



Interview with Iñaki Urdangarín

Former President, Nóos Institute, former First Vice President, Spanish Olympic Committee, and former professional handball and football player (Spanish national team and FC Barcelona)

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A former professional handball player and Olympic medallist, Iñaki Urdangarín played with FC Barcelona and on the Spanish national handball team from 1986 to 2000. He also served as First Vice President for the Spanish Olympic Committee. In 2001 he was awarded the Real Orden al Mérito Deportivo, which recognises outstanding contribution to sport in Spain. In recent years he has worked as a consultant specialising in human resources. He co-founded the Nóos Institute, a scientific association whose mission is to promote research into the management of patronage, social responsibility and sponsorship activities, and was its president until April 2006. He has an impressive number of sporting achievements under his belt. During his time with FC Barcelona, his team won over 50 major competitions, including the Spanish league on 10 occasions and countless national and European trophies. He was picked for the Spanish team 172 times and took part in three Olympic Games, winning two bronze medals. He also has two silver medals and one bronze from the European Championships. Iñaki Urdangarín has a diploma in business sciences (specialising in human resources) from the Central University of Barcelona, a degree in business administration and management and an MBA from ESADE Business School, where he lectures in the Department of Corporate Policy.

KK: What strategies do large companies use for sports sponsorship?

IU: In 2005 I co-directed a research project that was published in a book called *El patrocinio visto por sus principales protagonistas* [Sponsorship as seen by its main players]. This project found that leading Spanish companies mainly designed their sponsorship policies according to three functions: sponsorship as an investment in brand image; sponsorship as a means of managing corporate reputation and relationships with stakeholders; and sponsorship as a catalyst for social action.

These are three 'classical' core strategic functions that have been widely researched internationally. I would say that the first two are seen most in sports sponsorship, while the third is more evident in the field of corporate social responsibility.



KK: How do most companies view sports sponsorship: strategic ally or mere marketing tool?

IU: Sponsorship has traditionally been viewed as a component of the marketing mix. Increasingly, however, it is being viewed as part of a longer-term strategic plan. Companies now see it as a means of gaining an edge over their competitors, and they are actually designing sponsorship strategies that are aligned with their business strategies rather than developing one-off initiatives. In doing so, they are choosing activities that reflect their corporate identity and are linked in a more rational manner to their corporate objectives, even though there are few conceptual models to facilitate the taking of decisions.

KK: Is sports sponsorship a recommendable option for all types of companies?

IU: I don't think we could say that all companies should get involved in sports sponsorship. What we could say, however, is that all companies should define clear objectives and then, depending on these objectives, design an appropriate sponsorship strategy. Sports sponsorship undoubtedly benefits any company whose strategic objectives are closely aligned with anything that sport represents.

KK: Is there a difference between patronage and sponsorship? Can both be implemented at once?

IU: Although they are similar and have emerged from the same historical roots (patrons existed in ancient Greece and Rome and in Renaissance Europe), nowadays, sponsorship is associated more with building business opportunities or seeking investment returns, while patronage is more closely linked to concepts such as philanthropy and altruism. Although they shouldn't be combined for a single objective, on occasions they can both be used by a company. While sponsorship serves to strengthen brand image or corporate ties with interest groups, patronage can satisfy philanthropic goals.

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KK: What are the main steps involved in the sports sponsorship decision-making process? Are decisions preceded by research, analysis and evaluation, or do intuition and personal and context-related preferences prevail?

IU: Fortunately, I think that we are seeing a qualitative improvement in how sponsorship-related decisions are being made. Increasingly, sponsorship professionals are enhancing their skills, working in specialised departments within their companies, employing greater resources, and allocating more time to prior analysis, criteria selection, and the implementation, follow-up, and evaluation of the different sponsorship actions undertaken. This trend was also evident in *El patrocinio visto por sus principales protagonistas*.

KK: How does sports sponsorship in Spain compare to sponsorship in other countries?

IU: Like cultural sponsorship and social action, sports sponsorship has been growing steadily, even exponentially, over the past 15 or 20 years. According to one of the key researchers in the field, Professor Tony Meenaghan from University College Dublin, international investment in sponsorship rose from \$2,000 million in 1984 to \$25,000 million in 2000. A similar trend has been detected in sports sponsorship, both in Spain and the rest of the world. Nonetheless, the UK and the USA are still clear leaders in this field, both in terms of number of



companies and for potential. Spain is also evolving positively although, logically, its figures are not as spectacular.

KK: How can a city benefit from sponsoring a sporting event?

IU: There are several examples of cities that have been enormously successful in harnessing the benefits derived from the organization of a major sports event. I have first-hand knowledge, for example, of the case of Auckland, New Zealand. The city hosted two consecutive editions of the America's Cup, in 2000 and 2003. There is no doubt that it is a beautiful area, but, geographically speaking, it is very far from Europe and the United States. The organisers, however, succeeded in creating an exceptional event

that was followed by millions around the world. The event's image and international reputation grew and this had a very positive impact on both the city and the event's sponsors.

Speaking to Peter Kiely of America's Cup Village Ltd in Auckland, one of the main driving forces behind the success, I learned that the priority they placed on building a good working relationship with their sponsors was instrumental in creating value. The key, according to Mr Kiely, was the proactive approach undertaken by the city at all times and the active involvement of all the main players. The project was presented and promoted very well and this was considered as beneficial for all. All these actions enhanced the reputation of the city and, at the same time, drew new sponsors.

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