# Understanding sponsorship involvement outcomes in partnership models

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**Title:** Understanding sponsorship involvement outcomes in partnership models
**Issue Date**: 2018-07-05

# 1. Introduction and research design

## 1.1. About this study

*How can we better understand event sponsorship and its merits for those involved?* From sports to arts, and from charitable causes to cultural activities, event sponsorship has become 'big business'. According to IEG (2015), a leading global sponsorship consulting company, worldwide sponsorships in 2014 amounted to more than $57 billion, growing with 4–5% each year. If we look at sport sponsorship, a category attracting more than 70% of all sponsorship amounts, we see that players, teams, stadiums and events such as the FIFA world cup or the Olympic games, have all become critically dependent on sponsorship money. FIFA, for example, attracted around $1.6 billion in sponsorships for the 2014 World Cup event (with an overall revenue of around $4 billion), and this amount does not yet include the usually much higher costs for the sponsors to 'leverage' or 'activate' their sponsorship through advertising, hospitality and other means (ibid.; Weeks, Cornwell & Drennan, 2008). With government subsidies under increasing pressure, today's arts and cultural festivals, similarly, have become practically infeasible without sponsorship arrangements.

As sponsorship amounts and dependence have increased, the nature of the relationship between the sponsor and the sponsee (the one receiving the sponsorship) has also evolved. Traditionally, sponsors were simply giving financial support to the sponsee in return for marketing or in general promotional advantages. Today, sponsorship has evolved into more of a partnership relation, where sponsor and sponsee are interacting during the preparation and execution in the shared interest of both parties, and sponsors are also cooperating with each other. Examples are the development of ticketing or scoring systems by an IT sponsor for the Olympic Games (collaborating with the telecommunication and document management sponsors), shared production of live recordings for classical concerts, or joint development of spin-off products such as apps, computer/video games (such as the FIFA games produced by Electronic Arts) or books. By doing so, sponsor and sponsee are collaborating as partners, sharing the responsibilities, risks and rewards of their arrangement.

One would expect that sponsorship, playing such a major role for both sponsor and sponsee, would be a carefully managed and measured activity. However, as will be argued further in this chapter, this is currently not the case. This is not only true for the traditional sponsorship relationship, but even more so for the new 'partnership' model. Both sides have very limited and one-sided conceptions of the benefits of the sponsoring and, as will be argued later, existing research mostly follows this one-sided approach by trying to investigate the direct economic advantages for the sponsor, the *return on sponsorship involvement* (further referred to as ROSI) without taking into account other or indirect effects. This new partnership model further widens this knowledge gap which leads to the research question: *how can we understand sponsorship involvement outcomes in partnership models?*

## 1.2. Genesis of the research

The genesis of this study lies in my own professional experience. Creating and understanding sponsorship arrangements has been my daily work during my tenure at Octagon (2002–2006), one of the world's largest sports and entertainment content marketing enterprises, part of the Interpublic Group (IPG). My work covered global projects with a focus on the development of new sponsorship structures, brand and marketing concepts and the acquisition of sponsors, in sports and culture, including the World Expo (Shanghai), Expo.02 (Switzerland), and GC Grasshopper Football Club (Switzerland), Swiss Leadership Forum (Switzerland), Zurich Open Tennis Tournament, Women's Economic Forum in Milan, Italy, besides many others.

In my work, I attempted to objectify the rationale for sponsorship deals in terms of return on investment, particularly focusing on logo-presence within the overall communication, hospitality, package value, advertising/promotion, on-site logo presence, media presence and PR activities. Although the information I generated was indeed used, I observed that the decision-making remained, ultimately, mostly intuitive. My observations at that time concur with findings of the IEG (2013) and McKinsey (Jacobs, Jain & Surana, 2014) who point out that many companies essentially do not evaluate the impact of their sponsorship involvement in events or celebrity endorsement. Personal passions, likes and dislikes of decision makers play an important role, and objective information –if available- is maybe helpful but incomplete. Sponsors, for instance, may use their sponsorship involvement to showcase, test or help develop their products or services, to motivate employees, to reward loyal customers or invite prospects, or they may see their sponsorship as a way to influence the perception of their brand. Simply counting the number of times their name or logo is mentioned or visible does not cover these aspects. It was clear to me that a richer method was needed, one that covers multiple aspects and multiple stakeholders.

Having left Octagon, the sponsorship 'matchmaker', I then became the Head of Sponsoring and Events for the Swiss Sailing Federation in 2006, experiencing how it is to 'sell' a sport or event. A few years later I completed the circle, switching sides to a Swiss private bank (Julius Baer) where I accepted a position in marketing management with sponsorship responsibilities, and was again confronted with the same issue. Why is there no measure of the return on sponsorship involvement that covers multiple aspects and stakeholders? Looking for guidance and answers in professional and academic literature, I became aware that I am not alone in my quest and that no conclusive answers were yet available. Embarking on my research in earnest, I then started to combine my personal observations and my initial literature research with interviews with some key players in the industry.

Interview partners included Joseph S. ('Sepp') Blatter, President of FIFA, on May 30, 2011 at 'Home of FIFA' in Zurich, Philipp Blatter, CEO of Infront Sports & Media in Zug on August 24, 2010, and, as well as René Stammbach, President of the Swiss Tennis Federation, Member of the Board of the International Tennis Federation (ITF) and the Swiss Olympic Committee, in a meeting in Biel, on January 3, 2010. The interviews helped to shed light on the evolving role of sponsors.

Today, (sport) sponsors have become partners or even co-creators, doing much more than simply writing a check in return for visibility. Sony's involvement in the FIFA World Cup (called the FIFA-Sony Partnership Program) offers a striking example. This partnership, covering the period 2007–2014, with a contract value (excluding product lease) of USD 305 million, goes far beyond the use of logos or billboards in stadiums and on TV, and includes experimentation with 3D cameras, the development of video games for Sony's PlayStation platform, VIP tickets and hospitality, involvement of Sony Music Entertainment artists, preferential placement of TV commercials, and much more (Sony, 2005). Clearly, Sony and its shareholders expect a return on investment on such a major investment, putting pressure on all involved to justify their work and to "deliver". Consequently, according to my interview partners, the sponsorship 'industry' has professionalized, putting more emphasis on qualitative and quantitative measurement of sponsorship results. Yet, a comprehensive measurement model is still not available. According to a survey conducted by BBDO Live

GmbH and the Universität der Bundeswehr München (Hermanns & Leman, 2010), with participation from 149 large German enterprises involved in sponsorship, 29.2% of these companies do not evaluate their sponsoring investments at all. The majority of respondents (55.4%) conduct media coverage reviews, essentially counting the number of times their brand was visible or mentioned in print or broadcast media. Most of the others rely on expert opinions as a measure to assess the success of their sponsoring engagements. All in all, only a fifth of the enterprises conduct more systematic, empirical research. How is this possible in an era where shareholder-value, performance measurement and cost cutting seem so important? Is it not essential for stakeholders to know the value of sponsorship in terms of return? These results suggest that there is a research gap as well as a practical need for a more comprehensive method that covers multiple aspects and multiple stakeholders to understand, measure and evaluate ROSI.

## 1.3. Background and relevance

When a company sponsors an event, cause or organization, it can expect to receive benefits in return and, as mentioned above, it is probably also responsible to convincingly demonstrate these benefits towards its owners and other stakeholders. To calculate these benefits, managers should fully understand all direct and indirect benefits related to the sponsorship and be able to isolate their effect from other initiatives. As described above, sponsors of various events, however, have always been struggling to provide statistics demonstrating that sponsorship is not a thoughtless expense, but a means to generate business and profits. The Return on Investment is frequently defined in management and marketing literature as a measure of financial effectiveness concerned with returns on capital employed in profit-making business activities (Drury, 2013; Moutinho & Southern, 2010). It is expressed as a ratio of income or earnings divided by the costs that have been incurred to generate the income or earnings. The dictionary of Public Relations measurement and research defines ROI as "*an outcome variable that equates profit from investment*" (Stacks & Bowen, 2013, p. 27). In public relations' practitioner circles, however, ROI appears to be used in a much looser form to simply indicate the 'results' of an activity.

Writing about ROI in the sponsorship sector, Maestas (2009) points to what he considers a common confusion about the use of the term: "*The term is commonly mistaken for measures such as ROO (Return on Objectives), media exposure or market value analysis,*" (ibid.) whereas in that field ROI is "*the bottom-line profit that can be attributed to sponsorship, dividing it by the total sponsorship investment*" (ibid.). As a measurement process designed for sponsors, it provides a sponsor with a refined approach to acquiring sponsorship rights, which will lead to more resources that can be invested in other business activities. For managers on both sides of the sponsorship contract, the measurement of the return on investment has become the crucial issue to sustain the relationship. Recent practitioner studies such as the aforementioned IEG report (2013) as well a 2014 McKinsey study (Jacobs, Jain & Surana, 2014) illustrate the current emphasis on assessment, with the IEG study containing a major section on evaluation in its survey compared to earlier editions, and the McKinsey study focusing solely on evaluation metrics. The results illustrate that involved managers recognize the importance of measuring return on investment and return on objectives, but continue to struggle with finding the resources to do so and determining what the right things to measure are. According to McKinsey, "*about one-third to one-half of US companies don't have a system in place to measure sponsorship ROI comprehensively*", continuing to state that *"[those] who implement a comprehensive approach to gauge the impact of their sponsorships can increase returns by as much as 30 percent*". The IEG study shows similar results: "*when asked […] "Does your company actively measure return from its sponsorships?" a full one-third of sponsors said 'no'*". Both studies are in line with the earlier mentioned research by BBDO Live GmbH and the Universität der Bundeswehr München (Hermanns & Leman, 2010) that found 29.2% of (German) respondents to report that they do not evaluate their sponsoring investments at all.

According to an earlier IEG study (2011) with a specific focus on valuation, 61% of sponsors say that the need for good measurement has increased a lot, while another 23 % say it has increased a little. One reason for this strong increase might be that due to the financial crises the obligations of managers to justify their investments towards the shareholders and also towards authorities have increased in general. However, the survey found only a "*gradual movement in the right direction*". More than seven out of ten sponsors spend either nothing or below the minimum accepted standard of 1% of spending on evaluating whether the sponsorship is having the intended impact; often they do not even define the goal of their sponsorship involvement.

Both the IEG and McKinsey study present sponsorship primarily as a financial issue, as marketing and sales expenditures that are aimed to increase sales and thereby profits. Strictly financial evaluation is, however, only suitable to express the immediate financial impact of sponsorship activities from the sponsor's point of view, and not suitable to understand the value creation beyond direct sales increase (such as brand image or customer loyalty improvement). Considering sponsorship purely as a replacement for other sales and marketing expenditures is even more problematic when we want to understand and assess the value created for both parties of the sponsorship contract as outcome of their partnership. The managerial and practical relevance of this study lies precisely here: understanding how to measure and assess both the financial as well as non-financial value creation of sponsorship involvement in new partnership models.

In terms of academic relevance, we can distinguish between a more narrow and a more broad perspective. The narrower perspective pertains to the aforementioned gap in sponsorship research: this includes the lack of a comprehensive ROSI metric for the more traditional sponsorship model, as well as a framework or metric that is suitable for understanding, measuring and evaluating the new sponsorship arrangements that are based on a partnership model. More in general, review articles such as the one by Walraven, Koning and Van Bottenburg (2012) point to the need for empirical studies that simultaneously look at multiple aspects of sponsorship, and Olson (2010) calls for studies that do not rely on student samples or fictional sponsorship contexts, which –he shows in his review- is very often the case. In this study I will address both aspects. The broader perspective of academic relevance is linked particularly to the measurement of benefits in partnership models, where value creation does not only occur for each of the partners independently but also through the partnership itself. Partnerships models are not restricted to sponsorship arrangements and insights gained in this area may be relevant well beyond the sponsorship domain. Both this narrow and broad perspective will be discussed in more depth in the next section, where the significant prior research is presented.

## 1.4. Significant prior research

### 1.4.1. Financial sponsorship evaluation models

Although sponsoring is an increasingly significant communication tool, relatively few attempts have been made to date to comprehend and measure the true effects of sponsorship (Cornwell, Week & Roy, 2005;

Meenaghan, 2001; Thjømøe, Olson & Brønn, 2002; Quester & Thompson, 2001;). The most common type of research into the effects of sponsorship is the simple measurement of sponsor logo exposure time (or frequency of mentioning in printed or spoken word) during coverage of a sponsored event (Cornwell et al., 2005; Meenaghan, 2001). This is evidently inappropriate for evaluating sponsorship effects such as changes in attitude and/or behavior (Speed & Thompson, 2000; Thjømøe et al., 2002). Most sponsorship research also deals with sports sponsorship rather than cultural sponsorship (Crompton, 2004). While Cornwell et al. (2005) as well as Rifon, Choi, Trimble & Li (2004) argue that different effect models might be needed for cultural sponsorships, they do not offer or point to empirical support and no such studies with direct comparisons between sports and cultural contexts have been published in the main sponsorship journals. This makes it impossible to determine whether this assertion is indeed correct.

In recent years, however, an increasing number of studies are dealing with sponsorship effectiveness from different perspectives, including sponsor memorization (Cornwell & Humphreys, 2013), image transfer, buying intention, actual sales, or employee motivation (Walraven, Koning & Van Bottenburg, 2012). Navickas and Malakauskaité (2007) emphasize the necessity to collect data from both formal as well as informal sources and at different moments (before, during, after the event). According to Olson and Thjømøe (2009) and Meenaghan and O'Sullivan (2013), the standard way to evaluate sponsorship effectiveness is still to measure exposure frequency of the brand through media coverage, even though this does not offer suitable evidence of the sponsorship's effectiveness. Particularly Meenaghan and O'sullivan (ibid.) offer a detailed critique of the two most frequently used metrics, media exposure and sponsorship awareness.

Media exposure is usually measured through equivalent advertising value (EVA or AVE: advertising value equivalence). The idea is that when a brand name is mentioned or a logo is visible in the media, this is counted (for example as millimeter column in the case of print media, number of times mentioned for radio/TV or seconds of logo visibility for TV) and then -depending on the reach of the media- converted in a monetary amount that would have been needed to purchase the same exposure. More refined methods adjust this amount for a sponsor-favorable tone in the coverage, a 'credibility multiplier' or 'PR values'. Meenaghan and O'Sullivan (ibid.) cite a long list of studies that show how media exposure has no factual basis, is 'dishonest' and mostly used as a convenient validation of a sponsorship investment decision by a company CEO who decided on this, the sponsorship manager or the agency. They add a telling quote from Whatling (2009), citing a sponsorship consultant who remarks:

> "*It's not about eyeballs. Most sponsorship evaluations are exercises in validation [...]. Obviously, it's the client's choice if they want to use such data to validate their marketing investment. But the price for keeping evaluation such a comfortable exercise can only be a loss of integrity and credibility, a failure to learn and a waste of investment.*

*Media value is just the worst offender in the battery of validation techniques. Worst because, for most brands, logo exposure per se brings marginal benefit; and because the emphasis EAV places on logo exposure obscures the value of emotional connection.*"

The above does not mean that EVA (or EAV) has no value at all. It is particularly useful as a relative measure to compare the results of investments within a portfolio or from year to year. It can also offer insights on practical issues such as brand visibility (placement of logos, readability, attention-gaining capacity, etc.) and lead to improvements.

Sponsorship awareness relates to whether the target audience recalls or recognizes the involvement of a sponsor with a specific sponsorship property. This is usually measured by surveying a sample, and asking whether they know who sponsored a specific property (un-aided, measuring recall) or giving them the name of a sponsor and asking whether the respondent is aware they are involved as sponsor (aided, measuring recognition). Meenaghan and O'Sullivan (ibid.) cite a large body of research identifying both a range of biases, such as the acquiescence bias -where the respondents intend to agree with whatever is presented to them- as well as serious measurement issues related to most awareness studies. In addition, the awareness metric is often improperly used, such as when a sponsorship awareness score of say 70% is generalized to an entire population rather than to the target market for the brand, without differentiating between un-aided recall and aided recognition, potentially leading to a grossly inflated suggestion of the impact and return on sponsorship investment.

Notwithstanding their strong critique on how awareness is often measured, implemented and interpreted, Meenaghan and O'Sullivan conclude by stating several positive contributions and applications of this metric. Properly used, they view it as a 'critical first base in the sponsorship management process', a way to show whether a target audience connects a sponsor to the sponsored property. They add that, for the future, they expect a shift in emphasis from measuring exposure (as both EVA and awareness do) towards measurement of engagement, or more popularly, from 'reach' to 'touch', an area where sponsorship has unique capacities. They cite industry experts who describe this move as the measurement of 'Return on Involvement' rather than 'Return on Investment', a term also used throughout this thesis.

Based on an extensive literature review, Walliser (2003) presents three principal ways of measuring the effects of sponsorship: awareness, image and purchase intention.

- *Awareness* is the most used criterion in order to evaluate the effects of sponsorship. Here Walliser distinguishes between two different approaches: a more general awareness level of sponsors in the mind of the public, versus awareness in connection with specific events or activities (Walliser 2003, Herrmann, Walliser & Kacha, 2011). According to Wakefield et al. (2007) and Walliser (2003), the development of awareness (and recall) over time can be influenced by five factors: the conditions surrounding the exposure, the nature of the product, the exact message and characteristics of the target, as well as sponsorship integration.

- *Image*: the evolution of the brand image depends on how the audience perceives the sponsor and how the audience is involved in the sponsorship process. Image is strongly influenced by sponsorship activities (see e.g. Meenaghan and Shipley, 1999).
- *Purchase intention* is the third main criterion to look at for the evaluation of sponsorship activities, which is particularly relevant for lower-educated consumers.

Traditional sponsorship evaluation models go back as far as the 1970's, well summarized by Meenaghan (1983) who lists the following four criteria to evaluate past or on-going sponsorship involvements:

- *Sales effectiveness* of the sponsorship involvement: do sales increase as a result of the sponsorship involvement? This can be measured directly, indirectly through econometric analysis or through controlled experimentation. As sponsorship investments are almost always part of the 'marketing mix' with many other activities including advertising, the precise contribution of sponsorship is very hard to isolate;
- *Communication effectiveness* of the sponsorship involvement, with five principal measurement methods: measuring awareness,

measuring recall, performing attitude surveys, psychological measurement, and lastly the evaluation of follow-up requests. Similar to sales effectiveness, it is complicated to isolate the effect of sponsorship;

- *Media coverage* resulting from sponsorship involvement, such as television coverage, press coverage and so on. This method has traditionally been particularly popular, allowing sponsors to compare media coverage through the sponsorship with paid advertising. As Campbell (1981) suggests: "*the only statistical way sponsorship can be quantified is through column inches and seconds coverage on TV. At least this form of measurement allows agencies peace of mind. These statistics of course bear no comparison to bought time, though they are on the whole cheaper and arguably more cost effective.*";
- *Enduring relevance* of the chosen sponsorship over time, as the continued fit between event, target audience and (evolving) company objectives is key. Measurement of this factor can be done by measuring the attendance ('live audience'), the extended audience (TV viewers, YouTube, etc.) and the level of participant involvement in the sponsored activity. For a soccer sponsorship, for example, a sponsor can look at the number of spectators in the stadium as well as the TV audience, and it can look at how many people actually play the sport (and consider their demographics,

etc.). Typically this is easy to measure since the data is routinely collected and readily available.

A related sponsorship topic widely researched is the set of selection criteria used to evaluate and choose among different sponsorship opportunities, i.e. comparing opportunities before the sponsorship involvement is started. Johnston and Paulsen (2007) mention the following main criteria for selection of sponsoring targets: the fit with brand objectives; the length of the sponsorship engagement; the nature of the relationship with the partner; the geographic reach; the type of sponsorship; the level of ownership/exclusivity and lastly the exposure level. Other authors mention additional criteria, such as: the match between the target audience of the sponsor and sponsee; the image and popularity of the sponsee; expected costs and benefits (including rights); and lastly the opportunity to incorporate the sponsorship into the communication and marketing strategy (Walliser, 2003). Ukman (2010) adds the possibility to measure sponsorship returns as an explicit selection criterion.

Among all these criteria, the aforementioned authors overall agree that the fit or congruence between sponsor and sponsee is the most important criterion (Chien, Cornwell & Pappu 2011; Farrelly & Quester, 1997; Gwinner & Eaton, 1997; Johnston & Paulsen, 2007; Nickell, Cornwell & Johnston, 2011; Olson & Thjømøe, 2011; Rifon, Choi, Trimble & Li, 2004). If this fit is not present, the sponsor will not gain the otherwise possible benefits (Poon & Prendergast, 2006), Nickell, Cornwell & Johnston, 2011;

Schwaiger, Sarstedt & Taylor, 2010) According to Cornwell, Weeks and Roy (2005). Fit is therefore crucial to achieving results: "*Mere exposure to a brand through such vehicles as on-site signage may create awareness, but awareness alone may not capture a unique position in consumers' minds*" (ibid., p. 36).

According to Jagre, Watson and Watson (2001) a conceptual framework that adequately defines and operationalizes the "*fit*" of the relationship among a sponsoring company, an event, and a company's target audience is not available in the sponsorship literature (see also D'Alessandro, 1998; Kate, 1995; Taylor, 1999). Jagre, Watson and Watson (2001) point out two different types of fit that are discussed by researchers.

1. The first type of "fit" is understood as the fit between the audience of the sponsored event and the company's customers. This relates to the ability to target a specific audience and the relationship between the characteristics of the sponsored event and the characteristics (such as demographics and lifestyle) of the audience (see also Cornwell and Maignan, 1998).
2. The second type of fit is between the sponsor and the event, or more precisely: between the brand (of the product or service) of the sponsor and the event. This concerns the perceived relation or similarity with an event, all through the eyes of the target audience. This fit is referred to as fit between the sponsor and the event (Jagre, Watson & Watson, 2001).

Studies related to the second type of '*fit*' have started to appear in the literature much later than those related to the first type of fit (ibid.). Johar and Pham (2000) and McDaniel (1999) have studied the effects of this second type of fit on recall and attitudes through an empirical test, but their results were inconclusive. For instance, McDaniel compared more negatively perceived sports such as bowling with more positively perceived sports such as ice hockey or an Olympic team, and found no support for his hypothesis that a more negative perception would result in significantly lower post-test attitudes toward the sponsoring brand than would be the case for more positively perceived sports.

Kourovskaia and Meenaghan (2013) describe a comprehensive econometric model to assess the financial impact of sponsorship investments -from the perspective of the sponsor- with a focus on brand value and, through this, on shareholder value. Their model is based on the Millward Brown Optimor (MBO) model, and the authors outline the application process through five steps:

1. Isolating brand earning and segmentation: to understand where and how value is created by a brand, careful segmentation is needed, by geography, line of business and by customer segment. This forms the basis on which the sponsorship impact is measured;
2. Brand benchmarking to develop a brand discount rate: the brand discount rate offers a way to convert (potential) future brand earnings to current values (much like the cost of capital in net

present value calculations) and reflects the risk associated with future brand value. Strong brands in stable markets have a low brand discount rate;

3. Calculating the financial performance of the branded activities: in this step, the total net present value of all segments identified in step 1 is calculated and added up. Typically a five-year horizon is used. The resulting amount offers a baseline to calculate the 'overall uplift' in brand value caused by the sponsorship activities;
4. Calculating the role of the brand and building the total brand driver model: in this step, the various drivers of the customer's purchase decision are linked to brand characteristics. This then offers a way to calculate the so-called brand contribution, which shows which part of a consumer purchase decision is driven by brand. The brand characteristics can also be mapped onto the sponsorship property characteristics. The result offers a way to link and predict how a sponsorship engagement fits with the brand and how and to what extent it will lead to increased revenues;
5. Calculating the sponsorship impact: in this last step the total brand value is calculated by adding up the product of brand contribution and the branded business value of all segments, and comparing the result of this for a situation with sponsorship and one without sponsorship (note that not all branded business will be impacted by the sponsorship, and the extent to which a sponsorship will be

impacted is calculated in step 3. The authors call the result the brand uplift, which can then be related to the costs of the sponsorship to calculate ROSI.

Kourovskaia and Meenaghan's (2013) model can probably be seen as the most comprehensive published model to date. Other models do exist but their details are not published, as they are a proprietary part of the commercial service offerings from companies such as IEG.

In summary, this overview shows the availability of a number of clear financial metrics such as the sales and communication impact of the sponsorship involvement; the value of the media coverage resulting from the sponsorship; the "fit" or congruence; and the brand value uplift metric. Each of these metrics can serve to measure one or more aspects of ROSI. Figure 1-1 shows how these metrics can be positioned in the overall conceptual framework of ROSI based on the current academic insights as well as best practices.

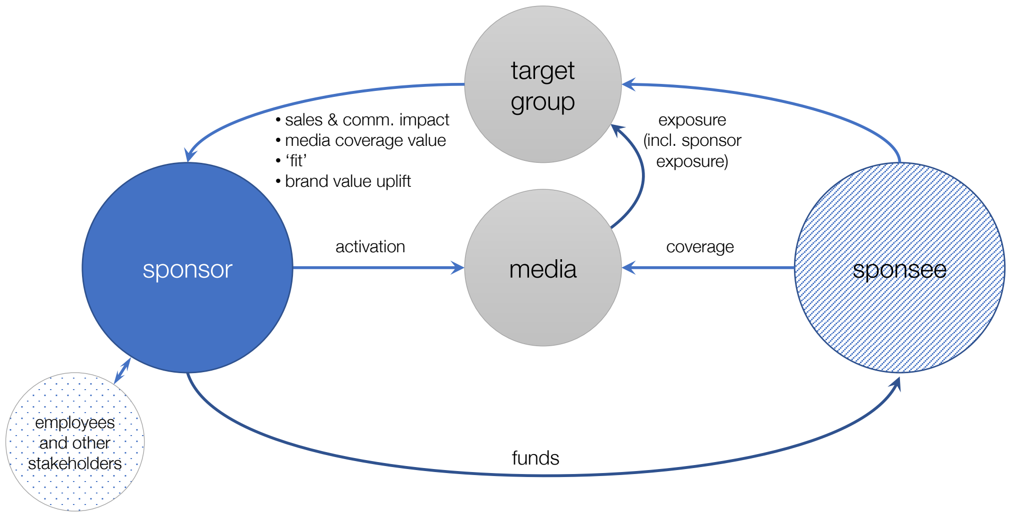


**Figure 1-1 Current conceptual framework of sponsorship impact and measurement**

As described in section 1.2, one major issue is that these metrics are simply not used, or at least not systematically. If that would be the core problem, my work could have focused exclusively on finding out why the metrics aren't used. But there is an underlying problem: the currently available metrics are not suitable for today's sponsorship arrangements; they are not suitable to explain the mutual value created by sponsoring activities for both involved organizations and possibly other stakeholders. Exploring this aspect, so understanding the outcomes of sponsorship involvement in partnership models, is the aim of this present study.

### 1.4.2. Partnership and alliance research

The above-mentioned discussion about the need for new financial evaluation models is the result of a change in thinking about the nature of sponsorship arrangements in general. In the last two decades, researchers as well as practitioners have understood sponsorship relationships more and more as strategic partnerships or alliances working for the mutual benefit of sponsor and sponsee. Urriolagoitia and Planellas (2007) argue that this shift is in large part due to the current highly competitive and complex business environment, which creates the need for long-term relationships between partners. This point of view is contrary to the typical view of sponsorship as a short-term business transaction, interchangeable with other marketing-communication tools. The partners of the sponsorship relation "*recognize the strategic role of sponsorship and the great potential for creating value from a longer-term relationship*" (ibid., p. 157). The authors illustrate this by quoting car manufacturer Volvo who states on its web site that “*Volvo recognizes the potential of sponsorship, the power of partnership established and developed with care and through co-operation*" being convinced that a "*strategy of longevity and loyalty provides the stable platform major sponsorships require in order to germinate, mature, and progress*" (ibid., p. 157). Whereas Volvo explicitly mentions partnership, going beyond the financial aspects mentioned in the previous section, they do not offer insight into the nature of this partnership nor in the ways it can generate value. To investigate this in more detail, we can look at the general partnership literature in the business discipline where research into partnerships and alliances has a history of several decades.

There is no commonly accepted definition of either partnership or alliance due to the fact that both concepts have become so pervasive. They stand for a broad range of relations and are used in various senses and in different contexts. Different disciplines tend to define the terms in different ways, leading to misunderstandings across disciplines and also across fields of practice. Surman (2006) views a partnership as "*an undertaking to do something together*" forming "*a relationship that consists of shared and/or compatible objectives and an acknowledged distribution of specific roles and responsibilities among participants*". Waddell and Brown (1997) understand partnership as "*a wide range of inter-organizational collaborations where information and resources are shared and exchanged to produce outcomes that each partner would not achieve working alone*". According to Stern and Green (2005), partnerships depend on "*high levels of commitment, mutual trust, common goals, and equal ownership*". The HAP (Humanitarian Accountability Partnership) understands partnership as "*a relationship of mutual respect between autonomous organizations that is founded upon a common purpose with defined expectations and responsibilities*" established with or without formal contractual agreements (HAP 2010).

Similarly, alliance refers to different forms of inter-organizational cooperative arrangements, including equity joint ventures, strategic supplier arrangements, R&D partnerships, etc. (Doz & Hamel, 1998). Given the purpose of our study, a formal distinction between partnership and alliance or a very precise definition are not required, and the common denominator across the definitions (and a reference to just 'partnership') suffices: an inter-organizational relationship with a common purpose, based on mutual trust, respect and accountability (HAP, 2010).

Urriolagoitia and Planellas (2007) suggest, based on several case studies, how key characteristics across stages of the sponsorship involvement determine the success or failure of the overall sponsorship relationship. They distinguish between the formation, operation and outcome stage. Similarly, Farrelly and Quester (2005) stress the need to understand the organizational dynamics of sponsorship relationships over time. Only by doing so, the partners of the sponsorship may capture the true value of sponsorship. In their analysis, Urriolagoitia and Planellas (2007) also go beyond the more traditional financial performance evaluation of sponsorship involvements, stating that during the operation stage of the sponsorship involvement, major benefits for the sponsor as well as for the sponsee might arise that not only have an impact on sponsorship relationship performance but also can change the sponsor's corporate culture. The authors mention, for instance, that through the Alinghi platform, UBS increased employee engagement and sent out a message to employees that aligned with its overall vision of the future for the company.

Studies on the success of alliances and partnerships typically focus on possible improvements of firm performance of a single organization that forms or joins an alliance. Firm performance is then measured either in financial terms (as an increase in the valuation of the firm: market capitalization/share price [cf. Lavie, 2007]), or in terms of innovative performance as an increase in the number of patents (Sampson, 2007). Although these studies offer useful concepts (see also section 2.8), this ultimately one-sided approach does not fit well with this study where the main innovation point lies in understanding the sponsorship involvement outcomes in *partnership* models, and partnerships are multi-sided by nature.

### 1.4.3. Shared value research

Sponsorship relations, by their very nature, have two sides. Companies use sponsorships in order to establish a link between their brands and desired attributes of the sponsored entity, be it a celebrity, an event, an organization or anything else. Regarding the effectiveness of sponsorship as a marketing tool, this linkage should result in positive outcomes for the sponsoring company, such as better reputation or higher sales or purchase intentions of customers, an improved image and possibly better customer relationships. But what about the sponsee? Is the trade-off limited to receiving monetary compensation or value-in-kind? How does the partnership affect the sponsored entity, other stakeholders and, even more broadly, the community? And in what way does this matter?

As Ukman (2010) points out, "*sponsorship is the only marketing activity that can mutually benefit the sponsor as well as the sponsored organization*" and, accordingly, also their stakeholders. As a very straightforward example, visitors to a museum may have an opportunity to see an exhibition that could not have been realized without the involvement of a sponsor, or at least not at the same cost for the visitor. The surrounding hotels and restaurants may also benefit, as do others. Porter and Kramer (2002) are among the first authors to specifically address this convergence area where economic benefits are created simultaneously with social benefits, referring to this as strategic philanthropy. Although the term strategic philanthropy is much older (ibid.), Porter and Kramer argue that its "true form" goes beyond the traditional meaning that was linked to charitable activities that are simply aimed at creating goodwill and not connected to a company's strategy ("*a way to rationalize […] contributions in public reports and press releases*" (ibid., p.58)). It also goes beyond a second -slightly better- category they refer to as cause-related marketing, where a firm's reputation is improved by linking it to positive perceived qualities of a specific charitable cause or organization. The authors argue that "*true strategic giving, by contrast, addresses important social and economic goals simultaneously, targeting areas of competitive context where the company and society both benefit because the firm brings unique assets and expertise.*" (ibid., p. 58).

As outlined in the previous sections, sponsorship involvements can span the entire spectrum described by Porter and Kramer, from rationalized charitable contributions to cause-related marketing to "true strategic giving" where the "giver" and the receiver and society and other stakeholders benefit simultaneously, with benefits extending beyond purely economic ones. As they argue, economic and social benefits are not necessarily distinct and competing (which would imply that one goes at the expense of the other). They offer the example of the Cisco Networking Academy, an initiative aimed at educating high school graduates to become computer network administrators, which helps Cisco as well as the communities where the company is active.

By considering multiple stakeholders and shared benefits beyond direct economic benefits, the strategic philanthropy concept, as understood by Porter and Kramer in its "pure" form, has many similarities to sponsorship in a "true" partnership model. Sponsorship in this sense can be placed in the "convergence area" described by Porter and Kramer (2002). Addressing a broad range of possible stakeholders including customers, consumers, channel partners, shareholders, employees, or the media (Collett & Fenton, 2011), sponsorship offers the opportunity to generate benefits beyond those of the sponsor and the sponsee. And this in turn helps both the sponsor and sponsee: sponsorships that benefit external stakeholders are more successful (Arens et al. 2008).

Porter and Kramer's work in 2002 focuses exclusively on what they call "strategic philanthropy": making charitable donations a source of benefits to businesses. Strategic philanthropy, in the wider literature, is typically linked to the area of corporate social responsibility (CSR), defined by McWilliams and Siegel (2001, p.111) "*as actions that appear to further some social good, beyond the interests and that which is required by law*". Over the last few decades, CSR has become increasingly embraced by managers, often as a result of heightened stakeholder interest in companies that are 'green', embrace diversity, support local charities, et cetera. In many cases, these CSR initiatives are related to personal values of managers or employees (such as in gift-matching programs where employers match charitable donations by employees to any charity the employee chooses). Moving away from this particular interpretation of strategic philanthropy, which is again linked to creating goodwill or cause-related marketing rather than to what they view as 'true' strategic philanthropy, Porter and Kramer went on to introduce, first in 2006 and more extensively in 2011, the concept of shared value.

In their work, Porter and Kramer argue against the 'social responsibility mind-set' where, they claim, "*societal issues are at the periphery, not the core*" (Porter & Kramer, 2011, p.64). The shared value concept "*recognizes that societal needs, not just conventional economic needs, define markets. It also recognizes that social harms or weaknesses frequently create internal costs for firms while addressing societal harms and constraints does not necessarily raise costs for firms, because they can innovate through using new technologies, operating methods, and management approaches and as a result, increase their productivity and expand their markets*" (ibid., p.65). Shared value, according to the authors, is not about personal values, nor about “sharing”, but about creating worth, creating additional economic and social value. Porter and Kramer (ibid., p.66) define the concept of shared value as "*policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates*". Creating shared value (CSV) focuses on "*the premise that economic [as well as] social progress must be addressed using value principles*" (ibid.). In this regard, value is understood "*as benefits relative to costs, not just benefits alone*" (ibid., p.66). The central idea of CSV is that the competitiveness of a firm and the wellbeing of the communities around it are dependent upon each other. Although, as mentioned above, the authors voice strong reservations about the '*social responsibility mind-set*', the CSV approach is mostly applied in the area of corporate social responsibility (CSR), as evidenced by the case studies offered by Bockstette and Stamp (2011) and by Pfitzer, Bockstette and Stamp (2013), and even in the examples mentioned by Porter and Kramer in their own work. There are also links and applications to Prahalad's bottom of the pyramid (Prahalad, 2004; Prahalad & Hammond, 2002) concepts, which show how companies can profitably serve the huge group of poor people, and how this can be beneficial to this group as well as the companies serving them.

The shared value concept brings Porter and Kramer's thinking very close to the partnership aspect of sponsorship. As Grey and Skildum-Reid (2001) argue, the sponsorship strategy -which indicates how the objectives of the sponsor will be reached through sponsorship- should aim at partnership models that create an additional value to the sponsor as well as to the sponsored organization. "*Being integral to a company's profitability and* *competitive position, the shared value approach leverages unique resources and expertise of the company to create economic value by creating social value*" (Porter and Kramer 2011). Collett and Fenton (2011) recommend that the sponsorship strategy should be linked to the marketing/communication strategy of the sponsoring company and to the values, philosophies and attributes of the firm and its brands. Combining both approaches offers the opportunity to create additional value to the sponsoring company by pursuing the key interests of the organization.

The CSV approach offers a link between CSR and a more traditional economic evaluation of competitiveness, but CSR advocates and scholars have voiced strong criticism. Crane, Palazzo, Matten and Spence (2012, 2014) argue that, despite clear strengths and contributions, the shared value concept and its framing is "*fatally undermined by a number of critical weaknesses and shortcomings*" (Crane et al., 2012). A point of criticism is, for instance, that "*[the authors'] aim to supersede CSR with CSV is only achieved to the extent that they construct a largely unrecognizable caricature of CSR to suit their own purposes*" (ibid.). For instance, by defining CSR as "*separate from profit maximization*", they ignore, according to Crane et al. (2012), "*several decades of work exploring the business case for CSR*" (McGuire et al. 1988). Others also point back to research originating in the early 1970s, where authors were suggesting that "*social responsibility states that businesses carry out social programs to add profits to their organization*" (Johnson, 1971, cited in Carroll, 1999). In other words, according to Crane et al. (2012), the CSV approach adds nothing new.

A second –related– point of criticism, following Crane et al., is that Porter's framing of the CSV concept ignores a large body of literature around value creation within stakeholder management research. They point to instrumental stakeholder theory, as developed by Donaldson and Preston (1995), as essentially identical to CSV, pointing to Porter and Kramer's 2011 definition of CSR as "*creating economic value in a way that also creates value for society by addressing its needs and challenges*". Additionally, they point to the work of Ed Freeman (Freeman, 2008), considered to be one of the leading scholars and advocates of stakeholder theory, who states that "*creating value for stakeholders creates value for shareholders*" (Freeman et al. 2012). It is, according to Crane et al., "*difficult to see where CSV differs in any substantial way from this literature, yet it remains wholly unacknowledged by Porter and Kramer in any of their work to date*".

A more elaborated version of the 2012 critique by Crane et al. (and a reply by Porter and Kramer, as well as a counter-reply by the authors) has been published in a 2014 California Management Review article, where the authors argue that the CSV approach "*ignores the tensions between social and economic goals, is naive about the challenges of business compliance [and] is based on a shallow conception of the corporation's role in society*" (ibid., p132). At the same time, the authors acknowledge strengths including the "*appeal of CSV to practitioners and scholars, [its ability to elevate] social goals to a* *strategic level, [and its ability to add] rigor to ideas of 'conscious capitalism' [, providing] an umbrella construct for loosely connected concepts*" (ibid., p. 132). Without taking a position in this debate, it is important to note that, for this present study, the CSV concepts are used only in part to understand, measure and evaluate the social and charitable 'CSR' aspects of sponsorship. The focus here is much more on its ability to include and connect strictly economical as well as non-economic partnership considerations in a single framework, and for this the strengths mentioned above outweigh the weaknesses.

As my research focuses on understanding sponsorship involvement *outcomes* in partnership models, it is important to investigate what is known about the *measurement* of shared value. Even if the concept has roots dating back more than a decade, tools and strategies to integrate, operationalize and measure SV are only now being developed (Porter, Hills, Pfitzer, Patscheke & Hawkins, 2012). This is discussed in more detail in section 2.9.

## 1.5. Research question

In the previous sections, the role and importance of sponsorship and the need to understand its outcomes were explained. In addition, the -disappointing- current state of practice in this area as well as the significant research to date in this area has been highlighted, showing how sponsorship is moving to a partnership model (Henseler, Wilson & Westberg, 2011; Urriolagoitia & Planellas, 2007) and how this poses new and additional challenges to measure and assess its outcomes.

The purpose of this research, accordingly, is to further our understanding of sponsorship involvement outcomes in partnership models. This includes the unraveling of factors that influence these outcomes (and how to measure this), as well as the understanding of the practice and perceptions of managers in taking the outcomes and specific metrics into account. As Melnyk, Stewart and Swink (2004) argue, for metrics to be effective they must be understood by their users and make sense to them. In addition, they need to be aligned to the strategy: "*Strategy without metrics is useless; metrics without a strategy are meaningless*" (ibid., p. 209). For a proper understanding I will therefore need to explore both sponsorships strategies as well as the way results are measured, implicitly or explicitly. Given that '*shared value*' partnership strategies -in general and particularly in the world of sponsorship- as well as tools to integrate, operationalize and measure the creation of shared value are only now appearing in the literature (Bockstette & Stamp 2011; Porter et al. 2012, Williams & Hayes 2013) the present work is, to a large extent, an exploratory study aiming to answer the following research question: *How can we understand sponsorship involvement outcomes in partnership models?*

The knowledge contribution of this research extends beyond the sponsorship domain. Building on existing insights in the area of shared value research (Porter & Kramer, 2006, 2011), the aim is to explore the opportunities to extend these insights and also employ them in a new domain (sponsorship). Although sponsorship can be related to CSR issues (such as in sponsorship of cultural events), it clearly has a business-oriented emphasis and studying shared value initiatives in this area can shed new light on the on-going debate between shared value and CSR proponents (cf. the earlier mentioned debate in the California Management Review between Crane, Palazzo, Maaten and Spence -on the side of CSR research- and Porter and Kramer -on the side of shared value research.

## 1.6. Research method

Following Saunders, Saunders, Lewis & Thornhill (2009) and Bryman & Bell (2011), the nature of our research question as well as the current lack of established theories in this area, together call for an interpretive research philosophy and an inductive research approach. Within Guba and Lincoln's (2005) views on alternative inquiry paradigms (see Table 1-1), it can be argued that this fits best with a (social) constructivist inquiry paradigm with a hermeneutical position of the researcher, where knowledge is a human and social construction. Following Mayring (2014), the choice between inquiry paradigms is however not necessarily exclusive, and in my approach I will also include traits from a more positivist approach that will help to ground the research in existing theories and add rigor to the process.

**Table 1-1 Alternative inquiry paradigms**

**(cf. Guba and Lincoln, 2005, p. 193)**

| **Item** | **Positivism** | **Post-positivism** | **Critical Theory** | **Constructivism** |
|---|---|---|---|---|
| Ontology | Naïve realism —"real" reality but apprehensible | Critical realism —"real" reality but only imperfectly and probabilistically apprehensible | Historical realism —virtual reality shaped by social, political, cultural, economic, ethnic, and gender values; crystallized over time | Relativism —local and specific constructed and co-constructed realities |
| Epistemology | Dualistic/objectivistic; findings true | Modified dualistic/objectivistic; critical tradition community; findings probably true | Transactional/subjectivist; value-mediated findings | Transactional/ subjectivist; created findings |
| Methodology | Experimental/ manipulative; verification of hypotheses; chiefly quantitative methods | Modified experimental/manipulative; critical multiplism; falsification of hypotheses; may include qualitative methods | Dialogical/dialectical | Hermeneutical/ dialectical |

Following Yin (2014), a case study approach is the most appropriate research strategy, as the need to explore this relatively novel phenomenon (partnership models in sponsorship arrangements) in its natural context is best served by this approach, rather than for instance by a survey or ethnography approach.

In the next sections the research method, and particularly the proposed data collection and data analysis method will be discussed in more detail.

### 1.6.1. Research approach

As argued above, an interpretive research philosophy and inductive research approach have been selected for this study, using a multiple case study strategy. A longitudinal approach will allow me to focus on the different stages across the sponsorship/partnership formation, operation and outcome phase (Urriolagoitia and Planellas, 2007), allowing a process analysis to 'open the black box' of sponsorship involvements and understand how things change and develop over time (Van de Ven, 2007). Given the nature of managerial decision making in the context of sponsorship involvements, a qualitative approach is considered more appropriate and natural and can be expected to provide a deeper understanding through relatively unstructured research techniques and more open-ended data collection methods. This approach will also provide more flexibility and allow an exploration in various directions. In addition, qualitative data offer a rich descriptions of processes in their context and allow us to follow events over time, which offers an opportunity to understand which events lead to which consequences (Miles & Huberman, 1984, 1994; Yin, 2014).

Qualitative data are also useful for understanding why and how relationships evolve, thus providing us with an understanding of the dynamics of a phenomenon in its real-life context (Eisenhardt, 1989, 2007), and thereby offering the best strategy for exploring a new phenomenon and for developing hypotheses and, ultimately, theory building. To get to know more about the actual situation in an organization or, in general, about the impact of a particular issue on an organization or case study context (in our case the sponsor, sponsee and the event organization), qualitative expert interviews are chosen as data collection method, because this method provides deeper insights into the issue through purposive sampling from the perspective of a specific professional position or function (Flick, 2014; Flick, Kardorff & Steinke, 2004). Accordingly, "*qualitative research claims to describe life-worlds from the insight out; from the point of view of the people who participate*" [which means learning to understand social realities and drawing] "*attention to processes, meaning patterns and structural features*" (ibid., p. 3).

Hence, the mission of this kind of research is to "*to discover meaning and understanding, rather than to verify truth or predict outcomes*" (Myers, 2000). Qualitative research may indeed offer more flexibility but it also requires increased effort from the researcher in order to explore different understandings and insights in the fields that the research aims to explore (Lamnek, 1995, Flick et al., 2004; Flick, 2014). Therefore, qualitative methods require an openness of the interviewer, interviewee, a conducive interview situation and sufficient experience with the chosen data collection methods and the context in which the data are collected, in order to successfully gain deep knowledge, explorations and descriptions (Mayring, 2000; Mayring, 2003). Even if qualitative research is subject to shortcomings concerning, for instance, the usually smaller number of research objects in comparison to quantitative studies (and correspondingly difficulties to generalize the findings), a lack of random sampling or problems or even impossibilities regarding statistical analysis, qualitative research also has strong advantages: it is able to provide extraordinary and deep insights into organizations or individuals (Lamnek 1995).

Qualitative research enables the researcher to detect and learn about the experiences of individuals and groups; it thereby allows us to acquire a deeper knowledge than quantitative methods that do not sufficiently consider the context of social settings (Lamnek, 1995; Mayring, 2004). This is particularly important for this study, as our aim is to understand the partnership aspects of sponsorship involvement outcomes rather than perform simple one-sided measurements. Understanding the context of social settings is key to understanding these partnership aspects, as also explained through the shared value concept.

Qualitative research is based on somewhat different indicators of good research compared to quantitative research, although there are also many criteria that apply equally to qualitative, quantitative as well as mixed methods. Qualitative methods typically require the interviewer to be authentic, more subjective but still neutral in order to receive valuable data, and claims regarding objectivity, reliability, validity and generalizability are correspondingly lower for qualitative research than for quantitative (O'Leary, 2004). Neutrality is not only important when asking questions, but also when interpreting data, without preconceived ideas, confirmation biases or jumping to a conclusion. Employed properly, qualitative research offers the right tools to explore multiple perspectives and to recognize different views of groups or individuals (Franzosi, 2004).

Looking at the shared value approach, the present study aims to get information about the economical return on sponsorship involvement as well as about the social impact of the sponsoring and the shared value that is generated. To answer this question, one needs a detailed understanding of the effects of the sponsoring and the factors playing a role in the decision-making processes of the sponsor as well as of the sponsee. These accounts are best provided by qualitative data and analysis techniques.

### 1.6.2. Qualitative content analysis

For data collection and data analysis for this study, Mayring's qualitative content analysis (QCA) method (Mayring, 2000, 2003, 2014) has been adopted. This method, originally developed by Mayring in 1983 but with precursors dating back to the 1920's and 1930's including dream analysis by Freud (Mayring, 2000), consists of several techniques for systematic text analysis, for instance the analysis of interview transcripts. It is particularly suited for this study as it is aimed at analyzing both the manifest content of the interviews as well as the latent content, allowing an analysis of not only what was said but also of its context (which is central to this study).

Qualitative content analysis is linked to grounded theory (Glaser & Strauss, 1967; Glaser, Strauss & Strutzel, 1968; Glaser & Strauss, 2009), a research strategy where data is collected, key points are marked with codes and codes are subsequently grouped into concepts and then into categories, which ultimately form the basis for the development of theory. Hypotheses are not formulated in advance of data collection, as this would result in a theory that is '*ungrounded*' from its data. In the original grounded theory approach as developed by Glaser and Strauss there is also no literature review prior to collecting data, no discussion about theory before it is written up, and no taping and transcribing of interviews takes place.

Several years after the original publication of the grounded theory approach by Glaser and Strauss in 1967, the authors have diverged on how best to apply this technique. Whereas Glaser stuck to the original approach, Strauss developed, together with Corbin (Strauss, 1987; Strauss & Corbin, 1990) a method that is less purely inductive and combines induction with deduction in what is also called abductive reasoning (Peirce, 1955) where the researcher starts with an observation and then develops a hypothesis that accounts for this observation (ideally this should be the 'best' explanation, but it does not necessarily guarantee the conclusion, as is the case in deduction). Glaser has stuck to the '*data is all*' dictum. The split between Strauss and Glaser has led to much academic debate, with camps being referred to as '*Straussian*' and '*Glaserian*' (Bryant & Charmaz, 2007). Glaserians look at emerging patterns and reserve theory formation to the very end of the process, whereas Straussians advocate going through several cycles of deduction and verification, with confrontation of findings with existing theory guiding subsequent cycles of data collection and analysis so as to avoid rediscovering existing knowledge (Heath & Cowley, 2004). The qualitative content analysis method of Mayring is based on the same premises as the approach of Strauss and Corbin.

Qualitative content analysis, as a method as well as a specific set of techniques developed by Mayring, is a methodologically controlled, structured and replicable method for making specific inferences from text. The process starts with a precise and theoretically based research question and a fitting selection of empirical data. Subsequently the empirical material is read as a whole and the general direction of the analysis and the units of analysis are chosen. After that, the actual analysis takes place, consisting of two distinct but parallel phases: inductive category development and deductive category application:

- Inductive category development: in this phase, researchers immerse themselves in the data to allow new insights (patterns) to emerge. Open-ended interview questions and probes ('can you tell me more?') are used, and interviews are transcribed to allow for repeated reading 'as a whole' and subsequently 'word by word' to aid in the development of categories (Mayring, 2000; Hsieh & Shannon, 2005). Labels for codes emerge as part of this process and then become the initial coding scheme. Subsequently, codes are sorted into (sub)categories based on the relationships between them, and are then clustered based on how different codes are related and linked. If the research question includes quantifiable aspects, which could be operationalized through frequencies of coded categories, this can also be analyzed. Hence, the term qualitative content analysis is not ideal: Mayring (2010, p. 604) has suggested to replace the term with "*qualitativ orientierte kategoriengeleitete Textanalyse*" (quality-oriented category-guided text analysis).

- Deductive category application: in parallel to inductive category development, the researcher works on the development of theoretically derived categories and a coding scheme that guides the researcher in the coding of text and the assignment to categories. The categories and coding scheme are refined as the analysis progresses.

After both phases are concluded, a stable coding scheme and robust set of categories should have been derived. The rule-guided procedures throughout the approach increase the method's reliability (Yin 2014; Mayring 2014). These fit both with the data as well as with the research question and prior literature. What follows is a final pass through the text with this coding scheme and set of categories, ideally by multiple coders so that the internal validity of the coding scheme can be checked through inter-coder reliability calculation (Burla et al., 2008). The categories are ultimately analyzed both qualitatively and quantitatively. Within the wider research design, the results of this analysis can then be confronted with the original research question and the existing theories and lead to new theoretical insights. Essentially, Mayring's qualitative content analysis is a mixed methods approach: the process of assigning categories to text segments is a qualitative-interpretive activity that follows content-analytical rules, whereas the analysis of frequencies of categories is a quantitative activity (Mayring, 2014). The approach will be explained in more detail in parallel to its application in chapter 3.

### 1.6.3. Pilot-study, case studies and data collection

As argued earlier, this study fits best with an exploratory research design. To allow for exploration without staying overly broad (at the expense of depth and focus), refinement cycles at two levels have been included. The first refinement is at case study level, where a pilot study will take place, followed by a reflection and possible adjustment before collecting data for a larger set of case studies. The second refinement cycle is built into the data analysis method: Mayring's qualitative content analysis includes a progressive alignment of inductive category development and deductive category application, allowing the researcher to reflect on the analysis and conceptualization as it progresses. The case studies have been selected so that they cover a range of sponsorship events but a fair amount of similarity across context factors outside of the sponsorship involvement so data collected is reasonably comparable, offering a replication logic and allowing for cross-case comparison and analysis (Yin, 2014).

For this study, a research design involving multiple in-depth case studies across several events in the same country with a limited number of involved stakeholders is most appropriate, allowing a focus on ROSI issues in a more or less controlled environment. Following Yin's (2014) argumentation regarding replication logic, my design includes a pilot study and several main case studies, with comparable embedded units of analysis. Figure 1-2 shows the multiple case study research design for this study in more detail: a specific context, with a single pilot case, several main case studies and comparable units of analysis across the case studies (two sponsoring companies and the respective event-organizers as sponsee). This setup allows for a refinement between pilot and main case studies, as well as across-case analysis due to the comparable context and comparable embedded units of analysis.

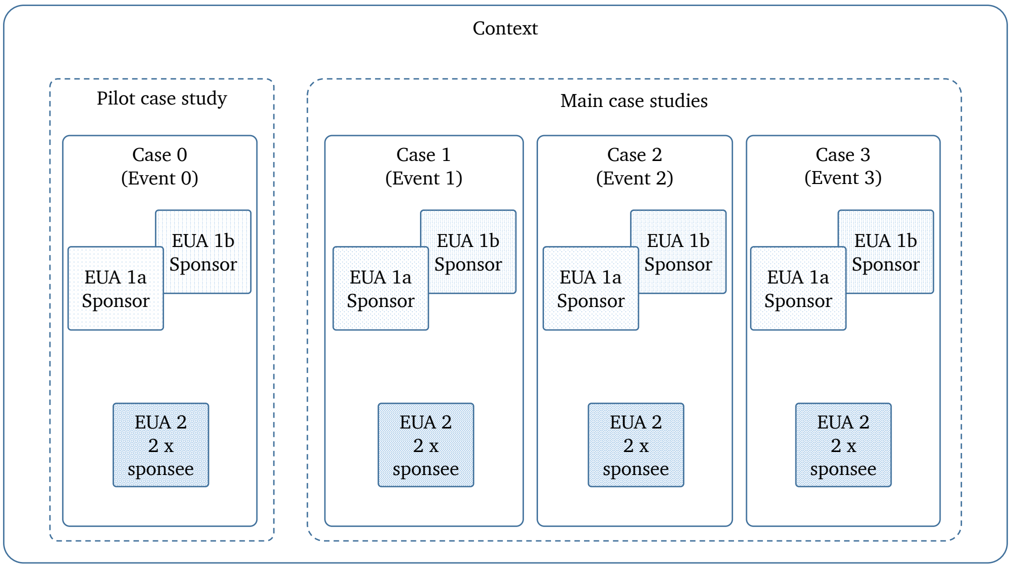


**Figure 1-2 Multiple case study research design**

To 'recruit' the case studies, several event organizers were approached with very established sponsorship platforms, including FIFA and the IOC (see section 1.2). The interviews and discussions and discussions at this stage, particularly with FIFA and the IOC, greatly helped to sharpen and further shape the research question. When diving deeper, in follow-up interviews, it became clear that despite initial enthusiasm to discuss these issues, the fact that both organizations are very much in the eye of the press and the general public, made it too difficult to get full access and a full understanding of the details and nuances needed for this study. Relationships with sponsors are often a sensitive issue that is not easily discussed with and understood by relative outsiders. I then turned to my own employer, Julius Baer. Due to its focus on partnership models in sponsorships, as well as excellent accessibility and my intimate familiarity with the situation as well as the stakeholders and the context, the initial interviews turned out to be much more insightful and full cooperation, also from other stakeholders in its sponsorship activities, was much easier to obtain. These advantages clearly outweighed possible issues such as researcher bias (discussed in detail in section 1.6.5) and the decision was made to focus on cases involving a major sponsorship role of Julius Baer, contributing to the comparable ‘context’ as argued for in Figure 1-2.

Julius Baer is the leading Swiss private bank and also one of the leading sponsors in the Swiss sponsorship scene. Furthermore, Julius Baer is particularly focused on partnership models in its sponsorship arrangements, being strongly involved in the events that it sponsors. This makes these events particularly suited for this study, as it allows us to look beyond one-sided economic evaluation models and include considerations such as charitable aspects: the bank focuses on social issues already since decades and these issues are an integral part of the corporate identity and corporate philosophy. According to statements by the Julius Baer Foundation, an organization closely tied to the bank, social-minded behavior in business plays an important role at Julius Baer. They argue that this is based on the assumption that “*a company’s multifaceted contributions to economic prosperity, social welfare and sustainability are increasingly important considerations for investors, shareholders, employees, clients and suppliers as well as for the public at large*” (Julius Baer Foundation, 2013, p.3). “*As the leading Swiss private banking group, Julius Baer feels itself deeply committed* *to CSR and tries to make a contribution to the lives of others in society through the work of the Julius Baer Foundation as well as through sponsoring. This has brought joy to those around us and to ourselves for many generations*" (ibid., p.3). Although charitable considerations are not the primary consideration in the evaluation of partnership models in sponsorship arrangements, this aspect makes it particularly easy to link the study to Porter and Kramer's shared value concept (2006, 2011), which, as mentioned earlier, has so far been mostly applied in a CSR setting. In this way this study builds upon rather than next to the insights of Porter and Kramer and places the results more closely to theirs.

For these reasons the present study mainly focuses on the sponsoring activities of Julius Baer. While controlling for variance in external factors allows for a clear focus on the essence of the research question, this same focus naturally implies generalizability issues; limited insights in sponsoring issues of different companies and across different business sectors. The implications of this trade-off will be explicitly discussed.

This study is largely based on in-depth interviews and (less prominent) document-collection to gather data, supplemented by direct observation to offer contextual knowledge. This method offers rich data on how the sponsorship process and the evaluation of its outcomes work, whether and how partnerships play a role, what steps the event organizer or company representative regards as important, and what factors affect the sponsorship commitment. To be open for different perspectives but still ensure the collection of data pertinent to different pre-selected concepts, semi-structured questionnaires were chosen. Interviews (particularly when you can record and transcribe them for subsequent analysis) are not only more suitable but also more efficient in retrieving specific as well as in-depth information than some other techniques, such as questionnaires designed for quantitative analysis (Bryman & Bell, 2011). However, only relying on interviews may lead to measurement errors, particularly common method bias (all data are collected in the same measurement context) which can occur as a result of interviewer characteristics, interviewer expectations and verbal peculiarities, as well as socially desirable responding (Podsakoff, MacKensey, Lee and Podsakoff, 2003). Relying on the answers of one or more individual experts, when the unit of analysis is the organization, can also lead to errors. Still, supplemented with direct observation and document analysis, the primary reliance on semi-structured interviews is the best way to conduct this study. In this case, the key informant, or expert, is the individual within either the sponsoring or sponsored organization responsible for the sponsorship management.

To eliminate or limit the errors mentioned above, various measures were taken. A semi-structured interview guideline has been constructed, which allows for open-ended questions as well as for probing follow-up questions, while also ensuring comparability of data across interviewees (Maxwell, 2005). The questions relate to the most important factors in each subject area as well as to the relationship between these areas. Probing and follow-up questions were constructed using either stepladder questions (whereby a simple question is asked, and then another question is asked about the response [Lavrakas, 2008]) or narrative interviewing (a form of interviewing that involves the generation of detailed ‘stories’ of a respondent's experience, rather than generalized descriptions [Riessman, 2006]). The interviews were recorded with the interviewee's prior approval. Recording was done to ensure that no data from the interview was lost and that analysis could be done according to the qualitative content analysis method of Mayring, as described in the previous section. The interviews were conducted in person whenever possible, and otherwise by telephone. The specific mode of communication is indicated in for each single interview. Data about the context of each sponsorship involvement, including information about the event and the history of its sponsorship involvements were also gathered from other sources in as far as available.

The core part of the interview guideline consists of questions concerning goals and objectives of the sponsorship as well as the measurement of the sposnosrship outcomes. The questions are asked in a logical sequence, which increases their salience and ease of understanding (Heberlein & Baumgartner, 1978). At different points throughout the interview, respondents were asked to provide additional information and encouraged to take the interview in different directions to add points they considered relevant.

### 1.6.4. Ethics

There are a number of ethical considerations that relate to the actions or competencies of the researcher. Within the context of the research process and the relationship between the researcher and the research subjects, the Academy of Management Code of Ethics (AOM, 2006) stresses three basic principles: (1) responsibility, (2) integrity, and (3) respect for people's rights and dignity.

For interacting with research partners, in our case principally the interviewees, this implies the requirement to avoid harm and to ensure informed consent. For this study, interviewees were briefed both orally and in writing about the data collection process, the use of data and the purpose of the research, and were asked to sign a written statement about this (informed consent). Their participation was completely voluntary, and at no stage were the interview partners coerced or forced to offer answers against their will. They were also told that, at any point, they could skip questions or withdraw altogether. The interview locations were chosen by the interviewee, both for their convenience as well as their comfort. In summary, this research follows ethical principles addressed by various codes, explicitly the AOM Code of Ethics (AOM, 2006), including the aforementioned principles as well as honesty, privacy and confidentiality.

### 1.6.5. Research design constraints and mitigation

Exploratory studies using a multiple case-study approach have inherent limitations, and although great effort has been taken to overcome these limitations where possible, this study cannot avoid them altogether. First of all there is a limitation to generalize from case studies. The case study, in its pure form, comprises of the detailed examination of a single example of a class of phenomena (Flyvbjerg, 2006), and generalizing from a single observation is not possible.

A second limitation is related to the fact that because case studies generate such rich data, there is a temptation to subsequently build theories or generate hypotheses that attempt to account fully for this richness, resulting in theories that are therefore overly complex (Eisenhardt, 1989). Good theories are parsimonious. Although this study does not aim to develop a new theory, it remains important to be aware that the very strength of the data collection method (rich and thick data descriptions) also implies a potential weakness. Being careful when considering implications of the findings is therefore very important.

A third limitation is related to a possible researcher bias. It can be argued that in the case of case study research, data are more 'generated' than 'collected', as data from the processes and activities studied in social phenomena (such as in this case: decision-making processes in sponsorship involvements) are not objective but are subject to interpretation and possibly to the researcher's preconceived notions (Flyvbjerg, 2006). This problem looms for all types of scientific inquiry, but arguably more for qualitative methods such as qualitative content analysis and the case study approach. Countering this critique, Flyvbjerg (2006), and others have "*shown that the critique is fallacious, because the case study has its own rigor, different to be sure, but no less strict than the rigor of quantitative methods*" (Flyvbjerg, 2006, p. 234–235). In addition to using rigorous methods for data collection and analysis, an additional way to overcome the researcher bias limitations is to use teams of researchers to collect data, which unfortunately was not an option in my research.

A fourth limitation, related to the possible researcher bias mentioned in the previous paragraph, concerns the (lack of) distance between the researcher and the case study: the selected case studies all involve the company where I currently work, Julius Baer, and its sponsorship involvements. Coghlan (2001), Brannick and Coghlan (2007), as well as Coghlan and Brannick (2014), refer to this as 'insider academic research', as 'being native', or as having a 'dual researcher-manager role'. The authors note the great advantages of this, but also point out challenges, relating this to three different areas: 'pre-understanding', 'role duality' and 'organizational politics':

- Pre-understanding: Among the advantages an 'inside researcher' has, are a pre-understanding of both theory about organizational dynamics as well as about the 'lived experience of the own organization' (Coghlan 2001, p. 51). This relates to knowledge about everyday life in the organization, everyday jargon, and about legitimate and taboo phenomena to discuss. 'Insider researchers' also know what occupies colleagues' minds, how the informal organization works, who to turn to for facts and gossip, integrate their own experience when asking questions or interviewing, fully understand replies (and know what is real and what is window-dressing) and know how and where to follow up to collect even richer data. At the same time, this proximity to the data has disadvantages. As Coghlan (ibid.) notes, inside researchers may assume too much and think they know the answer and probe less deep or not expose the replies to different interpretation frames. This is related to the confirmation bias, the tendency of people to seek or interpret information in ways that are partial to existing beliefs, a term widely used in the psychology literature and going back to at least the works of Francis Bacon in the 1600s (Nickerson, 1998). Arguably this 'confirmation bias' limitation equally holds for external researchers, as discussed above, but it is a limitation nevertheless.

- Role duality: Being both a researcher and colleague can be difficult, awkward or confusing, and cause role conflicts, where researchers "*find themselves caught between loyalty tugs, behavioral claims and identification dilemmas*" (Coghlan, 2001, p. 51–52).

This can affect interviewees to be either more open or more restrictive in sharing data.

- Organizational politics: this last aspect is particularly related to action research, where the researcher (or in this case the manager-researcher) does not only observe but also aims to contribute with the 'client' beyond the diagnosis of a problem to the development of a solution (ibid.; Bryman & Bell, 2011). Interventions invariably involve organizational politics, requiring researcher-managers to be "*political entrepreneurs*" (Coghlan, 2001).

A fifth and final limitation concerns different forms of *response bias*, such as the possibility that interviewees may offer socially desirable or ‘politically correct’ answers, avoiding unpleasant topics or (in)direct critique or dissatisfaction, attempting to ‘rewrite history’ in their answers in order to appear more favorable, or use the interview to send out messages that may influence the interviewer, other interviewees or the results of the study. This type of bias may either be unconsciously or on purpose (King & Bruner, 2000). The dual researcher-manager role discussed earlier may contribute to this response bias, but at the same time the familiarity and involvement of the interviewer will help to detect the bias and interviewees may well understand that they cannot get away with an untruthful or incomplete response. This threat to validity can partly be overcome through triangulation, where data are collected and checked through multiple sources (Yin, 2014).

As Coghlan and Brannick (2014) point out, awareness of the above challenges, and the development of a critical reflective attitude, are key elements of dealing with them. Additionally, where possible, I have attempted to address these limitations through the selection of Mayring's qualitative content analysis method that requires a full transcription of interviews and a careful, objectified and controllable analysis of the data.

The research design for this study attempts to balance the strengths and weaknesses of various research design options. In addition, the availability of data played a role, including the effort involved in building up a position of familiarity and trust to gain access to data. The result is a selection of multiple case studies all involving (among other stakeholders) a single sponsoring organization, Julius Baer, with a pilot case study and three follow-up case studies covering a range of events across Switzerland. Selecting multiple case studies all involving the same company (as well as, again, others) implies limitations regarding generalizability. On the other hand, single company studies provide deeper insights and a better understanding and 'control' of the context (i.e., the context is largely identical across the case studies) and offers better insight how a given sponsorship policy is implemented in the real world sponsorship activities of the company and how the ROSI is measured by the responsible managers across specific sponsorship commitments.

## 1.7. Thesis outline

This first chapter introduced the research context, elaborates on the relevance of the topic, and outlines the research question that guides this study. The research question is placed within the current literature and academic debate, and its intended contribution and innovation points are highlighted. Furthermore, it describes the research approach as well as the main limitations of the chosen research design, data collection method and the choice of case studies.

The remainder of this thesis is divided into a part that builds up the theoretical framework, a part that focuses on the empirical investigation and lastly the discussion of the findings.

Chapter 2 extends the literature review to offer a broader picture of sponsorship involvement motives and the associated decision processes. This places the research question in its context, which is crucial for the research approach chosen. Building on the literature review in the first chapter, this then leads to the formulation of the interview guideline and the questions for the pilot case study.

Chapter 3 is dedicated to the pilot study. In a first step, the methodological approach as well as the background of the main sponsor and the sponsee of the pilot case is described. In a second step the pilot case is presented and the content analysis is performed.

Chapter 4 provides the case presentation and case analysis of the three different sponsored events taking into account the reasoning from the pilot study. The methodological approach corresponds to the approach described in chapter 3.

Chapter 5 provides the discussion of the results of both the pilot study as well as of the cases analyzed in chapter 4, a summary of the findings and reflections on and limitations of the implications of the results for practice and future research.