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The management of sport sponsorship portfolios by Swiss luxury watch brands

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Abstract

Based on in-depth interviews with 14 sponsorship/marketing managers and other experts, as well as an extensive search of secondary data, this research analyses the management of sport sponsorship portfolios by 20 leading Swiss luxury watch brands. A vast majority of the brands observed invest in sponsorship, establishing portfolios which are typically based on three to four sport “territories”. Partnering with very different types of properties, the brands pursue mostly client oriented sponsorship objectives. Time keeping is very important for a majority of brands but considered a « marketing gimmick » by others. Each brand has a distinctive, often emotion-based approach, influenced by its history and economic importance.

Introduction

Watch brands are prominent sponsors, often on a global scale. Omega for example has been a sponsor of Olympic Games since 1932. Overall, the importance of sponsorship as a marketing platform seems to be quite different from one luxury watch brand to another. Audemars Piguet which has traditionally been very active in sports, and especially in golf, recently reinforced its sponsorship of the arts by signing a deal with Marvel. About a decade ago, Hublot surprised the world of luxury with a move into football (FIFA). Many brands are keen to establish a very close and functional connection to sports by fulfilling the role of official timekeeper. Others rely on a network of « ambassadors », many of which are sport celebrities, to promote their products. And again others avoid connection to sport altogether. This research investigates sponsorship management decisions taken by Swiss luxury watch brands.

Although research on sponsorship has greatly advanced over the last decades, all major reviews of this research domain consistently point to a lack of studies investigating the strategic / marketing management aspects of the sponsorship process (Cornwell and Kwon, 2020 ; Walliser, 2003). Furthermore, industry-specific investigations into sponsorship are rare in general (Lamont and Dowell, 2008), and extremely rare when it comes to the watch industry.

The present study strives to narrow this research gaps by focusing exclusively on Swiss watch brands. This choice is motivated by two factors. First, the Swiss brands compose the so-called luxury watch sector providing a relatively homogeneous sample of brands. Second, concentrating on a single country allows to control for a certain number of external factors linked to the economic, cultural and sports environment, and also for country-of-origin effects. Focussing on Swiss brands allows to keep many external factors constant and puts to the forefront how brand or company related factors shape sponsorship portfolio decisions within the luxury segment.

This paper will (briefly) present the Swiss watch industry, propose a conceptual background, present the methodology, the results, as well as conclusions, implications and major limitations.

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