsible policies and practices by the sport and gambling industries, informed by sound theoretical frameworks and empirical evidence, may lower the need for more widespread regulation.

Gambling is now widely recognised as a public health issue (Productivity Commission, 2009; Shaffer & Korn, 2002). This perspective considers gambling behaviour on a continuum, from recreational to problem gambling, and focuses attention on prevention of gambling problems, as well as treatment of those suffering severe harm (Productivity Commission, 2009). A public health view of gambling invites examination of its impacts on the entire population. Of most concern is problem gambling, which occurs when individuals exhibit excessive gambling behaviour that is associated with harmful effects (Blaszczynski, Ladouceur, & Shaffer, 2004). For example, they spend more money or time gambling than intended, with deleterious effects on other aspects of their life such as employment and relationships. Most western nations with developed gambling industries report rates of problem gambling between 0.6 and 4 per cent (Canadian Partnership for Responsible Gambling, 2010; Productivity Commission, 2009; Reith, 2006).

Some population groups are particularly vulnerable to gambling problems. Lower socio-economic groups including those who experience poverty, unemployment, welfare
dependence, homelessness and low education have higher rates of problem gambling than the general population (Shaffer & Korn, 2002; Volberg, 1994). Within these groups, those who are male, single and/or under 35 years of age are also more likely to be at risk (Reith, 2006). CGP sponsorship may heighten these risks if problem gamblers are more receptive to this type of promotion or if it triggers their gambling. Findings from research into other potentially harmful products suggests that this is possible. For instance, Kropp, Lavack, Holden, & Dalakas (1999) found that beer drinkers had significantly more positive attitudes towards beer-sponsorship than non-drinkers, as did smokers versus non-smokers; however, attitudes towards beer sponsorship were generally significantly more positive than attitudes towards tobacco sponsorships indicating a preference for more socially acceptable products as sponsors.

In addition, youth appear to have comparatively high levels of gambling-related problems (Delfabbro, Lambos, King, & Puglies, 2009; Huang et al., 2007; Productivity Commission, 2009; Winters, Stinchfield, Botzet, & Slutske, 2005). In reviewing international research, Bellringer et al. (2003) concluded that the prevalence of problematic gambling is two to three times higher for young people than in the adult population and that serious problems associated with gambling are increasing. Additionally, problem gamblers typically develop these behaviours during teenage years (Delfabbro et al., 2009; Productivity Commission, 2009; Winters, et al., 2005) and early exposure to gambling increases the risk of developing gambling problems (Bellringer et al., 2003). Gambling by student athletes has also caused increasing alarm on college campuses in the US. A comprehensive study undertaken by the National Collegiate Athletic Association (NCAA) found that 15 per cent of the 20,739 respondents had bet on football pools and 4.5 per cent had bet on intercollegiate games with a bookie, in violation of NCAA rules (Huang et al., 2007). Of further concern is that adolescent problem gambling is associated with increased delinquency and criminal behaviour,
disruption of family and peer relationships, negative effects on school performance and work activities, and a preoccupation with gambling, with youth problem gamblers sacrificing school, work, parental and peer relationships in order to continue gambling (Derevensky, 2008; Derevensky & Gupta, 2002; Gupta & Derevensky, 2008; Huang et al., 2007).

Some evidence suggests that increased exposure to gambling advertisements and marketing campaigns increases the likelihood of gambling amongst youth. A study in New Zealand found that those aged 15-24 years were more likely than other age groups to remember some form of gambling advertising, with an association also found between advertisement recall and participation in gaming activities (Amey, 2001). A Canadian survey of youth between 10 and 18 years old found that 39% thought they would be more likely to buy lottery tickets based on their exposure to advertisements (Felsher, Derevensky, & Gupta, 2004). In a study involving focus groups with Canadian youth (aged 13-17), virtually all participants were involved in some gambling, with sports-related betting appearing one of the most popular activities (Korn, Hurson, & Reynolds, 2003). Male youth described that actively participating in sports betting generated an adrenaline rush and was viewed as a vehicle to demonstrate support for their favourite teams (Korn et al., 2003). This sample of research results clearly indicates the impact that advertising and marketing can have on youth, who are already more vulnerable than adults to developing gambling-related problems.

Some types of gambling products are also particularly associated with gambling problems. These include games with high event frequency (i.e. that are fast and allow for continual betting) and/or that involve an element of skill or perceived skill, with size of payouts, perceived probability of winning, and the possibility of using credit to play also associated with higher levels of problematic play (Reith, 2006). Gambling forms with these features include EGMs, Internet gambling, and sports betting which appear highly related to problem and pathological gambling (LaPlante, Schumann, LaBrie, & Shaffer, 2008;
Productivity Commission, 2009; Wardle et al., 2007; Wood & Williams, 2009). This evidence is particularly concerning given recent trends for these forms of gambling to be promoted through sport sponsorship. Further, some previous writings on CGP sponsorship of sport have treated gambling as a generic activity (e.g. Maher, Wilson, Signal & Thomson, 2006) or have focused on less problematic forms of gambling such as lotteries (e.g. McDaniel et al., 2004). Future research, as well as any regulation, would benefit from differentiating the types of gambling activities promoted through sport sponsorship based on their potential for harm.

An international review (Reith, 2006) noted that most research has found gambling problems are created by numerous complex associations between individuals, their environment and the gambling opportunities they are exposed to. These findings point to the need for public health measures aimed at protecting individuals, creating safer environments and gambling products, and limiting harmful exposure to gambling. Yet, Shaffer and Korn (2002) noted that most studies have focused on the psychological determinants of disordered gambling, with few examining contextual determinants. In particular, studies illuminating the nature of exposure to gambling and its association with gambling problems are few (Shaffer & Korn, 2002), including those examining the effects of gambling advertising and promotion. However, a better understanding of contextual influences on gambling and problem gambling is needed if the more general public health goals of preventing poor health, promoting healthy behaviours and protecting vulnerable populations are to be achieved in relation to gambling.

It has been further asserted that greater exposure to gambling in a society, in particular integration of gambling with other forms of entertainment such as sports, contributes to its normalisation (Bunkle, 2003; Monaghan & Derevensky, 2008; Monaghan et al., 2008). When sport is sponsored by CGPs and athletes display gambling logos on their uniforms and commentators discuss the relevant odds of winning, this communicates that gambling is an acceptable and harmless form of entertainment and an adjunct to viewing sport. Furthermore,
CGPs appear eager to associate their products with sport to align gambling with a healthy, desirable behaviour. These effects are particularly significant for youth. Through role modeling, the gambling behaviour of adults can make gambling a ‘normal event’ for young people and professional sportspeople and commentators can be perceived as providing celebrity endorsement (Monaghan et al., 2008). It has been argued that associating attractive, healthy models and sports activities with unhealthy products obscures potential health risks while inducing consumption (McDaniel & Heald, 2000).

The above discussion highlights reasons why CGPs may consider sport sponsorship an appropriate means of product promotion and why jurisdictions may consider implementing appropriate policies regarding advertising by CGPs to limit its potential harmful impacts on vulnerable populations. Sporting events, sporting associations and gambling sponsors target groups known to be at higher risk for gambling problems – young males and adolescents – who are then faced with increased exposure to endorsement of gambling by celebrities and the sports themselves. This occurs in an environment where access to sports betting facilities are readily accessible via the Internet, mobile phones and interactive television and where the gambling product being promoted, usually sports betting, has many of the features conducive to the development of gambling problems. In addition to having the potential to encourage gambling, sport sponsorship adds to the increasing normalisation of gambling in society. The convergence of these risk factors suggests that research efforts are needed into the links between sport sponsorship by CGPs and its impacts on gambling behaviour, especially amongst vulnerable populations. It also raises questions as to whether the actions of CGP sponsors and sport organisations accepting this sponsorship are socially responsible.

2.5 Corporate social responsibility and business ethics
The concept of CSR has been predominantly discussed within the business, accounting and ethics literature (Reynolds & Yuthas, 2008). Although the meaning of CSR has been intensely debated, its general focus is on ‘the role of business in society and the nature of a firm’s social responsibilities’ (Galbreath, 2009, p. 109). Since the 1970s, progressively dynamic business environments, changing public expectations of business activities, emerging interest groups and substantial public consideration of corporate impacts have driven increased awareness of CSR (Hing, 2001). The interpretation and role of different entities in fulfilling their CSR obligations are diverse (Filho, 2009), as are the areas in which business can contribute to protecting and improving the welfare of society. Broadly, along with organisational concerns, CSR is the obligation to take actions that safeguard and improve the welfare of society as a whole. The principles of CSR therefore encourage managers to work towards achieving organisational and societal goals (Redmond, 2006).

Carroll (1979; 1991) developed a CSR model comprising four elements of corporate social responsibility: economic, legal, ethical and discretionary/philanthropic responsibilities, listed in decreasing order of importance. Carroll (1991) argued that these four elements are not mutually restrictive, assisting managers to understand opposing responsibilities. In explaining his categorisation, Carroll (1991) noted that the first and foremost social responsibility of business was economic, to produce goods and services that consumers want at an acceptable level of profit. However, because society determines laws and regulations under which business is expected to operate, organisations have legal responsibilities as part of their social contract. Further, Carroll (1991) maintained that ethical behaviour reflects a concern for what consumers, employees, shareholders, and the community regard as fair and just, or in keeping with the respect or protection of stakeholders’ moral rights. The fourth category, discretionary responsibilities, encompasses deliberate corporate actions in response to society’s expectation that businesses be good corporate citizens by contributing to
improving quality of life. However, discretionary responsibilities go beyond ethical commitments to embrace philanthropic activities such as corporate sponsored programs (Carroll, 1979). Carroll’s categories of corporate social responsibility have been adapted in later representations of corporate social performance (Smith & Westerbeek, 2007; Lozano, 2008; Galbreath, 2009).

Historically, many companies have perceived business ethics only in terms of administrative compliance with legal standards and adherence to internal rules and regulations (Berman & Webb, 2003). However, attention to business ethics is increasing globally with many companies realising that in order to succeed, they must earn the respect and confidence of their customers (Aaronson, 2003). This suggests that CSR efforts must be fully integrated with an organisation’s overall business strategy.

Further, Wood (1991) emphasised business ethics and managerial discretion as important considerations in CSR because corporations operate in organisational and societal environments full of choices. As organisational procedures and policies do not totally prescribe their actions, managers cannot avoid responsibility for how they exercise their substantial discretionary power (Hing, 2001). Subsequently, avoiding this responsibility risks social backlash if the organisation’s behaviour conflicts with higher moral codes or community standards. However, the concepts of CSR and business ethics have received little attention in the context of sport sponsorship, particularly that by CGPs.

It is apparent from the preceding discussion that many tobacco, alcohol, fast food and gambling businesses could more closely consider CSR in their marketing mix. Promotion of gambling products through sport sponsorship raises a host of questions relating to CSR. Ethical considerations of the potential negative impacts of gambling advertisement, particularly among vulnerable populations, are especially relevant. This is important not only in fulfilling the essence of CSR to be mindful and respectful to consumers and society, but
from a business standpoint, a commercially successful corporation must also be mindful of any potentially impactful legislative or policy changes. Increasing focus on the impacts of gambling in society may lead to regulation of sport sponsorship, and as such CGPs and sporting bodies should position themselves to respond appropriately. To date there is a dearth of empirical knowledge surrounding these issues. As such, attention is now given to suggesting ways to progress research into sponsorship of sport by CGPs.

3. A conceptual framework to guide research

This section draws on the previous review to present a framework mapping a stakeholder-based, multidisciplinary research agenda into sport sponsorship by CGPs. Conceptual frameworks can act as road maps to guide empirical inquiry and, by presenting a simplified view of a complex reality (Apostel, 1961), can aid exploration, description, understanding, explanation and prediction (Shields, 1998). The framework presented here provides the first attempt to encourage a coherent program of research into sport sponsorship by CGPs and a common frame of reference for future studies.

The preceding analysis identified four key stakeholders in sport sponsorship: governments and regulators, the sponsored party (the ‘property’), the sponsoring company, and the general public. Figure 1 depicts these stakeholders, along with lines of influence they exert on each other. The framework is represented as an open system and thus acknowledges environmental influences that may impact upon the interrelationships presented. As discussed below, any one of these four stakeholders might be the starting point for research into the tensions they experience, how these are resolved and how their related decisions affect themselves and other stakeholders. Lines of research inquiry that are most salient in the current environment are now illuminated in relation to each of the four stakeholders.
Governments exert a key influence on sport sponsorship through public policy, defined as the course of action or inaction taken by governmental entities in regard to a particular issue or set of issues (Wolf, 2010). This might relate to regulatory measures, laws and funding priorities (Kilpatrick, 2010). In assessing regulatory decisions, governments face inherent tensions between their role as guardians of the public health, their own reliance on revenue from gambling taxes, and political pressures from sponsored companies, their sponsors and the general public (Harris, 2005). The lack of public debate and regulatory responses to CGPs as sponsors of sport have been attributed by some to the self-interests of the regulators and sporting organisations who wish to protect this revenue stream (Harris, 2005; McKelvey, 2004). These competing demands are confounded because governments need to also consider the health benefits of sport against unhealthy outcomes that can result from gambling.

For example, the Crawford Report (Independent Sport Panel, 2009) noted concern within the Australian community about ‘mixed messages’ sent by governments about the benefits of a healthy and active lifestyle, while allowing alcohol and fast food sponsorship of sport. Community concerns relating to gambling sponsorship were acknowledged elsewhere in the Crawford Report. Thus, research into the messages received by the public and whether gambling sponsorship of sport undermines the promotion of healthy lifestyles and activities is warranted and timely.

Research might also consider how government policies on harm minimisation and consumer protection in gambling more generally might be extended to sponsorship in an efficacious manner. Research along this line might pay particular attention to sponsorship
leveraging methods used by CGPs. Cornwell (2008) described sponsorship as “an impoverished media” (p. 47) capable of delivering only incomplete messages in the absence of corresponding leveraging efforts. She noted there is little knowledge of how various leveraging methods influence consumer attitudes and purchase intentions of sponsors’ products. Given the spectrum of leveraging techniques employed by CGPs described earlier, research into which techniques exert the greatest influence over vulnerable groups in relation to gambling attitudes, intentions and behaviour would be valuable in informing regulatory policy.

Research may also be directed at examining how public policy decisions affect other stakeholders in the model. The Crawford Report cautioned that if governments banned alcohol, fast food or gambling sponsorship, the ability of sport organisations to deliver sporting programs would be diminished (Independent Sport Panel, 2009). However, alternate funding options are possible. For example, following a ban on tobacco sponsorship in Australia, compensatory funding for sports was provided by state governments through an additional tax on the wholesale price of tobacco (Crompton, 1993). Alternatively, CGPs could contribute to a ‘blind’ trust from which sponsorship funds are distributed (Maher et al., 2006). Comparative studies could examine the impacts of different regulatory models for sport sponsorship on sporting organisations, sponsoring companies and the general public. Research could also examine how different regulatory models affect the advertising and promotion of gambling, the financial viability of sporting organisations, and sponsorship offered by CGPs.

3.2 The sponsored party – The ‘property’

The sponsored property is also a key stakeholder, benefiting from sponsorship arrangements that yield cash or in-kind resources. Sport organisations typically rely on sponsorship to maintain financial solvency and to continue delivering sporting programs. Further, gaining
sponsorship is a competitive process and ‘sports are competing for an ever changing and more competitive bucket of sponsorship money’ (Independent Sport Panel, 2009, p. 133). However, sport organisations are under increasing pressure to be socially responsible in their decisions and actions. Thus, a dilemma for sport management practitioners is whether or not to accept sponsorship from organisations seeking to promote potentially harmful products. Recent examples suggest that CSR is on the minds of these practitioners. For instance, in 2010 a professional Australian football club declined sponsorship from an American brothel after the league’s governing body cautioned this could send the wrong message about the treatment of women, which would conflict with the league’s family-friendly values (ABC Sport, 2010).

Sport managers face a similar conundrum in deciding whether to accept sponsorship from CGPs.

Thus, a fruitful line of inquiry is to explore the underlying decision-making processes used by sport management practitioners in initiating and negotiating sponsorship arrangements. Also of interest would be how they negotiate the competing economic and ethical tensions surrounding sponsorship arrangements with CGPs. Related research issues include how government policy shapes their sponsorship decisions, how concerns for public health are factored into decision-making about gambling sponsorship, whether alternative forms of sponsorship are available, and how potential sponsors themselves influence the decision-making process.

In Australia, the Crawford Report (Independent Sport Panel, 2009) noted a legitimate and growing community concern about gambling sponsorship of sport. Sport organisations need to be conscious of this shift in public expectations, and should consider alternative corporate relationships for the future. Indeed, the Panel cautioned that a time may come when sponsorships between CGPs and sport will not be sanctioned. Therefore, research might investigate the economic implications for sport if gambling sponsorship was to be restricted.
However, until that occurs, an important research question is how sport organisations weigh up their own economic, legal, ethical and philanthropic priorities in determining their level of CSR when accepting gambling sponsorship. Although a growing body of literature and increasing public inquiry questions the ethics of promoting gambling products through sponsorship, few authors have explicitly aligned their research with the concept of CSR, particularly the ethical dimension of this concept.

Research could also examine how these sponsorship decisions affect other stakeholders in the model. For example, how do these decisions and accompanying actions affect public health in relation to gambling, particularly for at-risk populations such as problem gamblers, youth and those previously unexposed to gambling? Does gambling sponsorship contribute to normalisation of gambling in society and its integration into daily life? Research might also be directed at how sponsorship decisions affect individual sport organisations and the sport itself. For example, marketing studies could employ the concept of image transfer (Gwinner & Eaton, 1999) to determine if goodwill and positive perceptions of prestigious sport properties are transferred to CGPs through sponsorship. It would also be valuable to assess whether CGP sponsorship enhances or tarnishes the image of the sport itself, increases or decreases its fan base or affects its viewing audience. Research could also examine how sponsorship decisions by sporting bodies shape government responses through legislation and regulation.

3.3 Sponsoring companies
A third set of stakeholders depicted in the model is the sponsoring companies. Sport is an obvious choice of sponsorship for CGPs, particularly sports betting providers, given that the markets for sport audiences and gamblers have considerable overlap. Thus, sponsoring companies would be hoping for increased market penetration (Ansoff, 1965) where the promotion of gambling through sponsorship might encourage sport gamblers to gamble more,
and also for market development (Ansoff, 1965) where new markets for gambling might be found amongst sport audiences. Research could examine the processes CGPs use to determine a fit between their products and the audiences of intended sponsorship purchases, whether and how gambling sport sponsorship results in market penetration and development, and whether financial benefits for sponsoring companies vary with different sponsorship packages.

However, it is not only financial benefits that might accrue to gambling sponsors. Research could also examine whether association of a potentially unhealthy product (gambling) with a healthy product (sport) changes public perceptions of gambling, sport or both. Other studies might ask how growth in sports betting has influenced gambling providers in their sponsorship purchasing decisions. Studies into the marketing mix of gambling providers might explore how gambling sponsorship of sport manifests in terms of advertising, promotion, products and distribution. It would be useful to know to what extent the legitimisation of gambling motivates gambling providers to sponsor sport.

Sponsoring companies also need to consider non-economic aspects of CSR when formulating their marketing mix. While sponsoring sport may make good economic sense for CGPs and be conducted in adherence with legal obligations, the associated ethical issues are more vexing. This is because gambling has been empirically linked to a range of social and health problems and because this sponsorship arrangement exposes children, youth, and other at-risk populations to gambling. Thus, market penetration and market development achieved through sports sponsorship may contribute to gambling problems. One avenue of research could examine how CGPs weigh up their social responsibilities in their sponsorship decisions.

Impacts on other stakeholders brought about by CGP sponsorship of sport could also be considered. For example, public policy often suffers from a lag effect, introducing regulations and other measures in response to industry action. This is typical in gambling policy, where aggressive industry marketing coupled with public outcry culminated in harm
minimisation and consumer protection policies (Hing, 2002). The integrity of sport organisations may also be compromised by their association with gambling sponsors. Indeed, recent involvement of CGP sponsors has led to allegations of match fixing, questioning the integrity of some major sport leagues (e.g. see Barrett, 2011; Edwards, 2010). Limited research to date has examined how sport sponsorship by CGPs affects other stakeholders.

3.4 The public

A fourth stakeholder depicted in the model is the public, with public health being a key concern. In Australia, the Crawford Report noted increasing community concern and growing objections regarding the promotion of certain types of products and services, including gambling, through the sponsorship of sport (Independent Sport Panel, 2009). In particular, submissions to the report commented on the inappropriateness of partnerships forged between sport and CGPs and suggested that certain categories be banned from sponsoring sport.

This shift in community attitudes may be the result of numerous concerns. As noted earlier, sport sponsorship by CGPs may result in gambling products and services being indiscriminately promoted to minors, which is not only illegal, but also perilous, because they are ‘at a developmental age that makes them susceptible to influence’ (Monaghan et al. 2008, p. 257). There may also be concerns about the capacity of gambling promotion to trigger gambling amongst new and existing markets, including people who already have gambling problems. Community concern might also be based on the integration of gambling into a popular and healthy activity: sport. However, little is known about the bases for community concerns over CGP sponsorship of sport, and whether it results in increased gambling amongst minors, and/or increased prevalence of problem gambling in the community (McKelvey, 2004). Again, these would be fruitful areas of research. Research into mechanisms in sport sponsorship designed to minimise the effects of exposure to gambling products by vulnerable groups would certainly contribute to public health.
An important and timely line of inquiry is the impacts of CGP sponsorship of sport on the public. Research is especially needed to determine if and how exposure to gambling promotion through sport sponsorship contributes to the development of gambling problems among underage people and other vulnerable populations. Research is also required to establish if and how this sponsorship exacerbates existing gambling problems. Established theories such as the Theory of Planned Behaviour (Ajzen, 1985; Ajzen & Fishbein, 1980) have helped to understand related behaviours such as alcohol and drug consumption (Marcoux & Shope, 1997) and smoking (Norman, Conner & Bell, 1999). Scope exists to examine if CGP sponsorship of sport acts as an antecedent to problem gambling behaviour. Research of this nature focusing on the forms of gambling more closely associated with problem gambling currently being promoted through sport sponsorship is particularly warranted. Further, Cornwell (2008) overviewed useful theoretical approaches to explaining how sponsorship facilitates brand recognition and awareness in the mind of consumers, which could be drawn upon to guide specific research into the impacts of CGP sponsorship on the public.

As well as the impacts of CGP sponsorship on the public, the impact of public opinion and actions on other stakeholders in the model warrants investigation. Many related research areas have been described previously and include how public opinion shapes public policy on sport sponsorship and on gambling, how this sponsorship affects public opinion about the sporting bodies and gambling companies involved, and how resulting actions of the public impact on gambling behaviour, sport participation and sport viewing and on the financial performance of the sponsored and sponsoring companies.

In summary, the utility of Figure 1 lies in its capacity to reveal numerous fruitful lines of research inquiry. By considering each of the four stakeholders and the interrelationships between them, the preceding discussion has identified many potential research avenues. These
suggestions are especially salient given the emergence of recent trends in CGP sponsorship of sport, combined with empirical evidence regarding the higher likelihood of experiencing problems associated with particular forms of gambling beyond lotteries and scratch cards. The lines of enquiry here can inform theory and practice in relation to CGP sponsorship of sport. The model could also be adapted to facilitate research into the promotion of other potentially harmful products including alcohol and fast food.

4. Conclusion

Legal and regulatory regimes, including government policies and organisations’ own codes of conduct, are increasingly impacting upon the management of sport. In particular, the role of sport sponsorship and the appropriateness of establishing relationships with corporations that promote potentially harmful products, such as gambling, are increasingly attracting concern. Jurisdictions internationally have regulated to restrict the acceptance of sponsorship funding from tobacco companies and, in some cases, from CGPs.

Previous authors have flagged the questionable nature of CGP sponsorships from as early as 2004. However, despite some further commentary since then, no empirical research has yet emerged. This paper has illuminated several significant changes in CGP sponsorship practices that emphasise the urgency of empirical research. First, the paper flagged emerging evidence of the increased likelihood of negative consequences associated with certain forms of gambling such as EGMs and Internet gambling, including online sports betting. Second, and of particular concern, the paper discussed how the promotion of these forms of gambling through sport sponsorship has recently intensified. Indeed, a central aim of this paper was to emphasise the need for a cohesive research agenda that takes into account these recent trends to help inform prudent policy making. A stakeholder-based conceptual framework was proposed setting out a research agenda addressing contemporary issues, which may ultimately
inform regulation (both public and private) of CGP sponsorship. Further, the enhanced emphasis placed by contemporary society on CSR was integrated into this research framework. By considering the relationships between the identified stakeholders and by engaging in research, sport management practitioners will be well-placed to influence and respond to potential regulatory changes that may occur in the sport sponsorship field.

**References**


Figure 1. Relationships between key stakeholders in the gambling-sport sponsorship nexus.