

SECURING FINANCIAL SOUNDNESS OF SPORT NATIONAL GOVERNING BODIES THROUGH SPORT- MÉCÉNAT OF COMPANIES**YongKoo Noh¹ and Kyongmin Lee²**

Department, Policy Development, Korea Institute of Sport Science, Seoul, Republic of Korea

Department, Physical Education, Dong-A University, Busan, Republic of Korea

¹ynoh@kspo.or.kr, and ²dsukmlee@dau.ac.kr¹<https://orcid.org/0000-0002-2378-1466> and ²<https://orcid.org/0000-0001-6745-4662>**ABSTRACT**

Purpose: This study aims to identify methods of increasing the sports-mécénat of companies to secure the financial soundness of SNGBs.

Theoretical framework: Sports-mécénat has been attracting attention as a method of increasing the financial earnings of SNGBs. Mécénat refers to corporate activities that aim to support the culture and art sectors. Companies can enhance their corporate image and lay the groundwork for the future of the sports industry through supporting elite and public sports, thus creating social values and transforming them into social investment. Hence, the government must reduce the financial burden by securing the necessary resources for sports programs in connection with the corporate donation culture and businesses should consider ways to participate in social welfare promotion and the creation of social values in the public interest.

Method: Case study method as well as expert meetings were used. They analyzed cases of sports-mécénat in the field of sports by collecting the cases of private companies supporting SNGBs in South Korea, the UK, and Japan.

Results: The sports-mécénat marketing stimulation methods included fostering and hiring marketing professionals, diversifying support types in sports-mécénat, providing hospitality programs for companies, emphasizing social values gave an advantage for companies. From the institutional perspective, the authors suggested establishing a sports-mécénat council, inducing the spread of sports-mécénat and publicity expansion, providing tax benefits through law revisions, and adopting the “Meeting of Companies and Sports” program.

Research implications: The study findings are significant because it provides basic data for deriving institutional measures to improve the financial independence of SGNBs and the legal and institutional policies required to create a sponsorship ecosystem.

Originality/value: The present study proposes a sports-mécénat benefit model to maximize the effectiveness of sports-mécénat through the exchange relationship of SNGBs and companies mutually benefiting each other to ensure effectiveness.

Keywords: sports-mécénat; sport national governing body, financial soundness; case study; methods of stimulating sports-mécénat.

1. INTRODUCTION

Many counties have recently implemented performance-based funding strategies to provide funds depending on Olympic performance; as a result, Sport National Governing Bodies (SNGBs) dependent on government subsidies have faced financial issues. The US has adopted a performance-based funding strategy, and SNGBs that have won many medals during the Summer and Winter Olympics receive more grants from the United States Olympic & Paralympic Committee (USOPC), compared with those that have not won (Binns, 2009) [1]. The US Ski & Snowboard Association won 21 medals at the 2010 Winter Olympics in Vancouver and thus received a \$4 million grant from the United States Olympic Committee (USOC). The USA Track & Field (USATF) and USA Swimming teams won more medals at the 2012 London Olympics, compared with other SNGBs, and also received \$4 million in grants from the USOC (Whiteside, 2013).

International Journal of Applied Engineering & Technology

Performance-based funding strategies have the advantage of more efficiently distributing the limited financial resources of the government. However, SNGBs that have not performed well in the Summer and Winter Olympics, as well as those who did not compete in the Olympics, face financial issues (Whiteside, 2013). SNGBs who do not perform well or compete in the Summer and Winter Olympics earn lower government funds and face more difficulty obtaining sports sponsorships than those that do. Therefore, to prevent inequality among SNGBs in deriving grants under the performance-based funding strategy, the SNGBs that did not perform well or did not participate in the Summer and Winter Olympics should seek other methods of becoming financially independent without relying on government grants.

In recent years, companies have been using mécénat as a part of their integrated marketing communications; thus, sports-mécénat has been attracting attention as a method of increasing the financial earnings of SNGBs. Mécénat refers to corporate activities that aim to support the culture and art sectors (SERI, 2005). Mécénat can be considered a process wherein companies donate a portion of the profits gained through economic activities to the culture and art sectors or support culture and arts-related endeavors from a strategic perspective of corporate management activities (Korea Mécénat Association, 2019). As a result, mécénat refers to corporate funding for arts and culture, as well as corporate engagement in contributing to the spheres of culture and arts.

Mécénat has been evolving from a concept of simple donations in a charity perspective to that of sponsorship for marketing purposes and social contribution activities for implementing social values (Kim, 2019). Companies have been participating in mécénat for marketing purposes and have continuously explored effective methods for communicating with consumers, as well as the use of mécénat in integrated marketing communication (Chai et al., 2005). In other words, companies participate in mécénat activities to improve corporate awareness and build a positive and high-class image of their organization through non-financial and financial support for artists or art organizations.

Another reason for companies participating in mécénat is the realization of social values. Society attributes legal personality to companies; thus, these companies belong to the society and not only to certain groups (Lee et al., 2020). Therefore, companies should not only focus on creating profits but also fulfill their social responsibilities while maintaining and increasing their social and public interests. From the social contribution perspective, companies provide non-financial and financial support for artists and art organizations to satisfy the growing desire of society for cultural contributions.

Therefore, sports-mécénat can be defined as non-financial and financial support provided by companies for athletes or sports organizations, and the types of sports-mécénat can be classified primarily from marketing and social contribution perspectives. From the marketing perspective, sports-mécénat refers to the phenomenon wherein a company seeks to increase revenue and improve its societal image by supporting athletes or sports organizations. From the marketing perspective, sports-mécénat is similar to the sports sponsorship concept. A company can provide direct support, such as cash and goods, as organized and direct contributions in the field of sports to aid in the progress of athletes or sports organizations, thereby increasing corporate revenue and improving their image. If sports-mécénat is actively conducted from the corporate sponsorship perspective, significant improvements can be expected in the sports industry and elite sports. If a company actively supports the sports field, the company can gain the promotional effects of indirectly publicizing the company to sports spectators and increase individuals' interest in their products while simultaneously enhancing the corporate image. Ryu (2018) noted that mécénat in the art field improves the corporate image, thereby leading to increased productivity and profit for the company.

From the social contribution perspective, sports-mécénat refers to corporate support provided for the promotion of sports. This refers to various corporate support opportunities, such as expanding various lifetime sports facilities, improving and repairing deteriorated public sports facilities, supporting lifetime sports clubs, supporting lifetime sports events and international exchanges, and supporting unpopular sports to ensure that everyone, including infants and elderly people, can enjoy sports regardless of age, geographic location, and income. Moreover,

International Journal of Applied Engineering & Technology

support for sports in the social welfare dimension—support for lifetime sports of underprivileged people and support for the vitalization of traditional sports, such as traditional Korean wrestling (ssireum)—can be considered sports-mécénat support from the charity perspective. If sports-mécénat is actively conducted from the social contribution perspective, there will be many lifetime sports vitalization effects, such as improvement of individuals' health and quality of life, building infrastructures for elite sports, and enhancement of the corporate image.

From this perspective, sports-mécénat is a significant factor because companies can enhance their corporate image and lay the groundwork for the future of the sports industry through supporting elite and public sports. This implies that the social role of companies in society can lead them to create social values and transform those values into social investment, beyond mere mécénat or corporate social responsibility. Accordingly, the government must reduce the financial burden by securing the necessary resources for sports programs in connection with the corporate donation culture, and businesses should consider ways to participate in social welfare promotion and the creation of social values in the public interest. This study aims to identify methods of increasing the sports-mécénat of companies to secure the financial soundness of SNGBs. Therefore, the authors analyzed cases of sports-mécénat in the field of sports and derived methods that can be applied to SNGBs through relevant institutional improvement.

2. METHOD

In this study, the authors used case studies and expert meetings to develop methods of increasing the sports-mécénat of companies to secure the financial soundness of SNGBs. To provide methods of increasing the sports-mécénat, the authors collected and summarized examples of sports-mécénat used for SNGBs by private companies in South Korea, the UK, and Japan. The summarized cases of using sports-mécénat were analyzed using the analysis framework shown in Table 1.

Table 1: Analysis of Cases Using Sports-Mécénat

Category	Description of Analysis
Characteristics of sports-mécénat	Purpose and description
Support types in sports-mécénat	Sports sponsorships and social contribution activities
Support methods in sports-mécénat	Monetary support and cash, location and manpower, and technology and infrastructure support
Dedicated departments for sports-mécénat	Public relation department, marketing department, and sports clubs

After analyzing the sports-mécénat case studies, an expert meeting was conducted. The selected participants were five professors who majored in sports marketing and had conducted research related to sports sponsorships, three individuals involved in the finance of SNGBs, and three professionals related to sports-mécénat. The expert meeting was conducted to collect additional information for data analysis as well as expert opinions to determine methods for stimulating sports-mécénat to secure the financial soundness of SNGBs (see Table 2).

Table 2: Participants in the Expert Meeting and the Key Questions Asked

Field of Participant	Position	Key Questions
Sports marketing experts	A	Professor
	B	Professor
	C	Professor
	D	Professor
	E	Professor
Members of SNGB	F	Head of Department
	G	Senior Manager
	H	Manager

Sports-mécénat experts	I	Division Head	
	J	Vice President	
	K	Team Manager	

3. RESULTS

3.1. Case Analysis of Sports-mécénat in South Korea

3.1.1. Hyundai Motor Group (HMG)

HMG participates in sports-mécénat activities through in-house sports social contribution activity programs and by supporting and building collaborations with SNGBs. HMG contributes to strengthening sports competitiveness through sponsorships for SNGBs of popular and unpopular sports in South Korea. HMG has been supporting the Korean Archery Association with cash and goods for the base expansion and development of Korean archery for more than 30 years since 1985. HMG serves as the title sponsor of the Korean Archery Competition to expand public interest in archery and improve the records of the national archery team. Furthermore, HMG conducts regular archery classes approximately 11 times each year, primarily for elementary school students around the domestic and overseas business sites, to foster outstanding archers and encourage re-employment of retired athletes.

HMG acts as a sponsor to increase the performance of the national bobsleigh athletes, and in 2014, they developed and supplied sleighs for the national team as part of improving the performance of South Korean winter sports and expanding the base. Furthermore, HMG was an official sponsor for the national men's golf team of the Korea Golf Association for three years from 2016–2018, and has been an official sponsor for the Korea Football Association and the national football team since 1999.

3.1.2. Industrial Bank of Korea (IBK)

The major social contributions of IBK are the improvement of workers' welfare and life in small and medium-sized businesses and support for underprivileged individuals throughout society. Moreover, they also actively support the fields of culture and sports. In terms of support for the field of sports, IBK is focusing on unpopular sports, such as shooting, women's volleyball, ssireum, women's football, and hockey. IBK established the "IBK Shooting Team" in 2004, as well as the "IBK ALTOS Women's Volleyball Team" in 2011, thereby significantly contributing to the increased popularity of shooting and women's volleyball. Furthermore, IBK has provided official sponsorships and monetary contributions to the Korea Hockey Association, Korea Biathlon Union, Korea Ssireum Association, Korea Canoe Federation, and Korea Women's Football Federation to expand the popularity of unpopular sports.

3.1.3. SK Group

The SK Group linked sports supporting activities with the Double Bottom Line (DBL) business performance model that pursues the creation of economic and social values simultaneously through business activities to highlight their socially responsible corporate image. In particular, the SK Group contributes to the progress of South Korean sports while simultaneously practicing the SK Group's management philosophy for providing happiness to society through the sponsorships of the Korea Handball Federation, Korean Fencing Federation, and the national teams of unpopular sports, such as speed skating.

The SK Group has been serving as the chair company of the Korea Handball Federation since 2008 and continuously provides full systematic support for the growth of handball in South Korea. The SK Group established the Korea Handball Development Foundation in 2009 to aid the growth of handball in the country and foster outstanding young athletes. They built a handball stadium in the Olympic Park in Bangi-dong, Seoul, in October 2011. Furthermore, they created the SK Sugar Gliders—a women's handball club—in 2012, the SK Hawks—a men's handball club—and Handball Academy in 2016, thereby continuously proving their dedication to fostering handball players and expanding its popularity in South Korea.

Fencing is also supported by the SK Group. Since 2003, SK Telecom, a subsidiary of the SK Group, has served as the chair company of fencing, providing various sponsorship activities such as discovering and supporting outstanding athletes, supporting the latest equipment, holding international competitions, paying rewards, and strengthening overseas training to enhance the popularity of fencing in South Korea. Moreover, SK Telecom has been supporting the Korea Skating Union since 2014 to support the performance improvement of the national speed skating team and is supporting the “SKT Speed Skating Player Fostering Program” in preparation for the 2022 Beijing Winter Olympics.

3.1.4. KB Financial Group (KB)

KB supports national teams and athletes of various Summer and Winter Olympic sports. KB sponsors five SNGBs for the Summer Olympics (women’s golf, badminton, canoe, basketball, and gymnastics), five SNGBs for Winter Olympics (figure skating, short track, curling, bobsleigh/skeleton, and ice hockey), and promising athletes of these sports. KB particularly focuses on improving the popularity of golf among summer sports. Currently, KB is sponsoring four golf star players, including Park Inbee, and hosting two professional golf tournaments and one amateur tournament.

3.1.5. Shinhan Financial Group

Shinhan Financial Group (hereinafter, Shinhan) has aided sports development in South Korea, along with social contributions through sports sponsorship marketing for popular professional sports (such as golf, basketball, and baseball) and sponsorships for the Korea Ski Association, Korea Table Tennis Association, and Korea Volleyball Association. Shinhan has been sponsoring the growth of men’s golf, women’s basketball, and professional baseball. They started the “Shinhan Donghae Open” golf tournament along with the company’s launch in 1981 and created the “Shinhan Bank S-Bird”—a women’s basketball club in 2004. Shinhan has been serving as the title sponsor of the Korea Baseball Organization (KBO) League of South Korean professional baseball for three years since 2018. Furthermore, they also operate the “Shinhan Rookie Sponsorship Program” to discover promising athletes in unpopular sports who have the required skills and abilities but are training in poor conditions.

3.1.6. Korea Land and Housing Corporation (LH)

LH is leading the way in promoting lifelong sports by organizing table tennis and tennis tournaments in which amateur players may demonstrate their abilities and simply participate in the regional headquarters, with the goal of engaging with local communities. LH also created the LH Sports Club for the vitalization of unpopular sports, comprising three teams for wrestling, archery, and modern pentathlon. Currently, LH is the chair company of the Korea Modern Pentathlon Federation (KMPF) and supports the “Golden Project” that the KMPF planned. This project was launched to provide systematic support for players to win medals in the modern pentathlon at the Tokyo Olympics. Since 2018, LH has been providing the financial support required for the placement of professional coaches, scientific game analysis, and sports psychological counseling for competitive athletes in the national team of the modern pentathlon.

3.2. Case Analysis of Sports-Mécénat in the U.K.

3.2.1. Sainsbury’s

Sainsbury’s, the UK’s leading supermarket franchise, encourages many students to participate in sports activities to bring about positive changes in local communities. Sainsbury entered a sponsorship agreement with the British Paralympic Association (BPA) in 2010 and has since endeavored to increase awareness regarding Paralympic sports and create an environment wherein young people with disabilities can enjoy sports.

Sainsbury is working with the BPA and Youth Sport Trust (YBT), a charity organization for sports administration, on a Paralympic legacy program called the “Active Kids for All Inclusive PE Training Programme.” This program builds free online workshop platforms combining theories, discussions, and practical training and provides educational materials so that teachers, teacher trainees, and school staff can provide high-quality physical education to disabled and able-bodied teenagers.

Furthermore, Sainsbury has been working on the “Active Kids Paralympic Challenge Project” with the BPA and the YBT since 2015. The goal of this project is to introduce Paralympic sports, such as boccia and goalball, to teenagers and increase awareness of the Paralympic Games. Sainsbury has been supporting the expansion of sports facilities for various sports activities, including Paralympic sports.

3.2.2. HSBC Bank UK

HSBC Bank UK has been continually engaged in sharing activities that benefit the local communities. In the field of sports, HSBC Bank UK works with British Cycling on social contribution activities to support those involved in cycling. HSBC Bank UK and British Cycling have built a social partnership that shares social responsibilities, beyond sponsorships aimed at financial support, to improve overall health in the UK.

HSBC Bank UK supports cycling, from participation in lifetime sports to the UK’s top, elite cycling events, thereby helping cycling grow into the UK’s most popular sport. The programs that HSBC Bank UK is working on with British Cycling include the “HSBC UK Ready Set Ride” program, which aims to expand the lifetime sports popularity of cycling, the “HSBC UK Let’s Rides” event, and the “Big Birmingham Bike” program that provides free bicycles and gears to children in the top 10% deprived local communities in Birmingham.

3.2.3. O2 UK

O2, a telecommunication company in the UK, has been supporting rugby programs as a lifetime sport along with the national men’s and women’s rugby teams as a sponsor of the Rugby Football Union for approximately 25 years since 1995. O2 is a major partner of the Rugby Football Union and exclusively provides communication technologies, including wireless Internet. In return, the O2 logos are displayed on the uniforms that players, coaches, and supporting staff of the Rugby Football Union wear during games and training, as well as the uniforms sold to audiences.

Meanwhile, O2 supports the “O2 Touch” program for the development and expansion of rugby’s popularity in the UK. Touch rugby is similar to regular rugby, but the game is played on a field half the size of a rugby stadium and does not include any offensive components, such as tackling, scrum, and kicking techniques. Touch rugby has 17,500 registered players to date and is one of the fastest-growing community programs in the UK.

3.2.4. Barclays Bank

Since 2019, Barclays Bank has been the title sponsor of the Women’s Super League (WSL), a professional women’s football league in the UK. Barclays also provides financial support to accelerate the growth of women’s football at the lifetime sports level and expand opportunities for female school students to access football. Particularly, Barclays is sponsoring “The FA Girls’ Football School Partnerships” program along with the Football Association and the YBT to expand female school students’ participation and access to football (The Football Association, 2019).

3.2.5. Vitality

Vitality, an insurance company in the UK, supports various sports to positively affect individuals’ physical and mental well-being through sports. In particular, Vitality is an official wellness partner of the England Hockey team and supports professional athletes and amateur club players of hockey as a lifetime sport. Furthermore, Vitality supports “Back to Hockey,” a hockey lifelong sports program, and is the title sponsor of the 2018 Women’s Hockey World Cup, which was held in the UK.

3.2.6. NatWest Bank

NatWest Bank in the UK has been an official sponsor of the England and Wales Cricket Board (ECB) for 39 years since 1981. NatWest Bank sponsored 10 million pounds when they extended the partnership and provided more than 35 million pounds as financial support over the course of approximately 25 years (Martin, 2006). The most noticeable programs among supporting activities by NatWest Bank include the “Cricket Has No Boundaries” campaign, which was launched to expand the culture of diversity and inclusion in the UK through cricket, and “NatWest CricketForce,” a volunteer activity program that aims to strengthen bonds between

community members. NatWest funds this program so that cricket supporters, club members, and community members may congregate on specific weekends throughout the pre-season to work on club facility renovations.

3.2.7. Allianz

Allianz, an insurance company, has served as the title sponsor of Allianz Football—a national league of Gaelic football, which is a sport that began in Ireland (including Northern Ireland) and has a mixed form of physical match, rugby, and football—and Hurling Leagues, which use sticks and a ball. In exchange for supporting Gaelic and hurling football, Allianz handles the insurances of 2,220 Gaelic and hurling football clubs and the Croke Park stadium, a national stadium of Gaelic football. Meanwhile, Allianz sponsors Cumann na mBuncsol, the largest Irish elementary school sports organization, to support school children across 32 counties to participate in the Gaelic games, an Irish sport.

3.3. Case Analysis of Sports-Mécénat in Japan

3.3.1. Japan Airlines Group

Japan Airlines (JAL) Group aims to resolve social problems in Japan through social responsibility management. The primary areas of social contribution activities by JAL are in improving the environment, regions, communities, and governance. In the field of sports, JAL searches for promising young athletes in local areas and provides opportunities for residents to strengthen social relationships through sports. JAL aims to find talented young able-bodied and Paralympic athletes by measuring the athletic performance of children all over Japan. Furthermore, to create an optimal environment for sports promotions and support the next-generation of prospective athletes, JAL operates the “Next Athlete Mile” program, which supports SNGBs with cash equivalent to the miles donated by JAL mileage bank members.

JAL also supports the realization of a community-based symbiotic society by raising awareness about para-sports. JAL sponsors practical training classes through the “Challenge for Tomorrow School” program, wherein elementary school students experience sports with para-athletes and share their experiences.

3.3.2. National Federation of Agricultural Cooperative Associations (ZEN-NOH)

ZEN-NOH, a federation of agricultural cooperatives in Japan, is engaged in social contribution activities to fulfill corporate social responsibility in various areas, such as environmental protection, food and agricultural education for children, and support for national teams and amateur sports. ZEN-NOH currently sponsors the Japanese national table tennis team and national curling team and serves food for athletes when they participate in international competitions. Furthermore, ZEN-NOH is working with SNGBs related to various sports, such as table tennis, football, baseball, and swimming, on programs aimed to discover and foster athletes with high growth potential to ensure the continued progress of these sports in Japan.

3.3.3. Daihatsu

Daihatsu is a Japanese small-car manufacturer and engages in various social responsibility activities to gain the trust and empathy of local communities in various areas, such as community development, safety and security, children’s welfare, environment, culture, and sports. Daihatsu’s social contribution activities for sports focus on increasing the participation of local residents in sports as well as supporting unpopular sports. It sponsors the Daihatsu ABC Badminton National Primary School Tournament, wherein amateur players can easily participate and display their skills, and support various domestic and international badminton tournaments that attract the interest of local communities.

Daihatsu created a track and field team in 1988 for the development of track and field sports, which were unpopular in Japan. Moreover, Daihatsu supports the Japanese national badminton team and national para-badminton team, as well as the women’s high school football teams in local communities.

3.3.4. Secom Group

Secom Group, a security service company, is active in social contribution activities such as promoting awareness of crime prevention, training next-generation professionals, assisting disaster relief, contributing to sports

development, and contributing to local and international communities. Secom contributes to sports development through sponsorships for sports organizations associated with images of products and services provided by the company and supports the safe operation of sports events. Secom has formed official partnerships with the Japan Rugby Football Union and Japan Sailing Federation because the images of rugby and yachts are similar to the “image of Secom that continuously moves forward.”

Furthermore, Secom provided services for the safety and security of the “2019 Japan Rugby World Cup” as a security service-related official partner and created a rugby team named “SECOM Rugguts” in 1985, thereby contributing to the growth of rugby in Japan. Additionally, Secom sponsors marathon and long-distance running events, such as Hakone Ekiden.

3.3.5. Nippon Electric Company (NEC)

NEC, an electric power company, is committed to various support programs for sports development in Japan as a part of social contribution activities in communities. The most notable social contribution activity by NEC in the sports field is providing support for para-sport activities. NEC has been sponsoring wheelchair tennis with the International Tennis Federation (ITF) for more than 20 years. Furthermore, since 2009, NEC has been working with Stand—a non-profit organization in Japan—to provide live wheelchair tennis broadcasts over the Internet. NEC is a sports development pioneer in Japan, with a professional women’s volleyball team and a men’s rugby club, as well as wheelchair tennis and ongoing social contribution activities such as talent donations of its athletes.

4. DISCUSSION

According to the cases of sports-mécénat activities for SNGBs, there are two primary reasons why companies participate in sports-mécénat activities: direct effects that increase the corporate revenue and indirect effects such as improved corporate image, increased awareness, improved relationship with corporate stakeholders, and boosting employee morale. Therefore, SNGBs should demonstrate that corporate participation in sports-mécénat is an efficient method for achieving these direct and indirect effects. SNGBs should provide promotional opportunities, wherein only the companies participating in sports-mécénat can have differentiated competitiveness and require marketing strategies that show mécénat can help to improve the brand image and awareness.

Moreover, to expand the sports-mécénat activities of companies for SNGBs, institutional improvements enticing the sponsorships of companies for SNGBs are required, in addition to the efforts of SNGBs. To boost sports sponsorships, the legal ground must be established, as well as a framework for the integrated administration of sports-mécénat, along with specialists on sports-mécénat who understand the circumstances of companies and SNGBs and assist them in providing what they want from each other. Therefore, the authors examined how to stimulate the sports-mécénat of companies for SNGBs from marketing and institutional perspectives.

4.1. Methods of Stimulating Sports-Mécénat from a Marketing Perspective

4.1.1. Strengthening the Marketing Capabilities of Sngbs

According to the results of the expert meeting, few professionals have expert knowledge on marketing in SNGBs. Currently, in the case of SNGBs in South Korea, only one person is set to handle public relations and marketing work in some SNGBs through a system called “International Business Professionals.” However, staff recruited through this system were hired to support international work and thus lack marketing expertise.

A marketing agency can be used to reinforce the marketing capabilities of SNGBs. Using a marketing agency for enticing the sports-mécénat activities of companies helps secure a certain amount of sponsorship from companies. However, the use of marketing agencies can restrain SNGBs in terms of strengthening marketing capabilities, such as corporate network development and marketing proposals. From this perspective, marketing professionals should be trained and recruited to ensure they can handle the overall marketing work of SNGBs, including sports-mécénat.

4.1.2. Development of Various Types of Sponsorship Programs

SNGBs should develop various types of sponsorship programs that companies can select from. An official sponsor provides cash or goods, and, in return, the sponsor is granted the right to use the logo of the competition or event in promotional activities for the company. SNGBs must develop naming rights for using company logos or trade names in the facility names, as well as title sponsorships wherein a company participates in the sports-mécénat program of a sports event to gain the highest recognition. O'Reilly et al. (2019) investigated the effects of Royal Bank participating as the title sponsor of a Sports Day event organized by the ParticiPACTION in Canada and found that if the fit of the company and the sports event is strong, title sponsorship of a public sports event will result in positive effects such as positive awareness for the public benefits and improvement in the corporate image.

4.1.3. Diversification of Supporting Types in Sports-Mécénat

Sponsorship is the major supporting type in sports-mécénat. SNGBs need to develop programs that allow companies to provide selective support through various means, including cash, goods, manpower, facilities, and spaces. Corporate resources should be analyzed to ensure that the company can support SNGBs in accordance with conditions set by the company. From the company's perspective, sports-mécénat can be actively used to enhance their corporate image and increase brand awareness by providing vehicles from the company or the volunteer services of their employees instead of passively providing donations or sponsorship.

Companies may also adopt a strategy wherein unique benefits, such as an alternative day-off, can be provided to the employees who serve as volunteers at the SNGB. Companies may also consider providing a matching fund at a certain percentage when individual employees provide tangible or financial support to the SNGB. By creating an environment where individual employees can actively participate in the sports-mécénat of the company, individual employees can participate in corporate social responsibility.

4.1.4. Provision of Hospitality for Companies

The SNGB should develop programs that allow employees at companies participating in sports-mécénat to take pride in these activities. Through a hospitality program, employees, employee families, and customers invited by the company can participate in or experience the sports event organized by the SNGB. The corporate hospitality program will significantly boost the morale of employees or their families and relieve job stress. Companies must also develop programs wherein employees can dine with athletes of SNGBs and take memorable photos with these athletes. Furthermore, the SNGB should consider plans to provide an opportunity where the employees can experience and learn the sports of the SNGB.

4.1.5. Emphasis on Social Values as an Enticement for Company

Enticement measures should be prepared to ensure that large corporations, medium-sized companies, small and medium-sized enterprises (SMEs), as well as state-owned companies can participate in sports-mécénat. Opportunities must be provided for companies to gain the trust of stakeholders and practice sustainable management by contributing to the growth and development of local communities by linking the sports-mécénat activities with social contribution activities.

Many recent studies on corporate social responsibilities and the effects of sports have been published (Baek et al., 2020; Hwang and Chung, 2020; Nichols and Gardner, 2017)14]. Consumers perceive companies engaging in social responsibility activities as companies that perform the appropriate roles and functions expected by society. Furthermore, consumers show favorable attitudes toward companies participating in social responsibility activities and tend to trust and prefer the products and services of these companies. These studies show that cause-related marketing through sports helps to improve corporate image and increase brand awareness. Companies must develop programs to enjoy the benefits of mécénat, based on various donation sizes, assuming that the size of social responsibility can vary in accordance with the size or circumstance of the company participating in sports-mécénat.

4.1.6. Sharing Corporate Mécénat Activities with Stakeholders

Through two-way communication with consumers, the value and progress of sports-mécénat activities must be shared and exchanged. Traditional media, such as newspapers, TV, and radio, deliver information in only one way from the media to consumers; thus, their communication is less effective compared with social media platforms, wherein two-way communication is possible (Luna and Pennock, 2018). Wakefield and Bennett (2018) suggested that sports organizations can share information and interact with sports fans through two-way communication on social media platforms. Dittmore et al. (2008) noted that when the US Major League Baseball (MLB) teams conduct two-way communication with fans through blogs, the team loyalty of fans can increase.

In this context, Hwang and Jung (2020) discovered that when information about these teams' cause-related marketing is disseminated through social media rather than conventional media, sports fans are more likely to make online donations to them. In other words, companies and SNGBs must make an effort to share information on sports-mécénat activities with their employees and stakeholders via social media platforms.

4.2. Methods of Stimulating Sports-Mécénat from an Institutional Perspective

4.2.1. Establishment and Operation of a Sports Mécénat Council

The establishment and operation of a tentative "Sports Mécénat Council" led by companies and SNGBs is suggested to stimulate sports-mécénat. Integrated marketing for sports-mécénat can be conducted by a division of the Sports Mécénat Council or by establishing an independent council. The authors indicate the need for a system facilitating the integrated management of sports-mécénat. A system is required to serve as a bridge between the government and companies and between SNGBs and companies. The "Sports Mécénat Council" will connect companies and SNGBs and plan and execute integrated marketing through an alliance of SNGBs, thereby increasing the effectiveness of corporate participation in mécénat. This measure will help SNGBs of unpopular sports to form an alliance with other SNGBs of popular sports.

4.2.2. Inducements for the Spread of Sports-Mécénat & Expansion of Publicity

Among the major award ceremonies, events awarding and publicizing companies that sponsored SNGBs and spread awareness about sports-mécénat have yet to be established. Awards should be given to the companies that contributed to the financial independence of SNGBs to publicize the corporate contribution activities in sports-mécénat and promote widespread participation. In this context, the "Korea Sports Mécénat Awards" serve as a good example. Starting in 2020, the Ministry of Culture, Sports and Tourism in South Korea has awarded the grand award, best awards, and excellence awards to companies that participated in sports-mécénat activities in the following categories: large corporations, medium-sized companies, SMEs, and state-owned companies. This event is expected to become a catalyst for stimulating corporate sports-mécénat by publicizing cooperation cases of the sponsoring companies and SNGBs. Moreover, the best practices must be announced, and companies must be permitted to implement them.

4.2.3. Provision of Tax Benefits through Law Revisions

For ensuring the firm settlement of sports-mécénat activities in the sports sector, institutional maintenance is a key factor. Monetary benefits should be provided for the contribution activities of companies, thereby necessitating amendments to the law. Monetary benefits should be provided indirectly rather than directly; thus, a policy should be prepared for corporate tax reduction. Efforts must be made to include SNGBs in the donation list in the provisions of the Corporate Tax Act.

The tax benefit systems used in the UK should be used as a reference in this regard because, in the UK, the tax benefits provided for income tax when a donation is made to charities include Gift Aid, Payroll Giving, Gift of Land, Building, Shares and Security (Korea Institute of Public Finance, 2009). In the case of Gift of Land, Building, Shares and Security, which has been in effect since 2000, if a donation is made to stimulate the donation culture, a tax reduction benefit can be received. Moreover, starting from 2002, real-estate donations have been included in this benefit.

The UK developed policies to allow legal entities rather than only individuals to receive tax benefits when they donate to charities. The donations made by corporations to charities are not subject to taxes because they are excluded from the total profits of business when the corporation tax is calculated. However, the charities that have received donations from corporations cannot claim the amount corresponding to the basic tax rate for donations to Her Majesty's Revenue and Customs (HMRC).

If a donation is made on the condition that the charity organization purchases assets from the corporation or a stakeholder, including the case of donating on the condition that it must be returned, or if the corporation or the stakeholders receive benefits exceeding the limit, this donation is not subject to the corporate tax exemption. In this case, stakeholders refer to the immediate family of the donor, such as the spouse, children, parents, and grandparents, and the corporations controlled by the donor and immediate family members of the donor's spouse are also included.

4.2.4. Adopting Programs to Help Companies and Sngbs Meet

The analysis results of cases using sports-mécénat show that large corporations engage in sports-mécénat activities from the sponsorship and social contribution perspectives for SNGBs participating in the Summer and Winter Olympics. In other words, there is virtually no mécénat for SNGBs of non-Olympic sports. Methods must be derived to form a 1:1 partnership between SNGBs of non-Olympic sports and large, medium, and small companies not involved in sports-mécénat to produce synergy effects.

The "Arts & Business Partnership" program currently implemented by the Korea Mécénat Association is a good example in terms of promoting partnership between companies and SNGBs of non-Olympic sports. This is a jointly operated program of the Korea Mécénat Association and the Arts Council Korea to stimulate strategic partnerships between companies and art organizations, and primarily includes the "Partnership between Large Enterprises and Arts" and the "Matching Fund for Art Support" (Korea Mécénat Association, 2021). "The Partnership between Large Enterprises and Arts" is a program connecting companies with their desired art organizations, and the "Matching Fund for Art Support" is a program created for promoting the support of SMEs for culture and arts by supporting an additional fund in proportion to the amount that SMEs support art organizations or artists (Korea Mécénat Association, 2021).

Implementing the "Meeting of Companies and Sports" program will contribute to developing a mutually beneficial relationship between companies and SNGBs by connecting non-Olympic SNGBs with large companies and SMEs that have not engaged in sports-mécénat activities. To ensure the program is sustainable and substantial, the aforementioned "Sports Mécénat Council" must be established and should play the role of a bridge between the government and companies as well as between companies and SNGBs.

5. CONCLUSION

Companies participate in sports-mécénat activities for a variety of reasons, including the direct effect for increasing the corporate revenues and indirect effects, such as corporate image improvement, increasing awareness, improvement of relationships with companies and stakeholders, and boosting employee morale. Therefore, SNGBs should demonstrate that corporate participation in sports-mécénat is an effective method for achieving the direct and indirect effects. In addition to the efforts of SNGBs, institutional measures for enticing corporate sponsorships for SNGBs are required to expand corporate activities in terms of sports-mécénat for SNGBs. Therefore, the authors derived methods of stimulating sports-mécénat for SNGBs from marketing and institutional perspectives.

From the marketing perspective, the sports-mécénat stimulation methods include fostering and hiring marketing professionals, diversifying support types in sports-mécénat, providing hospitality programs for companies, emphasizing social values as an enticement for companies, and sharing corporate mécénat activities with stakeholders. From the institutional perspective, the authors suggest establishing a sports-mécénat council, inducing the spread of sports-mécénat and expanding publicity, providing tax benefits through law revisions, and adopting the "Meeting of Companies and Sports" program.

The current study results are significant in two aspects. First, this study provides the rationale for why sports-mécénat is required from the perspective of companies as well as the perspective of SNGBs. Second, this study provides basic data for deriving legal and institutional policies required to create a sponsorship ecosystem, wherein South Korean companies and SNGBs of the Korea Sport & Olympic Committee may establish mutually beneficial ties.

6. SUGGESTIONS

Companies can improve their brand images and awareness through physical, human, and financial support to SNGBs. Many studies have shown that cause-related marketing, such as sports-mécénat, affects consumers’ attitudes and purchase intentions (Baek et al., 2020, Joo et al., 2016). Among cause-related marketing (CRM) strategies, cause-related sport marketing (CSRM) is effective in altering the attitudes of consumers toward companies and brands that participated in CRM (Schyns and Willem, 2019; Yuksel et al., 2016). Consumers have a strong tendency to identify themselves with sports; thus, mécénat combined with sports can lead to more positive changes in the corporate image as well as attitudes that consumers have for companies or brands (Kim et al., 2003).

To maximize the effectiveness of sports-mécénat, the authors propose a sports-mécénat benefit model from the perspectives of SNGBs, companies, and consumers (see Figure 1). The sports-mécénat benefit model suggests that the exchange relationship of SNGBs and companies must be mutually beneficial to ensure it is effective. Similar to the principle of sponsorship, sports-mécénat is formed in the inter-exchange relationship between the company and SNGB.

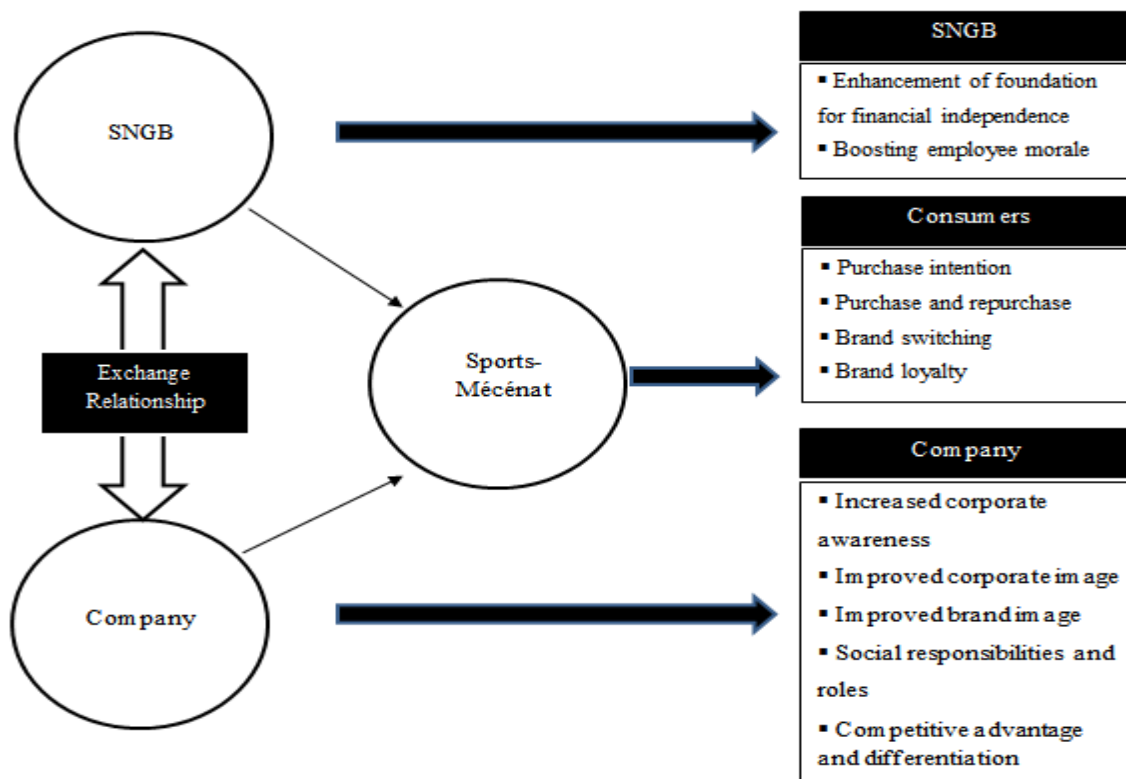


Fig.1: Sports-Mécénat Benefit Model

If either side is not satisfied with the exchange, sports-mécénat will not be long-lasting. Various financial resources of private companies should be used through sports-mécénat to increase the financial independence of SNGBs. Private financial resources flow effectively into SNGBs through the active mécénat of companies.

SNGBs can set the foundation for their independence by developing private financial resources through sports-mécénat, and companies can gain opportunities for enhancing competitive advantage and differentiation by improving their corporate image and brand awareness while fulfilling their social responsibility (Pringle and Thompson, 1999). The morale of employees of a company involved in mécénat will be boosted with pride, which can help to increase employee satisfaction as well as the company's profits (Ryu, 2018). In addition, consumers will experience favorability toward the products of companies participating in sports-mécénat, resulting in purchases and repurchases while showing brand loyalty. Furthermore, consumers are more likely to switch to using products of mécénat companies, rather than products of competitors, and spread positive word of mouth about sports-mécénat companies and brands.

From this perspective, SNGBs should recognize companies as partners and provide preferential benefits to those participating in sports-mécénat. Furthermore, they should develop indicators to assess the efficiency of corporate activities when an SNGB and company form a partnership.

ACKNOWLEDGEMENTS

Funding

This research did not receive any specific grant from funding agencies in the public.

Authors' contributions

All authors contributed toward data analysis, drafting and revising the paper and agreed to be responsible for all the aspects of this work.

Declaration of Conflicts of Interests

Authors declare that they have no conflict of interest.

Data Availability Statement

The database generated and /or analysed during the current study are not publicly available due to privacy, but are available from the corresponding author on reasonable request.

Declarations

Author(s) declare that all works are original and this manuscript has not been published in any other journal.

REFERENCES

- Ahn, S. (2020, June 26). KB Financial Group's sport marketing...” A strong supporter for the players. Metro. Available from: <https://www.metroseoul.co.kr/article/20200626500144>
- B Nichols, B. S., & Gardner, J. (2017). Corporate reputation and cause-related marketing in professional sports: The case of devon still and the cincinnati bengals. *Sport Marketing Quarterly*, 26(3), 168-175.
- Baek, W. Y., Song, H. S., Kim, D. H., & Byon, K. K. (2020). Cause-related marketing and purchase intention toward team-licensed products: Moderating effects of sport consumers' altruism. *Sustainability*, 12(8), 3183. <https://doi.org/10.3390/su12083183>
- Binns, J. T. (2009). The use of performance based funding in a sport organization: A case study of the United States Olympic Committee. University of Northern Colorado.
- Chai, W. H., Son, H. J., and Cho, G. H. (2005). The Strategic for Activation of Corporate Mecena in Korea," *Local Government Studies*, 9(1), 273-294.
- Dittmore, S. W., Stoldt, G. C., & Greenwell, T. C. (2008). Use of an organizational weblog in relationship building: The case of a Major League Baseball team. *International Journal of Sport Communication*, 1(3), 384-397. <https://doi.org/10.1123/ijsc.1.3.384>

International Journal of Applied Engineering & Technology

- Hwang, G., & Chung, K. S. (2020). The dynamics of cause-related marketing platform and interactivity on college sport fans' donations. *Sport, Business and Management: An International Journal*, 10(2), 227-241. <https://doi.org/10.1108/SBM-08-2019-0070>
- Joo, S., Koo, J., & Fink, J. S. (2016). Cause-related marketing in sports: The power of altruism. *European Sport Management Quarterly*, 16(3), 316-340. <https://doi.org/10.1080/16184742.2016.1143854>
- Kim, Y. (2013). The Development of the Mecenat Movement in Korea: Solidarity between Arts and Enterprise: A Comparison with the United Kingdom and the United States," *Art Antiquity & Law*, 18(3), 199-226.
- Kim, Y. M., Seo, H. J. and Chung, H. (2003). A Comparative Study of Causal Model on the Sport Sponsorship and Mecenat as a Corporate Communication Tool. *The Korean Journal of Physical Education*, 42(4), 461-470.
- Korea Institute of Public Finance. (2009) Tax Support Systems and Implications related to Donations in Major Countries. [Online]. Available: <https://repository.kipf.re.kr/handle/201201/4272>
- Korea Mécénat Association. (2019) 2019 Annual Report. [Online]. Available: http://C:/Users/dsukm/Downloads/2019+%EB%A9%94%EC%84%B8%EB%82%98AR+%EB%82%B4%EC%A7%80_%EC%B5%9C%EC%A2%85+%ED%8E%BC%EC%B9%A8_0908.pdf
- Korea Mécénat Association. (2021) Company Profile. [Online]. Available: <https://www.mecenat.or.kr/ko/down/eng.pdf>
- Lee, K., Noh, Y., & You, K. W. (2020). The mediation effect of corporate image and corporate attitude on the relationship between the social responsibility activity of sports enterprises and the loyalty of customers. *Sport Mont*, 18(1), 33-37. <https://doi.org/10.26773/smj.200206>
- Luna, S., & Pennock, M. J. (2018). Social media applications and emergency management: A literature review and research agenda. *International journal of disaster risk reduction*, 28, 565-577. <https://doi.org/10.1016/j.ijdrr.2018.01.006>
- Martin, P. ECB/NatWest Four-Year Sponsorship Deal," *The Guardian*, 2006. [Online]. Available: <https://www.theguardian.com/sport/2006/may/25/cricket.gdn-sport3>
- O'Reilly, N., Deshpande, S., Faulkner, G., Latimer, A., Leblanc, A., Rhodes, R. E., ... & Werman, M. (2019). Sponsorship of cause-related sport events. *Sport, Business and Management: An International Journal*, 9(2), 185-200.
- Pringle, H., & Thompson, M. (2001). *Brand spirit: How cause related marketing builds brands*. Wiley.
- Ryu, S. H. (2016). How to Vitalize Mecenat Activity of Companies to Culture and Arts, *Journal of Korean Dance*, 12(2), 101-124.
- Samsung Economic Research Institute. (2005) SERI Economic Focus: Current Status and Tasks of Corporate Mécénat Activities. [Online]. Available: <https://archives.v1365.or.kr/items/show/2860>
- Schyvinck, C., & Willem, A. (2019). From cause-related marketing strategy to implementation in professional basketball organizations: A matter of alignment. *European Sport Management Quarterly*, 19(1), 58-79. <https://doi.org/10.1080/16184742.2018.1563625>
- The Football Association. (2019). Barclays Unveiled as Title Sponsor of FA Women's Super League. [Online]. Available: <https://www.thefa.com/news/2019/mar/20/barclays-fa-wsl-lead-sponsor-200319>
- Wakefield, L. T., & Bennett, G. (2018). Sports fan experience: Electronic word-of-mouth in ephemeral social media. *Sport Management Review*, 21(2), 147-159. <https://doi.org/10.1016/j.smr.2017.06.003>

International Journal of Applied Engineering & Technology

Whiteside, K. (2013). Funding for Elite Athletes based on Results, Potential," USA Today Sports, 2013. [Online]. Available: <https://www.usatoday.com/story/sports/olympics/2013/07/01/usoc-olympic-funding-based-on-results/2481617>

Yuksel, M., McDonald, M. A., & Joo, S. (2016). Cause-related sport marketing: An organizing framework and knowledge development opportunities. *European sport management quarterly*, 16(1), 58-85. <https://doi.org/10.1080/16184742.2015.1119172>

Weblink

<https://www.hyundai.com/kr/ko/e/>

https://www.ibk.co.kr/common/navigation.ibk?linkUrl=/intro/contrib/contribute_06_05.jsp&pageId=IR06010500

<https://www.sk.co.kr/>

http://www.shinhangroup.com/kr/pr_center/pr_sports_sponser1.jsp

<https://www.lh.or.kr/contents/cont.do>

<https://www.about.sainsburys.co.uk/sustainability/plan-for-better/our-stories/2018/our-sponsorship-of-the-british-paralympic-association>

<https://www.youthsporttrust.org/programmes/sainsbury-s-active-kids-for-all-inclusive-pe-training>

<https://www.activityalliance.org.uk/news/1476-sainsburys-launch-active-kids-paralympic-challenge>

<https://www.hsbc.com/who-we-are/our-people-and-communities/sponsorship/other-sponsorships>

<https://readysetride.co.uk/>

<https://www.letsride.co.uk/>

<https://www.britishcycling.org.uk/about/article/20190520-campaigning-British-Cycling-and-HSBC-UK-to-provide-over-600-free-bikes-to-children-in-disadvantaged-communities-in-Birmingham-0>

<https://www.o2.co.uk/sponsorship/england-rugby>

<https://home.barclays/who-we-are/sponsorship/womens-super-league/>

<https://www.vitality.co.uk/community/sponsorship/>

<https://www.ecb.co.uk/sponsors-and-partners/natwest>

<https://www.gaa.ie/features/feature/allianz-renews-partnership-with-gaa-until-2020/>

<https://www.jal.com/en/sustainability/community/culture-sports/>

https://www.zennoh.or.jp/english/social_resp/sport.html

<https://www.daihatsu.com/csr/index.html>

<https://www.secom.co.jp/english/csr/infra/society/>

<https://www.nec.com/en/global/community/index.html>