Understanding sponsorship involvement outcomes in partnership models

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

2. Theoretical exploration

This chapter builds on the review of significant prior research in the first chapter, a section that underlies the research question. Specifically, this second chapter offers a richer picture of the literature on motives and decision-making processes surrounding sponsorship involvements. The exploratory case study research approach selected for this study, with Mayring's qualitative content analysis method for data collection as well as analysis, explicitly requires that the context of the research subject studied is taken into account. Combining the theories and concepts selected in chapter 1 (including the shared value approach) with this broader context then leads to the formulation of the interview guideline and the questions for the pilot case study.

2.1. Changing definitions of sponsorship

Many definitions of sponsorship exist, and their diversity today and the changes over the years reflect both the inter-disciplinary nature of this area as well as new insights and developments. So far I have only implicitly defined the term, and it is important to not only be more precise but also show the context of my choice for a definition.

The roots of sponsorship are commonly traced back to the Roman Gaius Clinius Maecenas, who lived from 70 BC to 8 BC in Rome and achieved immense wealth throughout his life. As a diplomat and politician he also achieved influence, particularly as friend and advisor of Octavian who eventually became Augustus, the first Roman Emperor. Today, Maecenas is best known for the generous financial support he gave during his lifetime to a number of talented artists including the poets Horace and Virgil. By offering them financial security, Maecenas enabled these poets to devote their lives to lyrical verse and to experiment with new literary forms. It is arguable whether Maecenas' financial support had any ulterior motives, but today, in many languages, his name has become synonymous for "*a generous Patron of the Arts*" or "*cultural benefactor*" and stands for the selfless, purely altruistic support of causes such as the arts, medical or other research or community matters (Drees 1989; Dischinger 1992).

It is important to note that, by today's definitions, Maecenas was not a sponsor: his activities would now be considered philanthropy or patronage, both of which are based on charitable activities where exclusively altruistic motives are assumed, without any other motives for the financial involvement of the giving person or company (Javalgi, et al. 1994). But support of the arts was not the only form of '*sponsorship*' known in ancient Rome: gladiatorial games were also supported financially by wealthy individuals and in this case the motives were clearly not akin to patronage or philanthropy, but rather to gain popularity and '*buy*' votes as well as to increase the standing of one's family. The person supporting the gladiatorial games was called the Munerarius, and by today's standards this person would clearly be an event-sponsor. Gladiatorial games were fought in part by gladiators (slaves), but gladiators who had been granted freedom could continue to fight under contract of a sponsor, in which case they would be called Rudiarius. By the end of the Roman Republic Julius Caesar had so many Rudiarii under contract that the Senate -fearing individuals would have private armies at their disposal- passed a law limiting them to having no more than 640 gladiators or ruduarii (Dunkle, 2013).

Some, including Cambridge professor of classics Beard, go back further than ancient Rome in tracing the origins of sponsorship, by pointing to the ancient Olympic Games in Greece, by many perceived as the archetype of amateur sportsmanship. Not so, Beard points out: not only were athletes rewarded for their victories by their hometowns (tax exemptions, free meals for life), but also "some of the most prestigious wreaths of victory went not to the athletes themselves but to men whom we would call '*sponsors*' " (Beard, 2012). As she explains, the most important event of the Games was the chariot race, where the official winner was the person who had funded and paid for the training of the charioteer who first crossed the finish line rather than the charioteer himself (or herself, as this was the only discipline in the ancient Olympic Games where women could -and did- participate and win). Often the sponsor was a wealthy individual, but also states acted as such: in 590 BC the state of Greece sponsored athletes in the Olympic Games (Harris, 1964).

As Walliser (2003) points out, there is no generally accepted definition of sponsorship, and definitions depend in large part on how sponsorship is positioned within the sponsoring entity. The American Marketing Association (AMA) positions sponsorship as part of an integrated set of marketing activities, but with a rather narrow scope: sponsorship in their view is a form of "*advertising that seeks to establish a deeper association and integration between an advertiser and a publisher, often involving coordinated beyond-the-banner placements*" (AMA, 2016). Cliffe and Motion (2005) add some nuance by viewing sponsorship as an advertising medium that differs from other more traditional marketing channels: it is a way for an enterprise to differentiate itself from its competitors, as well as impact consumers through brand awareness and brand image, something traditional marketing channels cannot achieve in the same way (O'Reilly & Madill, 2012; Erdogan & Kitchen, 1998). Henseler, Wilson and Westberg (2011) concur, stressing that "*sponsorship has become a popular instrument for management of brand image, brand personality and brand equity in several industries*". According to Meenaghan (2001), sponsorship is: "*a financial or material investment in an activity, a person or an event, and having as benefits the access of the investor (sponsor) to a potential 'image lifting' associated to the activity, the people or to the event*". Additionally, sponsorship can offer benefits such as organizational promotion and lead to sales increase (Tomasini, Frye & Stotlar, 2004).

Fahy, Farrelly and Quester (2004) abstract from the advertising focus and offer a broad view by considering sponsorship as "*a strategic activity with the potential to generate a sustainable competitive advantage in the* *marketplace*", and placing it very generally in the marketing domain (ibid., p 1013). Sponsorship can also be seen as a strategic B2B relationship between a sponsor and sponsee (be it an event, a group or an individual) for mutual benefit, as evidenced by the views of Farelly and Quester (2005) and Henseler, Wilson and Westberg (2011). From their point of view, sponsorship is a mutual investment between the sponsor and the sponsee in order to achieve their respective strategic goals (ibid.). This view emphasizes the contractual perspective that is often neglected in other definitions of sponsorship. Bruhn and Mehlinger (1999) discuss the great importance of this aspect in more detail.

As the starting point of this study I adopt a definition proposed by IEG, defining sponsorship as "*a cash and/or in-kind fee paid to a property (typically of sports, entertainment, non-profit event or organization) in return for access to the exploitable commercial potential associated with that property*" (IEG 2013; first described in the IEG Glossary 2001). This definition of sponsorship is now widely used because of its applicability to both practitioners and academics (Cornwell & Roy, 2003). Examples of very similar definitions include Kitchen (2008) as well as Sirgy, Lee, Johar and Tidwell (2008), who define sponsorship as a firm's provision of assistance - either financially or in a different way- to an activity for achieving commercial objectives. Cornwell (2005) summarizes the common elements: sponsorship is characterized by a sponsor, for instance an enterprise, providing cash and/or other cash-value benefits in exchange for access to (and use of) commercial value of the sponsored entity.

2.2. Sponsorship in a marketing context

As outlined in the previous section, sponsorship is generally perceived as one of the marketing '*instruments*', specifically part of a company's promotion strategy. Within the promotion category, sponsorship is most similar to advertising and to public relations, and typically employed to promote at the brand level (Kotler & Armstrong, 2013). To position it more carefully and understand its context, it is important to distinguish sponsorship more sharply from advertising as well as from public relations. In general, all three activities are part of a company's marketing communication strategy, sharing objectives such as improving the brand awareness or giving a certain image to a brand.

- Advertising is "any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified [entity]" (Kotler & Armstrong, 2013, p. 673). Advertising is a '*means*' to achieve specific objectives. Advertising is targeted through the selection of advertising media or channels, and usually follows a direct approach, with the advertiser determining the exact contents of the advertisement that is explicitly identified as such (a dedicated time block on TV, a clearly identified part of a print media page or web site, etc.). In some instances, advertisements are mixed with editorial contents, such as in '*advertorials*' where an advertisement takes on the form of editorial content.

- Public relations (PR) involves "*building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events*" (Kotler & Armstrong, 2013, p. 679).
- Sponsorship, defined in the previous section as "*a cash and/or in-kind fee paid to a property (typically of sports, entertainment, non-profit event or organization) in return for access to the exploitable commercial potential associated with that property*" typically involves activities that are not part of the usual business of the enterprise (Cliffe & Motion, 2005; Erdogan & Kitchen, 1998). Sponsorship messages differ in tone and voice from advertising messages that "*are generally more direct, explicit and can be more easily controlled*" (Walliser, 2003, p.9). The lack of control here refers to the sponsee who acts as intermediary and is to a significant degree not under the control of the sponsor. Sponsorship also differs from advertising in reach and scope, reaching audiences that sometimes cannot be reached with advertising.

Next to advertising and PR, another term that is very close to sponsorship is celebrity endorsement or celebrity endorsement advertising. Both strategies have been recognized as a "*ubiquitous feature of modern day* *marketing*" (Keller, 2009). A celebrity endorser is understood as a person with 'celebrity status' (public recognition for specific expertise or achievements in a field like sports, entertainment or arts) who uses this recognition on behalf of a consumer product by appearing with it in an advertisement (Erdogan, 1999). In today's marketplace, appearance in (social) media including red carpet events, blogs or films should be added to this definition. In addition, celebrity endorsements can also be connected to professional services or other non-consumer goods, such as the association between Tiger Woods and Accenture from 2003–2009 (discussed in more detail below). The terms sponsorship and celebrity endorsement are widely used synonymously (Peter & Donnelly, 2010) and both understood as "*providing support for and associating the organization's name with events, programs, or people*" (ibid.); for instance athletes and artists. Corporations use both sponsorship and celebrity endorsement as ways to increase exposure and improve brand awareness, as well as to transfer perceived qualities of the endorser to the endorsed product or service to favorably influence their image.

Celebrity endorsement can be very effective (Ding, Molchanov & Stork, 2011), but also carry great risks. Biswas, Hussain and O'Donnell (2009) point out that the reasons for recalling celebrities -such as popularity, status, physical attractivenss and glamor or likeability as well as recall value or familiarity of the celebrity- can suddenly change, resulting in potentially massive impact on the enterprise's image. If there are any, from the sponsor's perspective, unforeseeable events affecting the image of the sponsee, sponsors tend to end their association or, at least temporarily, to interrupt celebrity advertisement campaigns. This is not a '*rule*'; some organizations do just the opposite, signaling that they stick with '*their*' celebrity even trough scandals.

A case in point is the professional golf player Tiger Woods, who earned $100 million through celebrity endorsement contracts in 2009, an amount far greater than any other athlete (Knittel & Stango, 2013). When, in late 2009, his image as '*good guy*' was devastated after a car accident triggered a series of news reports revealing a personal life filled with serial infidelity, sponsors reacted very differently. Companies including Accenture, ATT, Gatorade (PepsiCo), Gillette (Procter & Gamble) as well as Tag Heuer dropped him and terminated their contracts. Other –sports-related– companies like Nike and game producer Electronic Arts, however, continued to sponsor him, arguing that he cheated in his marriage and not in his sport (Kalb, 2013). Nike followed up with an advertisement showing a remorseful Tiger being lectured to by the voice of his deceased father. When, several years later, Tiger returned to the top as a golfer, Nike created ads featuring the golfer with the tagline "*Winning takes care of everything*" (ibid.). Still, Nike reacted differently after Oscar Pistorius, also under contract with Nike, was charged in 2013 with murder: Nike –as well as other sponsors– immediately suspended its contract and stopped advertising campaigns (Clarke, 2013).

Celebrities can be particularly helpful for a marketing campaign in promoting a brand or boosting brand awareness during a product launch or to create visibility in an over-cluttered advertising landscape (Charbonneau and Garland 2010). According to Stone, Joseph and Jones (2003), celebrities are particularly effective when they endorse products that have contributed to their own success, like specific sports equipment for athletes or a piano for pianists. Pope, Voges and Brown (2009) believe that success does not necessarily matter if the targeted audience supports their idols regardless if they win or lose and performance and brand quality are not closely linked from the customer's perspective. Seno and Lukas (2007) demonstrate that the integration of celebrity endorsement into a promotion program reinforces the perceived association between the celebrity and the endorsed brand, service or product.

According to most researchers, the fit between endorser or, in general, any endorsed event and the sponsor is critical. If the fit is missing or not logical, the campaign will likely be critiqued or even ridiculed, and the endorser as well as the sponsor both will lose credibility and suffer reputation damage (Biswas, Hussain & O'Donnell, 2009; Hein, 2009).

2.3. Sponsorship in a strategy context

Amis, Slack and Berrett (1999) point out that companies that are successful in sponsoring understand their sponsorship initiatives as a strategic resource. This resource, they argue, has to be developed into a distinctive competence in order to achieve sustainable competitive advantage. For sponsorship to be of strategic value, a company's sponsorship program must be one element of an integrated communication strategy, implemented in its interaction with the sponsored organization (Walliser, 2003; Kuzma & Kuzma, 2009; Cunningham et al. 2009). According to Urriolagoitia and Planellas (2007), such a sponsorship strategy should contain various components (see also Collett & Fenton, 2011). Specifically, the sponsorship strategy should formulate the role of the company's sponsorship, linked to the overall marketing and communication strategy; the desired objectives and target audiences; the focus on types, themes and areas of sponsorship activities; systems and tools for management of the sponsorship activities; the budget; implementation and communication plans; and lastly plans for evaluation and review.

Similarly, Araújo (2011) lists nine components considered essential for the development of an effective sponsorship strategy: "*connection to the business; alignment with the brand; relevance to stakeholders; internal involvement; clarity, focus and positioning; proper activation; reliable partnerships; measurement of results; and long-term vision.*" Araújo notes that after the deployment of a sponsorship strategy, sponsors can also structure programs or platforms in order to organize all the sponsorships, ensuring the perspective of focus and long-term vision. A crucial issue is the implementation of sponsorship plans in the marketing mix (Walshe, 2008) ensuring that the different marketing activities are consistent (cf. Kuzma & Kuzma, 2009; Collett & Fenton 2011).

In section 1.1 I discussed the size ($57,5 billion) and growth rate (4–5%) of the global sponsorship market (cf. IEG, 2015). Many researchers have investigated the economic size of sponsorship activities. According to Nickell, Cornwell and Johnston (2011) worldwide sponsorship investments grew from $0.5 billion in 1982 to $48,6 billion in 2011. A close look at the numbers shows that sponsorship is not dependent on the general economic situation: even during periods of economic uncertainty such as after the financial crisis 2007/2008 and the current unstable situation still lasting in some economies, sponsorship has not stopped growing (Alexander, 2009, IEG 2016). One reason for this might be that companies particularly in economically difficult periods try to get the attention of their clients to compensate slowing propensity to consume as a result of cooling economies in economic crises (IEG, 2013).

The total cost of sponsorships (excluding philanthropic contributions and any activation expenses incurred to leverage the sponsorship, like advertising, promotion and client hospitality) is far higher than the direct expenses associated with the initial sponsorship investment or acquisition of sponsorship rights (Cornwell, 2008; Ukman, 2010). Kuzma and Kuzma (2009) state that the industry norm for the additional investment is (at least) equal to the initial amount, and that this extra investment is essential to help generate additional value for the sponsoring entities. As Quester and

Thompson (2001) point out, sponsorship effectiveness is directly related to the activation efforts: the additional advertising and promotional activities and expenditure. Accordingly, many sponsors spend several times the property rights fee on activation.

Different factors contribute to the growth in sponsorship investments (Arens, Weigold and Arens, 2008; Collett and Fenton, 2011; Cornwell and Maignan, 1998; Kuzma and Kuzma, 2009; Quester and Thompson 2001; Ukman, 2010):

- The increasing importance of brands in the market, and the need to build and convey a '*brand image*';
- The decreasing effectiveness and the growing costs of reaching the target group through traditional media, as well as the fact that overexposure to traditional media creates too much 'clutter' and 'noise' and has led to '*supersatured*' consumers;
- The ability of sponsorship to target particular consumer segments and to closely link message and medium;
- The growing fragmentation of traditional mass markets and mass media;
- The technological revolution, particularly the widespread use of Internet communication and the resulting need for increased customer engagement and two-way communication;

- The high consumer acceptance of sponsorship, combined with the fact that consumers are more and more interested in entertainment, sports and the arts;
- The growing interest or even pressure of (prospective) customers and other stakeholders in how companies view or act regarding social or societal issues (child labor, the environment, etc.), as a consequence of higher consumer engagement in a more socially active and critical society.

This last factor specifically links sponsorship to cause-related marketing and to CSR. However, it still falls short of Porter and Kramer's (2002) ideas of "*truly strategic*" sponsorship or philanthropy, or their later ideas on linking CSR and competitive advantage and on creating shared value (Porter & Kramer, 2006, 2011). As Porter and Kramer point out, companies typically connect to social causes to generate goodwill and positive publicity (and boost employee morale) rather than achieve social impact. The desired benefit of enhanced goodwill fits with the cause-related marketing approach, and it links sponsorship to marketing and communication strategies rather than to a company's overall strategy and its ability to compete. In that sense, Porter and Kramer imply that sponsorship, particularly when related to a socially desirable cause, should not be the domain of marketing and communications strategies but form an integral part of the overall strategy. The strategy context, therefore, should be explicitly addressed when considering the return on sponsorship development, not as a straightforward alignment process between marketing and strategy but as a core strategy issue. In section 2.7, where the partnership context is addressed, I will discuss this in more detail.

A more recent development is corporate sponsorship of a cause. Cornwell and Coote (2005) trace the rise of this phenomenon back to the mid 1990's, and its origins to the 1980's. Where cause-related marketing describes the practice where firms contribute money to a specified cause when consumers buy a product or service (such as Visa making a donation to the US Olympic team for every purchase made with a Visa card), corporate sponsorship of causes works differently. With sponsorship of causes, the sponsorship or donation comes first, and after that there is the expectation that the consumer attitude improvement or change in (purchase) behavior will follow. Although sponsorship of causes can target different objectives, a positive change in brand equity, particularly through image transfer, is usually the main objective (Cornwell and Coote, 2005). Sponsorship objectives are discussed in more detail in section 2.6.

2.4. Sponsorship maturity stages

To understand the decision-making processes involved in the creation and execution of a sponsorship involvement, it is important to know both the development of a typical sponsorship involvement over time, as well as the maturity of sponsorship as an item on the decision-making agenda. With regard to maturity: in Europe (where our case studies are situated), sponsorship -in today's understanding- established itself in the early to mid-1980s (Shanklin & Kuzma, 1992). Subsequently, it developed steadily over the following years (Cornwell & Maignan, 1998) leading to its current status as a well-established and relatively common part of the marketing and communication mix (Lings & Owen, 2007; Kuzma & Kuzma 2009; Cunningham, Cornwell & Coote, 2009). Today, within as well as outside Europe, it is considered as the marketing tool with the highest growth (Ukman, 2010; Arens, Weigold & Arens, 2008; IEG, 2013).

The observation that thinking about sponsorship matures at a national or industry level, as experience grows, also applies to the individual firm. Johnston (2008, 2010) distinguishes between the following stages that companies typically pass through sequentially:

- In the first stage there is just the fact that a donor gives money to a sponsored event or person, mostly influenced by the CEO's need for "*ego gratification*" and their personal attraction to or interest in a specific activity (Johnston, 2010). This is comparable to the typical 'charitable contributions' described in the discussion of CSR in section 1.4.3. In these cases, sponsorship is close to patronage or philanthropy, depending on the extent the donor is pointing out the fact that he is giving (Schwaiger et al. 2010).
- In the second stage, specific goals are developed by the sponsor, and they become more open to proposals that offer additional benefits and a better fit with the desired brand attributes or

corporate values (Schwaiger et al. 2010). This compares to the earlier discussion of cause-related marketing.

- In the third stage, the company takes a strategic perspective on sponsorship and develops a sponsorship policy that is connected to or forms an integral part of its marketing strategy, as well as the company's general external presentation (Kuzma & Kuzma 2009; Poon & Prendergast, 2006; Johnston, 2010). In this stage, companies are often highly involved in the process of sponsorship, exerting more and more influence on the sponsored event or the media exposure of the sponsored person (Johnston, 2010). Although neither Johnston (210) nor Schwaiger et al. (2010) include partnership models as part of this most mature stage, there are clearly similarities.

A special situation arises when companies do not search, select and choose a sponsorship involvement, but rather create the object they want to sponsor. Emblematic for this development is for instance Red Bull, creating events in non-traditional or even self-invented categories such as the Red Bull Crashed Ice event or Red Bull Flying Bach, which combines breakdance and Bach. Red Bull has also created the Red Bull Media House that combines TV, print, online and music (Kotler & Armstrong, 2013). Although the Red Bull example is a-typical, it does illustrate the broad spectrum of sponsorship process involvement that is currently visible.

2.5. Sponsorship decision-making processes

The previous section discussed the stages that companies (and industries and countries) go through as their thinking about sponsorship matures. As the maturity increases, the decision-making processes also tend to become more formalized. In the second, and definitely in the third stage of maturity, organizational decision-making processes regarding sponsorships typically follow a series of steps (cf. Arthur, Scott & Woods, 1997, Schwaiger et al., 2010, Johnston, 2008):

- Needs assessment: this includes the earlier described setting and review of the strategy, objectives and evaluation criteria of the sponsorship in the context of the marketing and communication mix as well as in the overall strategic context;
- Acquisition: it is common that organizations receive many unsolicited sponsorship proposals, sometimes hundreds or even thousands per year (Copeland & McCarville, 1994). A reactive approach (common for organizations in the first or second maturity stage) is to initiate no acquisition beyond these unsolicited proposals. A proactive approach implies active solicitation of proposals, through either a closed or public bidding or by directly approaching a sponsorship object or even creating this object (such as an event);
- Selection: In this step, proposals are screened and evaluated by a '*buying center*', which includes gatekeepers, influencers, deciders

and buyers (Arthur, Scott & Woods, 1997), in principle based on the objectives and criteria from the needs assessment step, although, as mentioned earlier, personal likes and dislikes of the (ultimate) decision-makers tend to play an important role (Cornwell, 2008; Thjømøe et al., 2002). Several authors have done survey research into the most important objectives and criteria used in the selection process: this will be discussed below;

- Execution: once a contract runs, decisions involve day-to-day adjustments or reactions to minor or major deviations from what was planned. In extreme cases this can involve crisis management and legal actions;
- Evaluation: periodically, or when a contract is up for renewal or has expired, the sponsorship involvement will be evaluated.

It is important to note that the above decision-making process describes the sponsor side. Entities that seek sponsorships follow a process that in part mirrors this process, but it also has other aspects. In essence, the sponsor follows what is closest to a buying process, and the sponsee follows a process that is more akin to a sales process, even if we see the result as a partnership. Arthur, Scott and Woods (1997) explicitly analyze the sponsorship decision making as a purchasing process, showing how purchasing concepts such as the buying grid help understand the involvement of different stakeholders depending on the newness of the purchase decision. Some of this goes back to work by Webster and Wind

(1972), who differentiate between the aforementioned '*buying center roles*': users, gatekeepers, influencers, deciders and buyers.

To better understand organizational decision-making processing concerning sponsorship, researchers have employed various approaches, including interviews and surveys. Of particular interest are two publications by Johnston (2008, 2010). As part of her first study, Johnston performed a content analysis of the sponsorship guidelines and policies of 298 globally, nationally or locally active firms, all based in Australia. Although these guidelines and policies were collected from public sources, and hence may not give a full and fully accurate description of the way managers deliberate, consider, and act when they evaluate a sponsorship opportunity for the first time (which was Johnston's aim), this still yields very interesting insights. Using text analysis software she performed a linguistic analysis of the aforementioned documents, which revealed six major attributes. These were: the type/domain of the sponsored entity; the sponsorship amount (rights fee); the extent to which the sponsorship is expected to reach the brand marketing objectives; the prospects for brand exposure; the fit in terms of values between sponsor and sponsee; and its geographic reach.

When evaluating the findings from Johnston's sponsorship policy study, it is important to note several biases or limitations. Firstly, not every company has a sponsorship policy available on their web site. Cunningham, Cornwell and Coote (2009) found that only 146 of the Fortune 500 companies (29,2%) had this available, and it is likely that this percentage may even be lower when it concerns smaller companies. Secondly, the published policies may not be representative of practices by the larger population, as having a policy and publishing it may well be a sign of '*sponsorship maturity*' that is not representative of the population. Thirdly, the published policies may not fully accurately describe the actual decision-making processes at those companies, but serve (in part) to channel and deter the many sponsorship requests large companies often receive.

Where Johnston's first study looked mostly at the identification of the most important attributes of sponsorship opportunities (i.e., why certain choices are made), her second study explored how the process is structured and how perceptions of risk influence this, by asking sponsorship experts to describe and rationalize the decision-making process. This study was based on in-depth interviews with 16 sponsors and 20 sponsees. Her findings confirmed those of her first study, but more emphasis was placed on the length of the sponsorship contract, the reputation and sponsorship management ability of sponsor as well as sponsee, and on the level of shared involvement as part of the sponsorship, and less emphasis on shared values as well as geographic reach. Risk assessment and mitigation strategies were typically used as well.

It is important to note that the above described decision-making process studies, including those by Johnston, all assume a rational approach of the decision maker or decision-makers. This assumption is likely to be confirmed when studying published guidelines and policies, or formally interviewing sponsors and properties and asking them to rank attributes, as Johnston did in her studies. As a result, the extent to which decision-making processes rely on the personal likes and dislikes of the ultimate decision makers will not be fully revealed (see section 1.2; Cornwell, 2008; Arthur et al. 1997). One may argue that these more personal and emotional aspects will decrease in importance as ideas and practices regarding sponsorship mature over time (see section 2.4) also because organizations are increasingly under pressure to account for their decisions towards shareholders and other parties. However, it is unlikely that these decision-making process studies, with their underlying rational assumptions, reveal the complete picture. It is therefore important for this study to probe beyond formal policies and statements, also when looking at partnership models.

2.6. Sponsorship objectives

Hamel and Prahalad (1989) view the objectives of a company as constituting their strategic intent, and this applies equally to sponsorship objectives. As explained in section 2.1–2.3, sponsorship is typically viewed and defined as a marketing and communication tool —more specifically, as part of promotion— and correspondingly the sponsorship objectives are normally a subset of the overarching marketing objectives.

Walraven, Koning and Van Bottenburg (2012) (see also Walraven, 2013) present a literature review of marketing objectives of sponsorship, offering the following four main objectives (drawing on Cornwell, 1995 and Meenaghan, 2005):

- The main objective for most sponsorships is the creation of customer-based brand equity, defined by Kotler and Armstrong (2013, p 673) as "*the differential effect that knowing the brand name has on customer response to the product or its marketing.*" Cornwell, Weeks and Roy (2005), in an earlier review article focusing on how individuals process sponsorship-linked marketing communications, distinguish between "*cognitive outcome factors (awareness and image); affective outcomes (liking and preference); and behavioral outcomes (purchase intent, purchase commitment and the actual purchase).*" Kourovskaia and Meenaghan's (2013) ROSI model discussed in section 1.4.1 is fully aimed at this aspect (they refer to it as brand value), although they also link this to shareholder value (discussed below).

  A large part of the ability of sponsorships to build brand value depends on the mental link which the target audience makes between the sponsor and sponsee (Meenaghan 1999). Improving or consolidating the brand image through transfer of information is another important objective of sponsorship (Keller, 2003; Cornwell et al. 2005): this image transfer occurs in both directions between sponsor and sponsee. Accordingly, sponsors therefore must be careful whom they are sponsoring; particularly as far as celebrity endorsement is concerned. Similarly, sponsees may have very strong associations with particular attributes. For instance, sports such as polo and golf, or cultural events such as the Salzburg festival have a reputation of being elitist. Sponsoring such an event will possibly transfer (or strengthen) this 'elitist' image to the sponsor (Aaker and Joachimsthaler 2000; Schwaigher et al., 2010). Pope et al. (2009) found that more in general, sponsorship has a positive effect on the perception of a brand's quality and image. According to the authors, products that are objectively inferior to those of their competitors can actually appear as superior when pitched to consumers by a high profile celebrity. In the discussion of sponsorship definitions in section 2.1, the origins of sponsorship were traced back to the Roman Empire and the ancient Olympic games. Sponsorship in those days was either aimed at the arts or sports, and throughout history these two areas, and particularly sports, have remained dominant. Sports can offer a broad direct as well as media exposure with significant impact due to its ability to evoke emotions, and sports offer flexibility to use this exposure across a range of communication methods. In addition sports can offer sport heroes as subject of identification, offering an even stronger potential impact (Quester and Thompson 2001). Sports can also reach audiences that are typically more difficult to reach through traditional communication channels, such as young male consumers (ibid.). Not surprisingly, more than 70% of all sponsorship spending is directed at sports events (Kitchen and Moss 1995; Crompton, 2004; Verity, 2002; IEG, 2013; see also section 1.1);

- Strengthening relations with employees: this objective is related to internal marketing and internal branding, aimed at ensuring that employees are engaged and satisfied and therefore possibly more motivated to achieve corporate goals. In addition, employees have a significant influence on how a brand is perceived by customers and other stakeholders, and how the "*brand promise is transformed by employees into reality*" (Punjaisri & Wilson, 2011, p. 1523). For example, Deloitte sponsored ParalympicsGB in Great Britain and engaged 2500 staff volunteering time and effort to support disability sport, measuring its success in part by asking whether its employees were proud (95%: '*yes*') of its support of disability sport. Farrelly, Greyser and Rogan (2012) refer to this activity as SLIM (Sponsorship Linked Internal Marketing);
- Building relationships with customers and other stakeholders: hospitality activities surrounding sponsored events in business-to-business contexts are an important sponsorship application, aimed at enhancing customer (or prospect) trust, commitment and feelings of gratitude, potentially leading to reciprocal behaviors

(Walraven et al. remark that this area lacks clear research findings). Fans of a sponsored property may also value the sponsor's support, although this aspect is more related to an increase in customer-based brand equity described above;

- Shareholder value: as tempting as it is to measure sponsorship returns by investigating their effect on stock prices, this area is wrought with measurement problems, and studies investigating this generate mixed results. Interestingly, the reverse relation is more clear: in the case of competition sports, the performance of the sponsored entity (team or individual) is positively related to the stock price increase at the moment of the sponsorship announcement (a moment where less measurement problems occur), particularly when there is a good perceived sponsorship fit. In other words: when investors see a good 'fit' and the company stock is reacting well, this boosts the performance of the sponsee.

Where the above objectives are all marketing or finance related, Pope (1998) uses the broader framework of Sandler and Shani (1993) in his categorization of sponsorship objectives of corporations:

- *Corporate objectives*, including public perception and awareness, corporate image, community involvement, financial relations, improving relations with clients, government and employees, and competitive advantage;

- *Marketing objectives*, including improved customer relations, reaching the target audience, branding, increased sales and sampling opportunities;
- *Media objectives*, including the ability to improve visibility or generate publicity, improve and better target advertising campaigns; and lastly
- *Personal objectives*, meaning satisfaction of personal management interests.

In addition to looking at the objectives of the sponsoring company, several authors (including Burton, Quester & Farrelly, 1998; Cousens, Babiak and Bradish, 2006) discuss the importance of looking at the objectives of the sponsee, as well as the match between these two sets of objectives. A better match implies shared interests and will likely improve the partnership. Specifically focusing on such a match or alignment as part of the sponsorship arrangement will make the sponsorship more relationship focused, as both sides work together to achieve shared objectives (ibid.).

2.7. Sponsorship as partnership

Farrelly and Quester (2005) were among the first to systematically investigate sponsorship as a bilateral arrangement, viewing it as a '*co-marketing alliance*'. Focusing on sport, they investigated 28 sponsor/sport entity relationships in the Australian Football League, and they interviewed 34 individuals from both sides of these relationships. In their analysis, they employ the strategic alliance definition of Varadarajan and Cunningham (1995, p.282): "*strategic alliances, a manifestation of inter-organizational cooperative strategies, entail the pooling of skills and resources by the alliance partners, in order to achieve one or more goals linked to the strategic objectives of the cooperating firms*". In their interviews, Farrelly and Quester looked at strategic compatibility, goal convergence, commitment, trust, and (non-) economic satisfaction. Their findings suggest that while sponsors are keen on managing the relationship as a co-marketing alliance, the sponsored properties are not ready for that, despite what the authors claim could be a very positive development of the long-term outlook. The interview findings in each of the five areas are summarized below:

- Strategic compatibility: although both sides mostly believed in mutual shared objectives, the interpretations of those objectives, and the means through which they were pursued, differed markedly. Where sponsors looked for synergistic activities that drive brand equity, sport properties viewed joint efforts mostly as contrasting levels of activities where the sponsor's activities would help promote the event and that increased brand equity would follow by itself without any resource input (particularly monetary) from the sponsored property;
- Goal convergence: the interviews revealed that initially, the relationship was usually focused on the sponsor goals and the contractual obligations of both sides, including the specification of

intellectual property and player usage rights guidelines. Discussion of shared goals and evaluation criteria for those shared goals would only occur at a later point, if at all (see also Urriolagoitia & Planellas, 2007);

- Commitment: Farrelly and Quester (2003, 2005) view commitment in the context of sponsorship relationships as the willingness of both parties to engage in additional investments, usually called 'activation activities'. As mentioned under '*strategic compatibility*', this form of commitment was typically limited to the sponsor side, although there were some exceptions where the property would invest between 20–30% of the sponsorship fees into the activation strategy, for instance to target new (shared) markets. These relationships had been in place for a minimum of three years, although Farrelly and Quester (2005) do not discuss whether the longer duration of the relationship was cause or consequence of the commitment;
- Trust: trust, in the view of Farrelly and Quester (2005), concerns benevolence and credibility, and trust is seen as preceding commitment in channel relationships. The interviews revealed a significant level of mutual trust, albeit rather limited: an understanding of the opposite position, knowledgeable about the relationship and recognizing of a cooperative atmosphere;

- (non-)economic satisfaction: non-economic satisfaction was linked to a positive affective relationship, with interactions being '*fulfilling, gratifying, and easy*'. In line with the findings on 'trust', this non-economic satisfaction was clearly present. The economic satisfaction was linked to economic outcomes 'such as sales volume, margins and discounts' (ibid., p. 59), but the authors unfortunately did not offer any additional explanation. Here, sponsors showed a lower satisfaction, stating that 'the sponsorship relation had not realized its full potential', linking this to a lack of perceived shortcomings on the side of sponsored entities in the earlier described areas (strategic compatibility, goal convergence and commitment).

The authors conclude that (sport) sponsorship relationships can benefit from a strategic perspective, and specifically a co-marketing alliance perspective. Among the benefits that could be attained are long-term relationships, the joint pursuit of new markets and the attraction of additional sponsors: a continued relationship with a well-known brand will bring significant exposure and demonstrate the attractiveness of the sponsored property. The sponsee side will need to develop most to embrace these opportunities, and move away from its current 'opportunistic manner' as that will limit them to a servicing role, miss out on the wider strategic opportunity, limit the possible value generated from the relationship and even result in contract termination.

Several studies have followed up on the work of Farrelly and Quester. Morgan, Adair, Taylor and Hermens (2014) studied a national sports organization in Australia and four of its sponsorship relationships, confirming the findings of Farrelly and Quester. They explored the evolvement of the relationships over time, showing the dynamics following changes in key personnel and the ensuing challenges to trust in relationships. Urriolagoitia and Planellas (2007, also discussed in section 1.4.2) conceptualized this temporal aspect to the alliance model in sponsorship relationships, distinguishing between a '*formation*', '*operation*' and '*outcome*' stage. Arguably, '*fading*' and '*termination*' should be added to this model, and some studies have looked at this, notably Olkkonen and Tuominen (2008) and Farrelly (2010).

It is important to note that all of the above studies look at sponsorship '*alliances*' as a single dyadic relationship between a sponsor and a sponsee, or —in the case of multiple sponsors— as multiple independent dyadic relationships between each sponsor and the sponsee. This '*alliance*' view is a significant step forward from the traditional way of looking at the relationship from a one-sided perspective. It is important to note, however, that sponsorship involves more stakeholders than the sponsor(s) and the sponsored property. Meenaghan, McLoughlin and McCormack (2013) offer an overview of the various stakeholders, depicted in Figure 2-1.

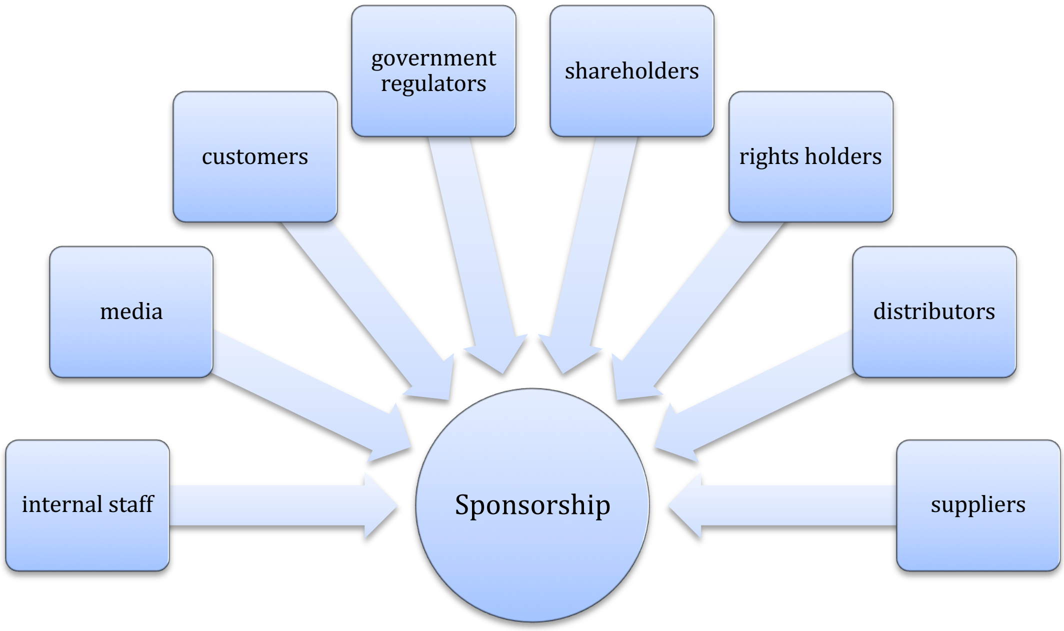

Figure 2-1 Sponsorship Stakeholders
(cf. Meenaghan, McLoughlin & McCormack, 2013)

In Figure 2-1, the rights holder is the sponsee, viewed not as the central party but as one of the stakeholders in the central sponsorship construct. The authors argue that this broadened '*stakeholder view*' better represents the reality than the traditional sponsor-sponsee model, and they view it as "*one of the major, though often unremarked changes in the sponsorship industry*" (ibid, p.445). They relate this to results of a survey by IEG/Performance Research (2012) on sponsorship objectives in the business-to-business market. For example, according to the survey, 11% of sponsors rate network with co-sponsors with a 9 or 10 out of 10 in terms of importance, when it comes to sponsorship objectives in a B2B context. Sell to sponsee (25%), entertain clients/prospects (29%) and drive retail/dealer traffic (39%) rank higher. Arguably, there are measurement issues in this survey, but the results do reinforce the tenor of this section: the traditional view of sponsorship as "*a cash and/or in-kind fee paid to a property (typically of sports, entertainment, non-profit event or organization) in return for access to the exploitable commercial potential associated with that property*" (IEG 2013; first described in the IEG Glossary 2001) is no longer a valid representation of the reality and we require a broader perspective in order to understand its current mechanisms and dynamics. Partnerships and other inter-organizational arrangements are key to this enlarged stakeholder perspective and to the evaluation of the return on sponsorship involvement.

2.8. Evaluating partnership arrangements

The study of organizational arrangements dates back to Coase's neo-classical theory of the firm (1937), a theory that explains how transaction costs determine whether an activity is organized through a market exchange or within a firm. The sharp distinction between firm (hierarchy) and market was subsequently challenged in the 1960's by both managerial and behavioral theories of the firm, in which intra-firm dynamics were also taken into account. The managerial theories include Williamson's (1975) refined transaction cost theory in which bounded rationality, uncertainty and opportunism influence transaction costs, and Jensen and Meckling's (1979) principal-agent theory, in which managers make decisions to maximize their own utility rather than that of the principal (e.g., the shareholders).

Principals attempt to steer the agent to align their goals with those of the agent by monitoring the agent, albeit imperfectly, leading to agency costs and to moral hazard, when managers may use their information advantage or limited risk exposure to maximize their own utility at the expense of the principal. The behavioral theories include those of Cyert and March (1963) where, even more so than in the works of Williamson, bounded rationality greatly influences how decisions are made in complex and uncertain situations.

The understanding of why and how activities can be organized in configurations different from both markets and hierarchies gained further traction in the 1970's and 1980's, with Miles and Snow's (1978) structural contingency framework as well as with game-theoretical approaches for non-zero sum organizational network configurations by Jarillo (1988) and others. Since the 1980's, a marked increase in joint ventures and alliances occurred (Hagedoorn, 1993). Table 2-1 summarizes how Doz and Hamel (1998) distinguish joint ventures from alliances.

Table 2-1 Comparison between joint ventures and alliances

Dimension	Joint ventures	Alliances
Corporate strategy	Formed to explore specific opportunities that are peripheral to the strategic priorities of the firm	More central to corporate strategy
Level of uncertainty	Combine known resources and share known risks	Used to reduce uncertainty rather than simply combine the known resources
Number of partners	Bilateral	Involve multiple partners
Offer	Coproduce single products	Develop complex systems and solutions

Dimension	Joint ventures	Alliances
Level of difficulty to manage	More certain and stable	More difficult to manage because partner relationships are highly ambiguous

Mapping today's sponsorship arrangements, as described in this study, across each of the dimensions in this table clearly puts sponsorship in the alliance category. Following Doz and Hamel's line of argumentation, Table 2-2 summarizes their view on what is needed to successfully manage such (sponsorship) alliances.

Table 2-2 Conventional versus new thinking on alliance management (adapted from Doz & Hamel, 1998)

Conventional thinking	A new perspective
1. Will the alliance create value, and for whom?	
Cost-benefit analysis	Complex strategic assessment
Value-creation priority	Value-capture emphasis
Simple complementation	Complex co-specialization
Initial structure	Evolving process
2. Will the alliance stand the test of time?	
Managing a set of objectives	Tracking moving targets
Implementing a single bargain	Striking multiple bargains
Making a commitment	Creating and maintaining options
Achieving longevity	Contributing to competitiveness
3. Will the partners reconcile conflicting priorities and concerns?	
Collaboration	Collaboration and competition
Interdependence	Risk of unbalanced dependence
Trust	Enlightened mutual interest
4. How will each partner manage its growing web of alliances?	
Marriage	Realpolitik, diplomacy
Single relationship	Alliance networks

Table 2-1 points towards some performance criteria to assess the success of alliances that potentially could also help to inform criteria for ROSI. The most tangible criteria implied by Doz and Hamel are financial performance and longevity (survival). Regarding financial performance, the authors suggest a shift from '*cost-benefit analysis*' to '*complex strategic assessment*', which supports the earlier line of argumentation on assessing ROSI, but lacks concrete criteria. The longevity criterion implies that alliances that last longer are more successful, which is probably true when you look back ('*we did this for many years, so it must have been good*') but not necessarily when you look forward ('*because we did it many years, we should continue to do it*'). Others, including Brockhoff and Teichert (1995) have also pointed out the great difficulty to assess the performance of alliances: objectives are manifold and can be assessed on different levels of analysis, from project to relationship to alliance level, and it is possible that success at the project level can co-exist with failure at the alliance level, or vice versa (see also Osborn & Hagedoorn, 1997). Studies often focus on the influence of an alliance on corporate performance, which may conceal variance among business unit level results. Finally, many studies have an inherent survival bias in the sense that they can only look at financial performance of alliances that are '*alive*' (Mitchell and Singh, 1996).

Ariño (2003) recognized that neither longevity nor financial metrics fully capture the performance of an alliance. Regarding longevity, it is very difficult to determine whether terminations of an alliance are planned or unplanned. Regarding financial indicators, it is very hard to unequivocally capture spillovers from the alliance. In her study on measures of strategic alliance performance she distinguished between financial performance, operational performance and organizational effectiveness. She then looked at construct validity, content validity and empirical validity of strategic alliance performance measures. Based on 91 surveys returned by Spanish firms engaged in alliances, she found that reaching strategic goals is distinct from overall performance satisfaction and net spillover effects (with the latter two essentially measuring one and the same construct). In addition, based on her findings she argues for the need to distinguish between outcome and process measures. Where strategic goals fulfilment captures outcome performance, performance satisfaction and net spillover effects capture both process and outcome performance. She argues that pure process measures do not (yet) exist and that they should be developed. She concludes with the proposition that "*strategic alliance performance refers to the degree of accomplishment of the partners' goals, be these common or private, initial or emergent (outcome performance), and the extent to which their pattern of interactions is acceptable to the partners (process performance).*"

Ariño's call for the development of process measures is echoed in the work by Kumar and Nti (1998), who looked at outcome and process measure discrepancies that may occur as alliances unfold. Zaheer, McEvily and Perrone (1998) specifically looked at the role of trust, distinguishing between interpersonal trust and organizational trust, and showing how these are related but distinct constructs. Their findings show that a higher organizational trust reduces negotiation costs and conflict, but did not demonstrate a clear link with performance. For interpersonal trust their findings were inconclusive. Krishnan, Martin and Noorderhaven (2006) demonstrate that trust reduces uncertainty about partner behavior, which has beneficial effects on performance, but at the same time it can reduce alertness to environmental uncertainty. Performance was conceptualized as (perceived) overall performance satisfaction and (perceived) goal attainment.

2.9. Evaluating shared value

So far, my literature review on what and how to measure when we look at ROSI in the context of partnership models has shown studies that focus on the perspective of a single entity. This is representative for the studies published on partnership and alliance performance evaluation. For instance, the work of Ariño on the conceptualization of measurements for alliance performance takes, as she points out herself, "*the perspective of only one partner —a limitation common to most strategic alliance research.*" (Ibid., p. 76). The success of an alliance or partnership, in this 'limited' single-partner-perspective sense, is ultimately measured through the individual success of each member, measured as the total market value of that firm. This is in line with the shareholder's value maximization doctrine that has dominated economic thinking in the Anglo-Saxon world in the final decades of the twentieth century (Lazonick and O'sullivan, 2000). The longevity of the partnership, in this view, is the ultimate measure of sustained success for all members.

Particularly outside of the Anglo-Saxon world, many have criticized the shareholder maximization doctrine, instead promoting a stakeholder perspective, calling for a wider objective function for firms that includes responsibilities for areas previously considered as '*common good*', such as water, air, or climate stability. Firms, in this view, should not only strive for financial wealth, but also consider social and environmental welfare (the so-called triple bottom line, introduced by Elkington, 1994). Although stakeholder theory and its associated sustainable or responsible business perspective is often perceived as rival and irreconcilable with the shareholder value maximization perspective, several authors have argued that this is not the case, either by redefining both concepts and labeling the resulting fully overlapping concept '*enlightened stakeholder theory*' as well as '*enlightened value maximization*' (Jensen, 2002), or by investigating and demonstrating a link between improved stakeholder management and improved shareholder value, using data from S&P 500 firms (Hillman and Keim, 2001).

The notion that alliance performance is not something that rests only with the individual members of the alliance fits particularly well with my goal to understand new sponsorship arrangements where the sponsorship arrangement creates value not only at the level of each partner but also between and outside the members of the sponsorship. This can be a societal or environmental benefit, such as in the case of cause-related sponsorship, but it can also be a direct or indirect financial benefit. Examples of (in)direct benefits include an improved corporate or brand image or increased goodwill, leading to more revenue or a different set of customers; increased employee engagement or attractiveness in the marketplace; more trust from the side of investors, business partners or regulators; etc. CSR, in this sense, then transcends beyond '*doing good*' or being virtuous, and is not just a '*responsibility*' of firms that is distinct from its value maximization objective.

An illustration of a firm that is publicly known for linking CSR to both virtuous as well as financial benefits is Unilever. The company is known as a leader in the area of CSR: it was ranked first, by a wide margin, in a 2014 poll of sustainability experts by GlobeScan ("In search of the good business", 2014). Unilever's '*Sustainable Living Plan*', released in 2010, is a comprehensive framework that is aimed as much on CSR ('*positive social impact')* as it is on shareholder value maximization. In terms of CSR, goals for 2020 include a 50% reduction of the environmental impact of its products, 100% sustainable sourcing of all agricultural raw materials, and a more ambiguous but still ambitious goal to "help a billion people to take steps to improve their health and well-being" (ibid.). Other companies publish similar goals, albeit not always equally ambitious, but what sets Unilever apart is how it includes and links its CSR goals to explicit economic goals such as doubling sales and increasing long-term profitability. For instance, the sale of dry shampoo can boost revenue and profitability while at the same time reducing water usage. Similarly, educating people to wash their hands with soap can benefit Unilever as well as improve hygiene and health for a community (ibid.). This dual goal, where both Unilever's shareholders as well as the environment or community gain, is an excellent example of Porter and Kramer's (2011) shared value perspective.

Unilever has publicly embraced Porter and Kramer's CSV approach, and the authors often refer to Unilever in articles and talks, also referring to IBM, GE and Google as companies that follow the CSV approach to "do well by doing good" (ibid.). But other examples exist as well, such as Toyota Australia's 'Landcruiser Emergency Network' (LEN) initiative, developed with Flinders University and advertising agency Saatchi & Saatchi in 2016 (Saatchi & Saatchi, 2016). By outfitting Toyota Landcruiser 4x4 vehicles with a special communication device, a mobile network is created that can potentially offer emergency communication across the Australian outback, where 65% of the area has no mobile coverage at all. Although each device has only a range of 25km, a clever store-and-forward protocol connecting the Landcruisers individually and ultimately with base stations is able to cover –in the initial pilot program— an area of over 50,000 km. As the LEN can be used by anyone within range of an equipped Landcruiser, the initiative will benefit the Australian outback community as much as it benefits Landcruiser owners (and it offers Toyota a competitive edge).

Our aim to move ROSI measurement beyond a one-sided perspective and include partnership aspects can build on this approach. As argued in section 1.4.3, Corporate Social Responsibility (CSR) research, and specifically Porter and Kramer's work on creating shared value, allows us to add that perspective. Specifically, following Porter and Kramer (2011) and Porter et al. (2012), companies can pursue shared value opportunities on the following three levels:

- Reconceiving products and markets. At this level, the focus is on "*revenue growth, market share and profitability that arise from the environmental, social, or economic development benefits delivered by a company's products and services*" (ibid., p.3). If an electronics company, for instance, introduces a new low-energy LED lighting solution, the business result might be an increase of revenues and market share; the social result or social value could be a contribution to the reduction of energy consumption, lower emission of greenhouse gases, etc. Campaigning for more use of LED lighting or even lobbying for laws that would forbid the use of less energy-efficient lighting would fall at this level;
- Redefining productivity in the value chain. CSV at this level "*focuses on improvements in internal operations that improve cost, input access, quality, and productivity achieved through environmental improvements, better resource utilization, investment in employees, supplier capability, and other areas*" (ibid., p.3). If a company, for instance, introduces new production processes that consume less energy, it might create business value through reduced operating costs as well as social value through reduced energy use;

- Enabling cluster development. CSV at this level "*derives from improving the external environment for the company through community investments and strengthening local suppliers, local institutions, and local infrastructure in ways that also enhance business productivity*" (ibid., p.3). Local suppliers, for instance, reduce the costs for logistics and create jobs and incomes for people in the close environment of the company.

When it comes to measurement, the authors suggest an integrated shared value strategy and measurement process including four distinct steps defined as follows (Porter et al. 2012):

1. Identifying the social issues that will be targeted. This is a kind of portfolio screening process where social issues are mapped as opportunities to increase revenue or reduce costs.
2. Creating the business case. Looking at one or more of the aggregation levels mentioned above (firm, value chain or cluster), the potential social impact of the intended initiative could be identified. Subsequently, a solid business case for each shared value opportunity can be prepared, with detailed calculations.
3. Tracking the progress. Based on the business cases from step 2, companies then monitor progress of actions against the desired targets, similar to standard performance monitoring practices.
4. Measuring results and closing the feedback loop to identify new opportunities to unlock value. Did we achieve the social and

business results? Did the invested resources produce a good *shared* return?

Bockstette and Stamp (2011) have explicitly explored the measurement of CSV results. The authors, working together with some sixty multinational corporations, provide case studies with demonstrable impact measurements of companies that are explicitly pursuing shared value principles. Porter et al. (2012) point out that although companies have started to measure their social as well as environmental outcomes, they tend to do so without looking at the business benefits, and the reverse is equally true: financial results are measured without regard for social impact. This is very similar to the earlier observations about sponsorship outcomes, which are mainly measured —if measured at all— by focusing on the financial outcome of the sponsor without taking into account the value created by the partnership between sponsor and sponsee. As Porter et al. argue, the measurement approach according to the shared value strategy can build upon the existing one-sided measurement systems and approaches, but it should go further and focus on what they call the "convergence area" between business and social value creation. Where CSR typically covers a company's performance in terms of sustainability, social and economic impact, reputation, and compliance, often publishing this in a special CSR report, these reports are not linked the value or cost to the business. An explicit link, Porter et al. argue, is what is needed (ibid.). Applying and operationalizing the CSV approach in the domain of sponsorship therefore could contribute to the measurement of ROSI by considering the value jointly created by the parties of the sponsoring agreement. This shared value *can* be a typical CSR outcome, including the CSR outcomes mentioned above, but it is important to note that shared value is not necessarily limited to those outcomes, and the approach will allow me to address the point raised by Ariño at the beginning of this section: the limitation of most current strategic alliance research in that it takes the perspective of only one partner.

In their literature review of partnering between non-profits and businesses, Austin and Seitanidi (2012, 2012a) present a collaborative value creation framework derived from the CSV approach in which they distinguish between partnering outcomes at the macro, meso and micro-level (respectively societal, organizational and individual levels) and suggest that partnering pays off at all three levels:

- At macro-level (society), the outcomes are external to the partnership, meaning beyond the partnering organizations. These can be either social, environmental or economic outcomes that benefit other organizations, society (including the environment) or that cause a 'systemic change' such as improved social inclusion;
- At meso-level (organization), the outcomes are internal to the partnership, meaning they benefit the partnering organizations (but still require the joint activity of the partners). Benefits can be associational value (credibility, visibility, awareness, support), transferred asset value (financial or material), interaction value (learning, networking, new expertise), or synergistic value (innovation, process improvement, more influence/power);

- At micro-level (individual), the outcomes are also internal to the partnership. Benefits can be instrumental (new skills, knowledge, perspectives) or more psychological/emotional (positive feelings about contributing to social improvement, personal growth, reduced stress, increased motivation and commitment).

Austin and Seitanidi (2012) also point out the costs or risks that can be unintended outcomes of the partnership, including internal and external scepticism and scrutiny, reduced competitiveness due to open access innovation, and reduced donations due to involvement of a wealthy sponsor, and it is important to keep those in mind as well.

2.10. Summary

Sponsorship is an evolving and multi-faceted concept, with roots tracing back to the ancient Olympic Games. Guided by the research question, this chapter discussed the theoretical foundations that lay the groundwork (and present my theoretical stance) for the empirical exploration in the subsequent chapters.

Traditionally, sponsorship refers to a contractual relationship between a sponsor providing cash and/or other cash value benefits in exchange for access to an object's commercial value. The object can be many things, including a sports event, a celebrity or –a more recent option— a charitable cause. While primarily seen as a marketing instrument, part of the communication mix, sponsorship strategies also need to align with an enterprise's overall strategy vis-a-vis its stakeholders, including its employees and shareholders. This strategic approach to sponsorship is still the exception, reserved for companies and industries with a more 'mature' sponsorship experience. Prescriptive sponsorship decision-making processes exist and may offer guidance or find their way in formal policies, but actual processes are often quite different and less rational. Within the more traditional sponsorship arrangement, the main objective for sponsors is the creation of customer-based brand equity, and for sponsees it is cash or in-kind support. The brand equity is typically created through image transfer, for instance by sponsoring an 'exclusive' event or having a celebrity endorsement, but also through simple visibility where a logo or message can reach a specific target audience. Additional objectives for sponsors include strengthening relationships with employees, customers and other stakeholders, creating shareholder value, as well as pursuing corporate, marketing, and media objectives, and lastly the sponsorship may satisfy personal management interests.

More recently, sponsorship relations have become less of an explicit exchange (cash or in-kind benefits versus access to commercial value) and more of a partnership where objectives are more aligned and the boundaries between sponsor and sponsee are blurred due to shared activities. This can take the form of a co-marketing alliance, driven mostly by sponsors, with sponsees still largely holding on more to the traditional approach. Several sponsorship studies have appeared that view alliances as dyadic relationships between a sponsor and sponsee, but extension to a stakeholder perspective are starting to appear as well.

To bring in concepts dealing with objectives and assessment of triadic or larger group partnerships in sponsorship arrangements, the literature review in this chapter then brought in concepts from beyond the field of sponsorship research, from the strategic management area. Here, particularly the work by Doz and Hamel (1998) offers insights on the nature of alliances and how their success can be assessed. This is complemented by the work of Ariño (2003) who argues to regard not only outcome performance (did the partners achieve their goals) but also look at process performance (satisfaction with the partnership interactions).

The core conceptual building blocks from this chapter are *sponsorship* (specifically *objectives* and *outcomes*), and *partnership*. The view on sponsorship taken is broad and includes marketing and strategy, as well as decision-making processes, with a specific focus on *sponsorship objectives*, *sponsorship outcomes and measurement* and changing sponsorship models that are moving to *partnership* arrangements. These partnership arrangements can be dyadic, from sponsor to sponsee and vice versa, or it can involve third parties, particularly other sponsors in sponsorship platform arrangements, as well as the audience, the larger community and possibly common goods. The partnership perspective thus connects to CSR, to philanthropy and to the 'shared value' concept, developed by Porter & Kramer's (2002) and originally linked to CSR initiatives.

The first cycle of the empirical exploration will use these conceptual foundations to formulate the interview and data collection guidelines and to help with the interpretation of the collected data. In line with the exploratory design and Mayring's (2000, 2010, 2014) qualitative content analysis approach, no explicit propositions or hypotheses are formulated at this point. Instead, coding categories are formed and refined in the interaction between the literature review (this chapter) and the empirical data. This will be described in detail in section 3.5.1.