Stealing from a rival: The financial implications of switches among official status league sponsors

Building on prior research on the effects of firms securing large-scale sponsorships from direct competitors (Bouchet et al., 2015), a more heterogeneous and longitudinal dataset was compiled that spans nearly 150 different exclusive sponsorships of major North American sports leagues from 2006-2019, with data collection ending at the start of the COVID-19 pandemic. A total of 28 different sponsorship categories are included. There were a total of 29 instances in which a direct competitor wrestled a sponsorship from another across a variety of different categories, including airlines (e.g., Southwest and United), banking (e.g., Wells Fargo), hotels (e.g., Marriott), insurance (e.g., Geico), telecommunications (e.g., AT&T and Verizon), non-alcoholic beverages (e.g., Coca-Cola, Pepsi, and Red Bull), alcoholic beverages (e.g., Coors Light and Heineken), and quick service restaurants (e.g., McDonald’s and Taco Bell). Preliminary results indicate a positive market reaction to these announcements, consistent with the results from Bouchet et al. (2015). These results suggest that findings from prior studies specific to one product category (apparel) and sponsorships of one particular sport (European football) are generalizable to a wide variety of different sponsor categories and industries and a range of different leagues, improving our understanding of the financial implications and the market’s reaction to switches in sponsorships from one direct competitor to another.