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International Marketing Management

Master's Thesis

**Towards an understanding of the characteristics and success factors of social  
sponsorship relationships: Finnish perspective**

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## ABSTRACT

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Today, managers understand that good corporate citizenship makes good business sense in the long run, as the public has taken an interest in social duties of firms. As a result, corporate social responsibility (CSR) has gained ground. However, companies are struggling to communicate their CSR initiatives efficiently to their target groups in times of increased media fragmentation. As sponsorship can be an efficient tool for reaching one's target audiences, it has become an increasingly popular instrument among marketers for efficiently communicating good corporate citizenship. Consequently, there's increasing interest towards social sponsorship, a form of sponsorship whose primary intent is to demonstrate CSR. Despite the interest, social sponsorship is still a widely understudied phenomenon.

This study approaches the topic by investigating social sponsorship relationships. By examining Finnish companies' engagement in social sponsorship, the goal is to scope the phenomenon in Finland. Moreover, the objective of this study is to better understand the characteristics of these specific sponsorship relationships and identify factors that make the relationship successful. Ultimately, through integrative analysis of existing literature, secondary data and theme interviews, this research concludes social sponsorship relationship characteristics and success factors into a framework. The empirical study was conducted in spring of 2019, and was analyzed with the content analysis method.

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Yritykset ovat alkaneet ymmärtää vastuullisuuden merkityksen myös taloudellisten hyötyjen kannalta. Kuluttajat vaativat yrityksiltä yhä vastuullisempaa toimintaa, ja näin yritysten yhteiskuntavastuu on noussut ilmiönä aiempaa suurempaan tärkeyteen. Yritykset kohtaavat kuitenkin vaikeuksia kohderyhmiensä tavoittamisessa yrittäessään viestiä vastuullisuudestaan. Mediaympäristömme yhä pirstaloituessa, sponsoroinnin on havaittu olevan tehokas keino kohderyhmien saavuttamiseen. Tästä johtuen yhä useammat yritysjohtajat käyttävät sitä viestinnän työkaluna, nostoen sponsoroinnin merkitystä viime vuosina. Suosion myötä myös kiinnostus sosiaalista sponsorointia, vastuullisen sponsoroinnin muotoa, on lisääntynyt. Ilmiö on kuitenkin tutkittu vielä hyvin vähän.

Tämä tutkielma lähestyy sosiaalisen sponsoroinnin tutkimusaukkoa pyrkimällä luonnehtimaan sosiaalisen sponsoroinnin suhteita. Tarkemmin, päämääränä on määrittää sosiaalisen sponsoroinnin suhteen onnistumistekijöitä. Lisäksi, tutkimalla suomalaisten yritysten sponsorointia, tavoitteena on määrittää sosiaalisen sponsoroinnin ilmiön laajuutta Suomessa. Tutkimusmetodina käytettiin puolistrukturoitua teemahaastattelua sekä sekundääridataa. Johtopäätöksiä vedetään aiempaan kirjallisuuteen, sekundääridataan ja primääridataan nojautuen. Tutkielman lopputulemana on viitekehys, joka kokoaa yhteen sosiaalisen sponsoroinnin suhteiden luonne- ja onnistumistekijät. Tutkimuksen empiirinen osuus toteutettiin keväällä 2019, ja tutkimuksen tuloksia analysoitiin sisällönanalyysi-metodin avulla.

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*Rebecca Kumpulainen*

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## **Abbreviations and acronyms**

**CRM**= cause-related marketing

**CSR**= corporate social responsibility

**RBV**= resource-based view

**ROI**= return on investment

# 1 INTRODUCTION

The background section of chapter one provides an introduction to the discussion of the evolving nature and importance of sponsorship in modern marketers' minds, and to how managers have come to use it as a CSR tool. The significance of corporate social responsibility is conversed. The first chapter also defines the research problem and presents the framework of this study. In addition, the research methodology, delimitations and the structure of the thesis are discussed towards the end of the chapter.

## 1.1 Background

In recent years, the public has taken an increased interest in social duties of firms, and as a result, companies are pressured to engage in philanthropic activities (Liu & Ko 2011). As a means to rise to the expectations of the public, corporate social responsibility (CSR) has gained ground. Companies are trying to act as a valuable part of society, and through that, enhance their corporate image among customers and other stakeholders (Sohn, Han & Lee 2012). Among managers, an understanding is rising that communicating good corporate citizenship makes also good business sense in the long run (Lafferty, Goldsmith & Hult 2004).

This thinking has largely gained ground as millennials have entered the workforce, are being promoted to manager positions and are gaining responsibility as the decision makers of the household. Millennials are driven by their values and strongly feel that they should be reflected in every aspect of their life, including their job. They want to participate in generating a positive impact on society. A significant number of millennials hold corporate social responsibility at a great value, and 87 percent of millennials believe that "*the success of a business should be measured in terms of more than just its financial performance*" (Deloitte 2016, p.8). However, they believe that most businesses have no ambition beyond profit, and feel that companies are underperforming in terms of creating social and environmental benefit. Nonetheless, millennials believe on companies' potential to do good,

and choose to work for companies whose values reflect their own. They are also more loyal to employers that share their core values, especially when there's a strong sense of purpose coming from the management. (Deloitte 2016) As millennials will take on an increasingly important role in workforce, management and decision making, companies need to listen to their wants and needs if hoping to employ the best young professionals in their field.

As there's massive pressure towards corporations to solve societal and environmental issues from consumers as well as from workforce, companies are looking for different ways to take on this challenge. To make matters more complicated, we are entering times of increased media fragmentation and it has become increasingly challenging for companies to reach their target audiences when trying to communicate their CSR initiatives. Sponsorship has become an increasingly popular tool among marketers to solve the problem of efficiently communicating good corporate citizenship. Traditionally, managers have seen sponsorship simply as a tool to gain exposure and increase awareness. However, during recent years, managers' perceptions of sponsorship value have changed, as they have recognized that establishing brand ubiquity is a less significant part of sponsorship benefits (Farrelly, Quester & Burton 2006). Today, typically the main benefit companies hope to get from sponsorship is growing brand equity in a cost effective way (Dickinson & Barker 2006). When sponsorship activities reach their highest potential, companies are able to create brand meanings that evoke emotions among consumers, and through that, differentiate themselves from competition. To the brands existing in today's ultra-competitive environment, this is a key aspect of long-term success (Dickinson & Barker 2006).

In order to effectively tackle the problem of creating unique and favorable brand meanings, managers are seeking resolution in brand alliances (Dickinson & Barker 2006), also referred to as strategic alliances. Strategic alliances are long-term, mutually beneficial relationships, in which resources, knowledge, and skills are shared (Urriolagoitia & Planellas 2007). In these strategic partnerships, both parties are able to reach their strategic goals. The literature has recognized that modern, successful sponsorship relationships operate as strategic alliances (Urriolagoitia & Planellas 2007), where resource exchange takes place, such as brand image exchange. Today, however, as there is increasing pressure towards companies

to tackle societal issues, if companies engage in sponsorship only for commercial reasons, they risk being perceived as purely commercial. This is a problem, as the company's sponsorship activities need to be perceived to be authentic by the consumer in order for them to be successful (Liu & Ko 2011).

Social sponsorship is a form of sponsorship whose primary goal is to demonstrate the responsibility of the company (Seitanidi & Ryan 2007). Using sponsorship as a CSR tool can bring additional value to businesses compared to pure commercial sponsorship, where the objectives only include commercial ones (such as exposure or image building). When engaging in responsible activities, companies are able to connect with their target audiences in an authentic way that leaves a positive impression on their stakeholders. When this is the case, consumers are more likely to accept the cooperation (Napoli, Dickinson, Beverland, Farrelly 2014), leading to increased purchase intent. Even though there's increasing interest towards social sponsorship, it remains an understudied phenomenon (Skard & Thorbjørnsen 2014).

This study approaches the topic by investigating social sponsorship in Finland. By examining Finnish companies' engagement in sponsorship, the goal is to examine the scope of the social sponsorship phenomenon in the Finnish market. Through investigating the characteristics of these relationships, the goal is to gain deeper understanding on the nature of Finnish companies' sponsorship. In addition, the objective of this study is to understand what factors make social sponsorship relationships successful, and what social sponsorship relationship characteristics are. Ultimately, through integrative analysis of existing literature, theme interviews and secondary data, this research concludes social sponsorship relationship characteristics and success factors into a framework.

Sponsorship relationships in the CSR context offer an interesting and relevant subject to study as in Finland, the use of sponsorship as a marketing tool is on the rise. Use of sponsorship grew by 16 percent in 2017 compared to 2016, and the growth has been faster than in anywhere in Europe (Virkkunen 2017). 2017 predicts what will happen to sponsorship in the future in Finland. Finnish managers have recognized the effectiveness

and the strategic importance of sponsorship in today's fragmented media environment, and are looking to increase their investments (Virkkunen 2017). In addition, as both social sponsorship and sponsorship relationships are understudied phenomena, there's a need to gain further understanding on both of them. Combined, examining the relationship characteristics and success factors, there have been no previous studies to the author's knowledge. This research has been done in attempt to fill that gap.

## 1.2 Research questions and framework

The aim of this thesis is to gain further understanding on the social sponsorship phenomenon by studying the relationship aspect of social sponsorship. The goal is to scope the phenomenon in Finland, and to shed light on the characteristics of this type of sponsorship relationship. Moreover, this research is executed in hopes of identifying the success factors of these particular sponsorship relationships. This issue is studied in the Finnish market, from company perspective. Results from this research are useful to companies who face pressure from the public to take part in societal discussion, and hope to do so in a way that will benefit the company. As sponsorship can be an effective tool for reaching one's target audiences, the results of this study help companies to deliver their responsibility message. In addition, this knowledge is important in terms of establishing what factors need to be present in the sponsorship relationship in order for it to be successful and to meet its objectives, both social and commercial.

The theoretical part of the thesis aims to increase the understanding on the relationship aspect of social sponsorship. By going through different dimensions of social sponsorship relationships, the goal is to get a full picture on the characteristics of these relationships. These dimensions include sponsorship, corporate social responsibility and sponsorship relationships, and they have been chosen after getting acquainted with existing literature. The theory gives an overview on the existing literature on sponsorship and on how its perceived value has changed over the past years. As social sponsorship is a part of CSR, theory on corporate responsibility will be discussed. Social sponsorship is discussed through the words of previous authors, building on sponsorship and CSR theory. After, the theory

part will discuss how sponsorship relationships have been brought into the strategic alliance context. As the literature on social sponsorship is limited, the goal with deriving literature from strategic alliance thinking is to help build understanding on how social sponsorship relationships can work successfully and on the relationship characteristics. The empirical part of this thesis concentrates on scoping the usage of social sponsorship in Finland, and on identifying the success factors of using sponsorship to impact societal change, i.e. examining what factors need to be present in the social sponsorship relationship in order for it to be successful. In addition, it focuses on the relationship characteristics of social sponsorship relationships. In order to reach these goals, secondary data collection and theme interviews were conducted in addition to researching existing literature.

The research questions of the study emerge from these goals. The main research question is:

*What is the current status of social sponsorship in Finland, and what are the characteristics of successful social sponsorship relationships?*

In order to structure the thesis and help gather evidence on social sponsorship and on the relationship characteristics and success factors, based on the research objectives and theoretical review of existing literature, the following sub-questions have been formulated:

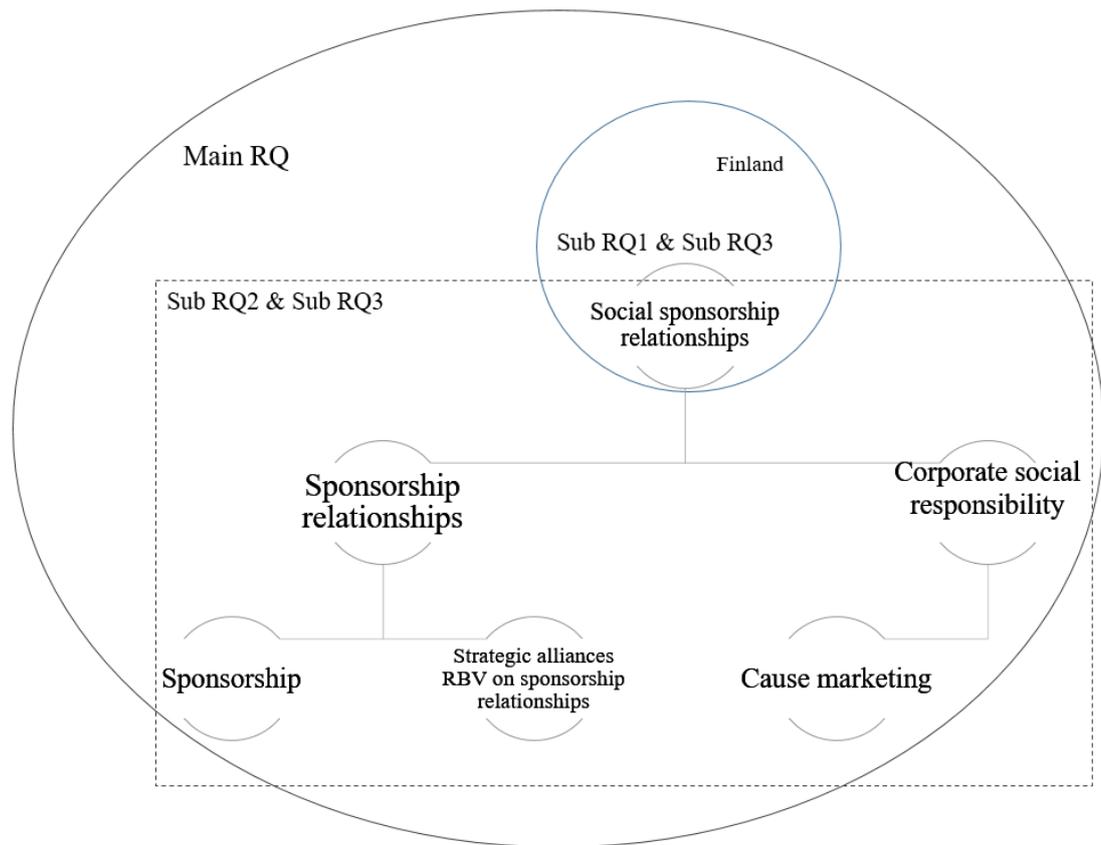
- *Research sub-question 1: What is the current status of social sponsorship?*
- *Research sub-question 2: What characterizes social sponsorship relationships?*
- *Research sub-question 3: What factors contribute to the success of the social sponsorship relationship?*

The main research question and the research sub-questions, goals behind these questions, and the methods and data used for collecting the answers to them are presented in table 1.

*Table 1. Research questions, research goals, method and data*

<i>Research question</i>	<i>Research goal</i>	<i>Method and data</i>
<u>The main research question:</u> What is the current status of social sponsorship in Finland, and what are the characteristics of successful social sponsorship relationships?	To examine if Finnish companies engage in social sponsorship to scope the current situation, and to build understanding on the relationship characteristics and the success factors of social sponsorship relationships	Academic literature; secondary data; interview results
<u>Research sub-question 1:</u> What is the current status of social sponsorship?	To explore companies' sponsorship activities to scope the current situation of social sponsorship in Finland	Secondary data
<u>Research sub-question 2:</u> What characterizes social sponsorship relationships?	To gain deeper understanding on social sponsorship relationship characteristics	Academic literature; secondary data; interview results
<u>Research sub-question 3:</u> What factors contribute to the success of the social sponsorship relationship?	To identify the factors that make a social sponsorship relationship successful	Academic literature; secondary data; interview results

Figure 1 visualizes the framework of the research. The first goal of the study is to examine Finnish companies' engagement in social sponsorship (Sub RQ1), to scope the social sponsorship phenomenon in Finland. To gain better understanding on the characteristics of social sponsorship relationships, the second research sub-question (Sub RQ2) has been formulated. This research sub-question will be answered through secondary and primary data analysis, in addition to reviewing existing literature. Moreover, the objective of the study is to examine and identify the success factors of social sponsorship relationships, leading towards the answer to research sub-question 3 (Sub RQ3). The answer to this sub-question has basis in previous literature, but additional information on the subject is needed. This information is gathered through theme interviews and collection of secondary data. Finally, the outcomes of the research are concluded to a framework (Main RQ). Thus, the final outcome of this research is a framework which defines social sponsorship relationship characteristics and success factors.



*Figure 1: The framework of the research*

## 1.1 Research methodology

This thesis includes theoretical and empirical parts. The theoretical part integrates literature on sponsorship, sponsorship relationships and corporate social responsibility in order to offer a basis for understanding social sponsorship relationships. Social sponsorship can be understood through sponsorship theory. As the literature on social sponsorship is limited, the goal with deriving literature from sponsorship relationships is to help build understanding on how social sponsorship relationships can work successfully. In addition, as social sponsorship is a part of corporate social responsibility (Skard & Thorbjørnsen 2014), it's important to introduce previous literature on CSR to better understand the nature of social sponsorship. By utilizing existing literature, the author aims to build answers to research sub-questions 2 and 3, through identifying relationship characteristics and success factors for sponsorship relationships noted by previous scholars.

In qualitative research, different kinds of research methods can be used, such as interviews and usage of previous literature (Metsämuuronen 2005). As mentioned, other methods are used in this research in addition to examining existing literature. The empirical part has been conducted by using a qualitative research method. The research method has been chosen due to the nature of the research questions. The research questions are open questions starting with “what”, which are more typical for the qualitative approach. Qualitative research aims to understand a phenomenon (Saaranen-Kauppinen & Puusniekka 2006) and since this thesis aims to understand the characteristics of social sponsorship relationships and the success factors needed to use sponsorship relationships as a part of CSR strategy, the chosen research methodology suits the objectives well.

The empirical data for this study has been collected through interviews and secondary sources of information. In qualitative research, interviews are a widely used tool. Typically, interview questions are planned beforehand, which was also the case with this research. Interviews can be characterized as structured, semi-structured, theme or open interviews (Eskola & Suonranta 1998). In this study, semi-structured theme interviews were used. These interviews helped to deepen the understanding the topic of the thesis and answer the main research question: “*What is the current status of social sponsorship in Finland, and what are the characteristics of successful social sponsorship relationships?*”, as well as research sub-questions 2 and 3.

The interviews were conducted in person. As described, interviews were semi-structured theme interviews and took place in spring of 2019. The interviewees for the study were chosen due to the extent of their experience and insights on sponsorship, corporate social responsibility and marketing management. The results of these interviews are analyzed in the empirical part of the research, starting from the methodology chapter. In addition, more information on the interviews and the interviewees is displayed in the empirical part of the research.

### 1.3 Delimitations

To keep the research as close to the main point as possible, delimitations arise from the theoretical perspective. This study focuses on the relationship aspect of social sponsorship, a tool for companies to demonstrate corporate social responsibility. Thus, only theory that helps us to gain further understanding on the subject will be introduced in this study. This means that other types of sponsorships are excluded, including sports sponsorship. As current literature on sponsorship has very much focused on sports sponsorship, including current literature on sponsorship in strategic alliance context, this research will not focus on that subject.

Event sponsorship is a means to communicate corporate social responsibility (CSR) hence could be related to social sponsorship. Lately managers have got intrigued with the interplay among events, sponsorship, and CSR. (Scheinbaum, Lacey & Liang 2017) Thus, event sponsorship would also offer a relevant subject to study. However, as this research is focused on the relationship aspect of social sponsorship, and as events are typically single happenings, event sponsorship has been excluded from the research. This exclusion applies to title sponsorship and corporate co-branding as well. According to Kahuni, Rowley & Binsardi (2009), corporate co-branding is closely related to sponsorship literature, and there has been debate over what the relationship between corporate co-branding and sponsorship is. However, in co-branding, partners create a union between their brands, aiming to create a unique corporate co-brand with a joint image (Kahuni et al. 2009), and as such, co-branding can be seen as the next step from sponsorship, leaving it out of this research.

This study is done from the company perspective. Thus, the results of the study are analyzed from the sponsor point of view, leaving out the sponsee perspective. Moreover, as the focus is on sponsorship relationships in a business-to-business context, hence between two organizations, influencer-relationships are not included in the research. In addition, the research is conducted in Finland and thereby focuses on Finnish companies and on the opinions of Finnish experts on the social sponsorship subject. As Finland is a small market, the number of experts on sponsorship and publications on social sponsorship is limited,

especially as social sponsorship is an understudied phenomenon. This limits the ability to generalize the results of the study. This study is done exclusively in hopes of increasing understanding on a phenomenon that is not yet widely understood.

## 1.4 Structure

This chapter of the thesis introduces the structure the study, which is divided into three parts: introduction, theoretical and empirical. The thesis consists of five main chapters, references and appendices. The first chapter, Introduction, introduces the research topic by firstly giving background information on the topic. The chapter proceeds to further defining the research setting, by presenting the research questions and the framework of the study. Furthermore, the research methodology and delimitations of the study are discussed.

After the introduction, the thesis proceeds to the theoretical part that displays previous literature on the important topics of the study. Overall, the second chapter of this thesis formulates the theoretical part of the research. The chapter is comprised of the different dimensions of social sponsorship relationships. These dimensions include sponsorship, corporate social responsibility and sponsorship relationships. In addition, existing literature on social sponsorship is introduced. After the theoretical part, the reader has gained a basic understanding on social sponsorship and the relationship aspect of sponsorship. Thus, the reader is ready to get more familiar with the empirical part of the thesis.

The third chapter dives more into the chosen research methodology before entering into the actual empirical part of the thesis. The fourth chapter, Findings, displays the results of the empirical research. However, the findings from secondary and primary data are only further analyzed in the final chapter of the thesis.

The last chapter adopts the content analysis method, and compares the empirical findings to previous literature. The key findings of this research are further discussed and analyzed.

Furthermore, the final chapter of the thesis summarizes all major findings and comprises the theoretical contribution of the thesis into a framework. In addition, managerial implications and the limitations of the research are discussed. Finally, suggestions for future research are brought forward.

## 2 SOCIAL SPONSORSHIP RELATIONSHIP DIMENSIONS

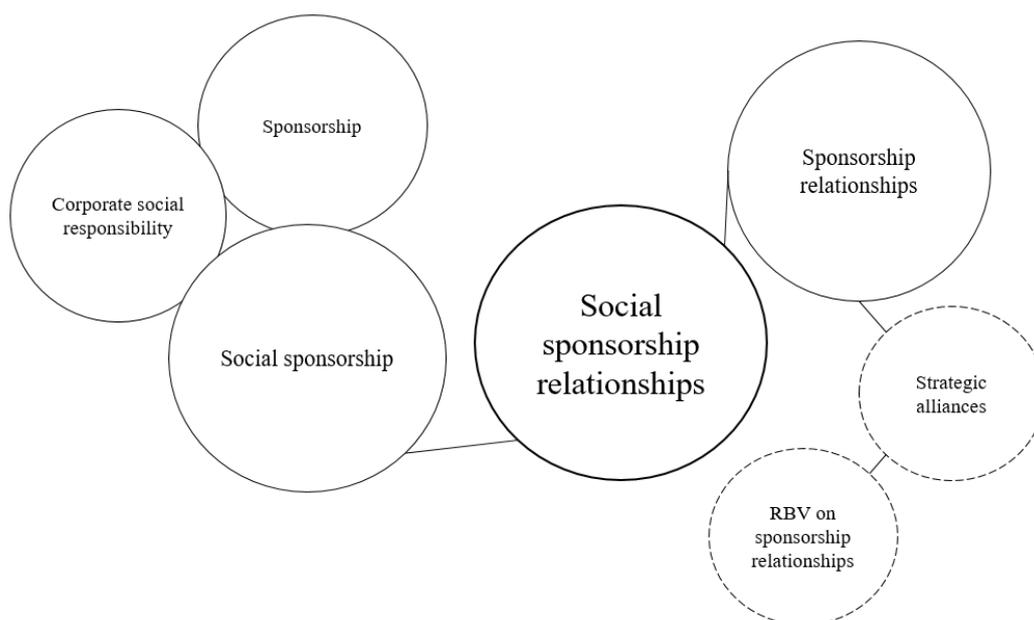
Today, there's a common understanding among managers that communicating good corporate citizenship makes good business sense in the long run (Lafferty et al. 2004), as the public has taken an increased interest in social duties of firms (Liu & Ko 2011). Companies are trying to rise to the challenge of acting as a valuable part of society, and through that, enhance their corporate image among customers and other stakeholders (Sohn et al. 2012). One tool to do that is social sponsorship, a special case of corporate social responsibility (Skard & Thorbjørnsen 2014), also referred to as a form of sponsorship whose primary goal is to demonstrate CSR (Seitanidi & Ryan 2007). Social sponsorship has been a subject of interest, but despite it, still remains an understudied phenomenon (Skard & Thorbjørnsen 2014).

The goal of this chapter is to gain deeper understanding on social sponsorship, and especially, on social sponsorship relationships. Madill & O'Reilly (2010) propose that sponsorship theory can be used as a basis for describing social sponsorship. In recent years, sponsorship has been the focus of intense academic interest (Fahy, Farrelly & Quester 2004). In addition, sponsorship has an increasingly important role in the minds of modern marketers, and managers are becoming increasingly demanding in what they hope to achieve through sponsorship. The nature of perceived value of sponsorship has changed greatly over the years, and as opposed to the conventional view of sponsorship as a short-term, single transactions, modern marketers are on the road to recognizing the strategic role of sponsorship (Urriolagoitia & Planellas 2007). Thus, marketers are giving sponsorship an increasingly central role as they've realized that sponsorship represents a huge potential to generate a sustainable competitive advantage in the marketplace (Fahy et al. 2004). This chapter goes through this shift in perceived sponsorship value, in order to gain understanding on the role social sponsorship can have in marketing strategies today.

In order to understand social sponsorship relationships, there's a need to study sponsorship relationships. As sponsorship has gained a strategic role in managers' minds in the recent years, there has also been a change in how sponsorship relationships are managed. Today,

sponsors and sponsees regard sponsorship relationships as partnerships, or as alliances (Westberg, Stavros & Wilson 2011). This chapter will discuss how sponsorship relationships have been brought into the strategic alliance context. As the literature on social sponsorship is limited, the goal with deriving literature from sponsorship relationships in strategic alliance context is to help build understanding on how social sponsorship relationships can work successfully in today's ultra-competitive environment.

As social sponsorship is a part of corporate social responsibility (Skard & Thorbjørnsen 2014), it's important to introduce previous literature on CSR to better understand the nature of social sponsorship and why companies engage in it. By bridging literature from sponsorship and corporate social responsibility, social sponsorship can be better understood. In addition to sponsorship, in the CSR context it is too believed that compared to short-term promotional approaches, consumers react more favorably and are less sceptic towards long-term-oriented approaches to CSR (Kim, Sung, Lee 2011), highlighting further the need to understand the relationship aspect of social sponsorship. Altogether, previous literature on sponsorship, sponsorship relationships and corporate social responsibility offer a basis for understanding social sponsorship relationships and their characteristics. Theories used in this chapter are illustrated in figure 2. The findings of previous authors are concluded at the end of the chapter.



*Figure 2. Theoretical framework of the study*

## 2.1 Corporate social responsibility

In recent years, the public has taken an increased interest in social duties of firms. Companies are pressured to disclose more information on their ethical practices and to engage in philanthropic activities. As today's managers are keen on transforming ethical practices into business activities, companies have come up with so-called strategic giving, corporate social responsibility or CSR. (Liu & Ko 2011) CSR has gained ground across industries, and by engaging in such activities, companies aim to enhance their corporate image among their key audiences (Sohn et al. 2012). This chapter dives deeper into corporate social responsibility, first by defining it, and further proceeding to bringing forward the motives behind why companies engage in CSR. Finally, the problems of successfully engaging in CSR activities are discussed.

### 2.1.1 CSR definition

CSR can be described as so-called strategic giving. Firms see CSR activities as carefully monitored investments, with expected returns on investment (ROI). In that sense, CSR is unlike 'pure' corporate giving, where the core intent is to improve the welfare of the community. (Liu & Ko 2011) CSR can also be referred to as corporate engagement with society, through which companies can express and develop their culture and social consciousness (Rupp, Ganapathi, Aguilera, Williams 2006). According to Scheinbaum, Lacey & Liang (2017), most definitions of CSR have a social and an economic component; there is consensus that there is an element of a business or an organization that aims to benefit the community or the society. In other words, they state, CSR entails that firms have obligations to society and duties beyond just financial gains.

It seems that most companies have responded to the increasing scrutiny from the public by integrating CSR into their business operations (Walker & Kent 2009). Today, CSR is no longer simply a business strategy, but in fact a central part of organizational values and identity (Scheinbaum et al. 2017). CSR's role is to guide companies to do moral, ethical and

even financial decisions (Walker & Kent 2009). Various activities are regarded as corporate social responsibility, including social marketing, cause promotion, cause-related marketing and responsible business practices (Kim et al. 2011).

From a sustainable development approach, there are three dimensions included in CSR. These dimensions are environmental, social, and economic responsibility. (Currás-Pérez, Dolz-Dolz, Miquel-Romero, Sánchez-García 2018) In this thesis, all three of these dimensions are included in the definition of corporate social responsibility.

### 2.1.2 CSR objectives

Engaging in CSR may lead to many benefits from company perspective. One of the core advantages is that CSR activities can create a positive brand image and enhance corporate reputation, leading to more established customer loyalty (Walker & Kent 2009). Commitment in CSR has been proven to be a powerful way to instill positive image onto the company's stakeholders (Sohn et al. 2012). Thus, CSR is a tool for image building and enhancing.

In addition to building a favorable, desired public image, CSR initiatives can be used to better employer image, as CSR can enhance recruiting and retention of employees (Walker & Kent 2009). Company's CSR activities and how their employees' perceive them trigger emotional, attitudinal, and behavioral responses, and research on CSR has disclosed that how employees and job applicants perceive firm's CSR affects the attractiveness of the firm in their eyes (Rupp et al. 2006). Moreover, CSR initiatives are very likely to affect how employees perceive the company, how they identify with it and how loyal they are (Aguilera, Rupp, Williams, Ganapathi 2007). Millennials, a major force in business today and in the future, believe that the way to succeed in business is via long-term sustainable actions, rather than pursuing profit maximization in the short-term (Deloitte 2016). This means that companies that engage in CSR activities are more likely to be able to employ the best young people in their industry and keep them loyal.

Moreover, CSR can be used as a way to build company culture. Through CSR, companies can express and develop their culture and social consciousness (Napoli et al. 2014). Companies, who are able to live up to the changing expectations of the society and that implement CSR initiatives into their strategic goals, are able to change their corporate culture in addition to impacting social change (Aguilera et al. 2007).

### 2.1.3 Problems with CSR

In order to reap all the possible benefits from CSR initiatives, it is crucial that consumers perceive the activities as authentic. In their study, Liu & Ko (2011) found that the company's CSR motives should be perceived to be authentic by the consumer, even if a firm enjoys a good CSR reputation. Also, Nyilasy, Gangadharbatla & Paladino (2012) found in their study that green marketing efforts do not necessarily strengthen the positive associations towards the brand, nor decrease the amount of negative associations consumers have. Thus, they state that marketing managers need to be extremely careful when engaging in CSR, as if consumers do not perceive the actions in a positive way, the program can easily result in decreased brand perceptions, and thus, lower financial performance in the long run.

As CSR can be defined as strategic giving where the company expects a return on the investment, there is a risk that CSR activities may not be perceived authentic by the public. This is a problem, as CSR activities are typically executed in hopes of developing goodwill, or to build a positive image. Whether consumers deem a brand authentic or not can have a huge impact on brand trust. However, if companies are able to build an authentic brand, marketers can find new opportunities for brand positioning and value creation. This may, in turn, lead to greater customer loyalty and attachment to the brand and help fuel growth in the market. Napoli et al. (2014) have studied brand authenticity from the consumer perspective. Brand authenticity can be described as consumers' evaluation of the brand's genuineness. Some academics suggest that brand authenticity is one of the cornerstones of modern marketing but at the very least, it is central to the reputation of the company, as well as brand status and equity. (Napoli et al. 2014)

The types of CSR activities that build organizational culture and identity, and reflect the company's values and core beliefs, are more likely to be perceived as authentic by consumers. In order for the brand to be authentic, the company needs to have clearly defined values that are reflected in what the company lets out. Moreover, the values and core beliefs need to be visible in the company's actions. (Napoli et al. 2014) Thus, company identity and values should be in a major role in the firms' CSR activities and communication.

## 2.2 Sponsorship

In recent years, sponsorship has been the focus of great academic interest (Fahy et al. 2004). In addition, sponsorship has an increasingly important role in the minds of modern marketers, and managers are becoming increasingly demanding in what they hope to achieve through sponsorship. The nature of perceived value of sponsorship has changed greatly over the years, and as opposed to the conventional view of sponsorship as a short-term, single transactions, modern marketers are on the road to recognizing the strategic role of sponsorship (Urriolagoitia & Planellas 2007). Thus, modern marketers are giving sponsorship an increasingly central role as they've realized that through sponsorship, companies may generate sustainable competitive advantage (Fahy et al. 2004). This chapter will first define sponsorship, and later go through the evolution of sponsorship from tactic to strategic. After, the objectives of sponsorship are discussed. At the end of the chapter, problems of engaging in sponsorship activities are brought forward.

### 2.2.1 Sponsorship definition

Sponsorship is a form of marketing communication (Meenaghan 2001). Madill, O'Reilly & Nadeau (2014) state that theory on sponsorship is still at an early stage. However, the key concepts have been defined, including sponsorship, sponsors, and sponsees. They explain that a sponsee is typically an organization, team, event, or program (i.e. social marketing program) in need of resources, whereas the sponsor is the company that possesses those resources. Madill et al. (2014) suggest that definitions of sponsorship typically include the

following: sponsorship is seen as a mutually beneficial exchange, in which sponsor offers resources into the relationship in return for promotional value provided by the sponsee. With the sponsor's association with the sponsee, the sponsor hopes influence their target audiences.

Sponsorship differs from the majority of advertising tools. Whereas advertising tries to affect consumers' opinions directly, sponsorship aims to take an indirect route. The value generated by traditional advertising is easier to attribute to specific activities, whereas the value of sponsorship will only contextualize later. Moreover, sponsorship requires advertising (sponsorship-linked marketing) to obtain the greatest value. (Cornwell, Weeks & Roy 2005)

### 2.2.2 Sponsorship objectives

According to Fahy et al. (2004), sponsorship can give competitive edge to companies. Through sponsorship, businesses typically seek to increase awareness, build positive attitudes and favorable image, and/or to increase purchase intent (Cornwell et al. 2005). According to Meenaghan (2001), sponsorship has been proven to be an effective tool for achieving these goals. It differs from most types of advertising in that its goal is to influence consumers' perceptions indirectly (Crimmins & Horn 1996). As the influence on consumers' opinions and purchase intent is indirect, consumers are less suspicious of sponsorship compared to traditional advertising (Meenaghan 2001), giving it clear advantage over traditional brand communications.

Exposure is one of the benefits of sponsorship, and has been one of the first sought out advantages traditionally. Still today, sponsorship usually includes some type of impoverished-communication stimuli, such as exposure to brand logos. Brand logos are referred to as impoverished-communication stimuli as they communicate a very limited amount of information on the brand. Exposure to brand logos can also be called mere-

exposure. (Cornwell et al. 2005) One of the objectives with mere-exposure is to build awareness.

Mere-exposure effects are relevant to particular sponsorship situations. Especially, they work for already established brands. Marketers might use sponsorship as a reminder for an established brand, and as such, sponsorship may work as a way to reactivate the brand in consumers' memories, including previously held brand associations. For mere-exposure sponsorship to work, consumers need to already have a lot of associations of the brand, as brand logos cannot communicate a lot of information. Previous brand associations include different perceptions of the brand held in memory, such as attitudes developed over time. (Cornwell et al. 2005) Thus, mere-exposure is less effective for non-established brands.

However, later studies on sponsorship indicate a change in what are perceived to be the main benefits of sponsorship (Kahuni et al. 2009). As a result, the status of sponsorship has changed from tactical to more strategic (Fahy et al. 2004). Sponsorship has an increasingly important role in the minds of modern marketers, and managers are becoming increasingly demanding in what they hope to achieve through sponsorship relationships. The focus is no longer on exposure and awareness; some of today's sponsors firmly believe that they are altogether less significant aspects of sponsorship value (Farrelly et al. 2006). Later, the highest priority has been given to strategic corporate objectives, such as enhancing corporate image (Kahuni et al. 2009).

The reasoning behind why sponsorship is an effective tool for enhancing image is that each sponsorship relationship has image values that transfer onto the company (Cunningham et al. 2009). McCracken (1989) defines brand image transfer as the transfer of meaning between, for example, a product and its endorser, when associated together. In practice, this means that consumers have an image of the brands prior to the partnership (i.e. they hold a set of associations; brands hold meanings to them) and through sponsorship alliances, consumers link these existing images, or transfer images from one partner to the other (Kelly, Ireland, Mangan & Williamson 2016). Sponsorship activities can transfer favorable images from the sponsee to the sponsor in an emotionally powerful way (Cunningham et al. 2009).

### 2.2.3 Problems with sponsorship

One of the biggest issues managers have to deal when it comes to sponsorship is finding the perfect sponsee partner (Kim et al. 2011). Sponsorship pairing affects the attitudes consumers have towards both partners of the relationship and their brands (Kelly et al. 2016). When looking for the perfect partner, many researchers and managers seem to emphasize the fit or logical connection between a firm and a partner (Lafferty 2007). This is because according to literature, in order for the sponsorship activities to be perceived as authentic in their customers' eyes, customers need to be able to see a fit between the sponsoring firm and its sponsorship activities (Sohn et al. 2012). Perceived fit can also be called congruence, relatedness or similarity between the partners (Cornwell et al. 2005). Theory on congruence argues that consumers remember better sponsorships where the partners share a link between them, and thus react more positively to sponsorships with high congruence (Cornwell et al. 2005).

According to Cornwell, Weeks & Tellegen (2006), one way to ensure the link between the two parties is to establish the best match via examining the overlap in existing images. They state that fit between the partners improves consumers' recall of the relationship and also helps other aspects of communication: when the fit is high, consumers have a stronger reaction to sponsorship stimuli, resulting maximizing the communication value of the relationship. Furthermore, Cornwell et al. (2006) note that a lack of fit may negatively affect the attitudes toward the sponsorship, and make consumers confused about what the brand represents.

In some sponsorships, there is a natural link between the two parties. When the link is logical, it's easy for the consumers to understand and accept the partnership. When the link is less evident, it becomes the marketer's responsibility to articulate the nature of the relationship. Sponsorship articulation could be a valuable tool for firms that do not have logical connections to sponsees. Articulation can improve consumers' recall of the partnership under conditions of an incongruent relationship. Articulation can be described as explaining the relationship between the parties. The aim is to develop meaning to the individual,

explaining the existence of the relationship to consumers. As the sponsorship budget increases, the articulation of the relationship comes increasingly important. The linked communications (or sponsorship-linked marketing) need to be effective, and to boost effectiveness, articulation can be a valuable tool. Communicating the link between the partners makes sense from advertising and leverage perspectives. (Cornwell et al. 2005)

One of the biggest problems with sponsorship is that even the market for sponsorship itself is becoming increasingly cluttered. As the competition is becoming increasingly intense, sponsorship management is of paramount importance when aiming to attain competitive advantage. As the competition is increasing, unplanned and uncoordinated sponsorships will not make it. Fahy et al. (2004) state that managers need to take two competitive levels to consideration, if hoping to gain competitive advantage through sponsorship. The first one is making the sponsorship itself to stand out from competition: as more and more businesses are engaging in sponsorship activities, the sponsorship must rise above its competitors. The second one is that even if the sponsorship itself beats its competition, it still needs to be relevant for the consumer and generate value – if this is not the case, competitive advantage will not be attained. (Fahy et al. 2004)

Sponsorship also comes with other possible road blocks. From company perspective, the nature of sponsorship value is intangible and subject to change. Whereas the sponsee sees immediate value from the relationship as soon as it has been established, companies not realize any ROI until at a much later stage. In fact, for sponsors, the process of attaining return on investment may take years. What makes the situation even more complicated from company perspective is that value is difficult to attribute to specific activities in the relationship, and is often realized from various sources. (Farrelly et al. 2006)

### 2.3 Social sponsorship

Sponsorship activities are typically motivated by commercial reasons, and not all sponsorships have broader social goals (Cornwell et al. 2005). These so-called commercial

sponsorships have typically specific commercial objectives, such as building awareness, branding, promotion and reaching new target markets (Madill et al. 2014). However, sponsorship still retains some philanthropic meanings, and there are sponsorship activities that aim to benefit the community (Cornwell et al. 2005). These non-commercially driven sponsorships are referred to as social sponsorships (Madill & O'Reilly 2010).

Madill & O'Reilly (2010) state that as for commercial sponsorship, there has been increasing interest towards social sponsorship. Despite this, social sponsorship remains significantly under researched. In this chapter, previous literature on social sponsorship will be presented. Even though social sponsorships are severely understudied (Skard & Thorbjørnsen 2014), sponsorship theory offers a basic foundation for understanding this type of sponsorship (Madill & O'Reilly 2010). As social sponsorship is a special case of CSR (Skard & Thorbjørnsen 2014), literature on corporate social responsibility is also incorporated. In addition, literature on cause-related marketing (CRM) and cause-brand alliances (CBAs) are drawn in order to gain deeper understanding on the nature of social sponsorship.

### 2.3.1 Social sponsorship definition

Social sponsorship is defined as a form of sponsorship whose primary intent is to demonstrate CSR (Seitanidi & Ryan 2007). Furthermore, social sponsorship can be seen as the hybrid between sponsorship and charitable donation; motivation behind it is to engage in an activity that helps the company to address its social responsibilities (Skard & Thorbjørnsen 2014). As stated before, there is an immense amount of pressure for companies to fulfill broader social goals (Aguilera et al. 2007), and not focus solely on generating value for shareholders. Sponsorship and related marketing are effective ways for companies to enhance their CSR image (Scheinbaum et al. 2017), thus social sponsorship can be a powerful tool for companies to gain CSR benefits.

Madill & O'Reilly (2010) propose that sponsorship theory can be used as a basis for describing social sponsorship. Building on sponsorship theory, the authors suggest that as

with commercial sponsorships, through social sponsorships the sponsor is able to benefit from being associated with the sponsee and their social objectives. Similarly, as with commercial sponsorships, with social sponsorships the sponsee can benefit from the relationship through using the resources given to pursue its social objectives and gaining credibility by being associated with the sponsor.

### 2.3.2 Social sponsorship objectives

While there's little previous literature on social sponsorship, complementary literature on cause-related partnerships (cause-related marketing) exists to understand the objectives of social sponsorship. This is as the literature suggests that the term partnership may be used interchangeably with sponsorship. (Madill & O'Reilly 2010) Cause-related marketing (CRM) is defined as action where a company forms a partnership with an organization of a cause (Lafferty et al. 2004). Since the inception of CRM strategy, it has evolved from short-term advertising campaigns to a longer-term partnerships designed to enhance corporate image (Lafferty et al. 2004). Today, it is a common belief that compared to short-term promotional approaches (e.g., traditional cause-related marketing), consumers react more favorably and are less sceptic towards long-term-oriented approaches to CSR (Kim et al. 2011). From this insight, cause-brand alliances (CBAs) were born, defined as relationships between a brand and a cause, which aim to increase consumers' brand association with the cause, enhance the image of the company and create a deeper bond with consumers (Lafferty et al. 2004). CBAs can be also called social alliances (Liu & Ko 2011).

Cause-related marketing and cause-brand alliances necessarily include social marketing objectives, e.g. promoting a cause (Madill & O'Reilly 2010). Thus, an assumption can be made that social sponsorship also always has social objectives, especially due to its nature being a part of CSR (Skard & Thorbjørnsen 2014). However, as described before, CRM and CBAs also offer companies the possibility to incorporate their CSR activities into their marketing strategy instead of just engaging in purely philanthropic social activities. Thus, as previously described, they also have commercial objectives such as enhancing brand image and deepening the company's bond with consumers. This suggests that social sponsorship

too has broader objectives, beyond social ones. This is also what Madill & O'Reilly (2010) propose in their research on the subject. They state that while the objectives for social sponsorship are likely to differ from the ones of commercial sponsorships, they also very likely to include commercial ones, such as building brand image. They further propose that this is the beauty of sponsorship compared to other promotional tools: through sponsorship, companies are able to reach multiple and differing, yet very specific objectives.

As stated, engaging in sponsorship activities is a powerful way for companies to enhance their image. In fact, one of the core goals of sponsorship activities is to build a favorable brand image. (Cunningham et al. 2009) Sponsorship is an effective image building tool because of brand image exchange, as explained before. Thus it can be argued that same image benefits can be attained through social sponsorship as well. Madill & O'Reilly (2010) propose that as with commercial sponsorship, image transfer is a crucial element of social sponsorship. In fact, image transfer is especially important in sponsorships that are philanthropic at their nature, as one of the core goals is to develop goodwill (Cornwell et al. 2005). As social sponsorship is a part of CSR, and as commitment in CSR has been proven to be a powerful way to instill positive image onto the company's stakeholders (Sohn et al. 2012), it can be concluded that social sponsorship can be an effective tool for creating positive brand associations, leading to a favorable image. This, in turn, can lead to more establish customer loyalty (Walker & Kent 2009). In addition, the effective transfer of images between sponsorship partners can lead to positive, synergistic outcomes for both parties, not just the sponsor (Roy & Cornwell 2003), which supports the social objectives of social sponsorship.

In addition to building a favorable, desired public image, social sponsorship can be used to better employer image. As explained before, CSR can enhance recruiting and retention of employees (Walker & Kent 2009). Research has disclosed that how employees and job applicants perceive firm's CSR affects the attractiveness of the firm in their eyes (Rupp et al. 2006). In addition, CSR initiatives are very likely to affect how employees perceive the company, how they identify with it and how loyal they are (Aguilera et al. 2007). As social sponsorship is a part of CSR, they have similar objectives and similar benefits can be

received. If companies engage in social sponsorship, they can enhance the loyalty of their employees and attract new ones. Moreover, social sponsorship can be used as a way to build company culture. This is as it has been discovered that through CSR, companies can express and develop their culture and social consciousness (Napoli et al. 2014).

### 2.3.3 Problems with social sponsorship

Simply establishing sponsorship relationships will not help companies in reaching the objectives they have set for their sponsorship activities. This is because establishing a relationship does not include a meaningful communication component. In order to reach these goals, companies need to communicate the relationship to their target audiences, and through that, they are able to establish a differentiating sponsorship. Literature on the subject suggests that in order to achieve the set marketing objectives, the sponsorship needs to be leveraged through communicating it with traditional advertising and public relations (PR) techniques. (Cornwell, Roy & Steinar 2001) In literature, this is referred to as sponsorship-linked marketing, defined as the execution of marketing activities whose goal is to communicate an association to a sponsorship (Cornwell et al. 2006). However, Skard & Thorbjørnsen (2014) state that the problem with social causes is that their sponsors typically tend to be more reluctant to communicate their sponsorships. The reluctance is a result of fear of being perceived as commercially oriented.

Many businesses engaging in sponsorship activities wish that the image of the sponsored will enhance or even repair their own (Fahy et al. 2004). However, according to Cornwell et al. (2005), sponsors need to be careful when aiming to leverage the full benefits of the sponsorship. They suggest that in the case that the sponsor uses some additional tactic to leverage the sponsorship, a change-of-meaning for the sponsorship may occur. Consumers may question motives of the sponsorship altogether, and discard any previously held positive associations of the partnership, they conclude. This can be especially problematic for social sponsorship, as it is typically driven by non-commercial objectives and it aims to develop goodwill.

As explained before, in the CSR context, it is crucial that consumers perceive the activities as authentic. In their study, Liu & Ko (2011) found that the company's CSR motives should be perceived to be authentic by the consumer, even if a firm enjoys a good CSR reputation. Also, Nyilasy et al. (2012) concluded that marketing managers need to be extremely careful when engaging in CSR, as if consumers do not perceive the actions in a positive way, the program can easily result in decreased brand perceptions, and thus, lower financial performance in the long run. As social sponsorship is a CSR tool, the same applies to it. This suggests that when engaging in social sponsorship, companies need to evaluate their initiatives very carefully, as actions deemed wrong by the public can have very detrimental consequences for the business.

As with commercial sponsorship, the nature of social sponsorship value is intangible and subject to change. Whereas the sponsee sees immediate value from the relationship as soon as it has been established, companies may not realize any return on investment until at a much later stage. What makes the situation even more complicated from company perspective is that value is difficult to attribute to specific activities in the relationship, and is often realized from various sources. (Farrelly et al. 2006). As with commercial sponsorship, this emphasizes the importance of carefully considering social sponsorship initiatives and that it's of paramount importance to choose the right partner.

In addition, building on CSR literature, consumers need to be able to see a fit between the sponsoring firm and its social sponsorship activities. If this is not the case, goodwill may not be generated as consumers may second-guess the motives behind the company's actions, and even a negative impact may occur as a result. (Sohn et al. 2012) According to Sohn et al. (2012), the higher the perceived fit is, the more likely the CSR initiative is to generate positive influence as the activity is less likely to generate counter-arguments. In the CSR context, authors describe fit as similarity between the sponsor and the activity it's sponsoring, or how closely the activity is related to the core business or expertise of the sponsor. This argument is also supported by other researchers. Liu & Ko (2011) found that consumers show stronger support towards CSR activities when the partners have similar expertise or cause domain. Also, Alexander (2009) has studied the importance of fit between

the sponsor and the sponsee and concluded that a close fit helped to facilitate the relationship. (Lafferty 2009) concludes that when it comes to cause-brand alliances and CRM, the cause-brand fit must make sense to the stakeholders so that they don't question the authenticity of the partnership. Thus it can be concluded that as with other types of sponsorships, with social sponsorship establishing a fit between partners is beneficial.

However, there has been some controversy with the perceived fit concept in CSR studies (Liu & Ko 2011). In her study, Lafferty (2009) found that the logical fit between the company and the cause didn't make much difference in terms of how well the partnership was perceived by consumers. She states that there are conditions where a logical fit may not be a critical variable to the success of the sponsorship, especially in the context of cause-brand alliances. According to her, when there's a cause involved, "*the emotions engendered by the partnership with a cause may override the necessity of a logical fit*" (p.377). As this applies to cause-brand alliances, the same may apply to social sponsorship. Lafferty (2009) argues that consumers evaluate the partnership in terms of whether it reflects their values, and what feelings it evokes in them. She states that perceptions of fit are relevant, but only between the individual's values and the altruistic actions on the part of the company. This means that when engaging in social sponsorship, companies need to be familiar with the values of their key audiences. There needs to be a fit between the stakeholders' values and the values and actions of the company.

As with CSR, it seems that company values need to be reflected in social sponsorship initiatives. As there's need for perceived authenticity, the company needs to have clearly defined values that are reflected in their communications and actions in order for it to be perceived as authentic (Napoli et al. 2014). Building on sponsorship theory, Fahy et al. (2004) note that in order for the sponsorship to be successful, there has to be a link between the values of the sponsor and the sponsored, or there has to be a possibility of establishing such a link. They state that there has to be a strong understanding on both parties' core values, on what both brands represent to the stakeholders, and on how these values can be manipulated in order to deliver a coherent picture of the partnership to marketplace. According to Cunningham et al. (2009), corporate values influence what type of sponsorship

activities the firm will undertake. Thus, company's core values highly affect what types of sponsorship relationships it will form. Alexander (2009) suggests that the fit between the sponsor and the sponsee provides a platform for the integrated communication of brand values. Furthermore, in their research Farrelly et al. (2005) mention that it is important for both parties of the sponsorship relationship to communicate their differentiating values, as that understanding can lead to maximizing the opportunities. They contemplate that such exchange has the potential of becoming a defining feature of successful sponsorship relationships in the future. Overall, CSR and sponsorship, and thus social sponsorship, need to be rooted in the company values and when this is the case, new opportunities for value maximization arise.

## 2.4 Sponsorship relationships

In order to effectively tackle the problem of creating unique and favorable brand meanings, managers are seeking resolution in brand alliances. The strategic importance of alliances will show also in increasingly large number of collaborations between companies and non-profit organizations. (Dickinson & Barker 2006) There's an increasing level of understanding of the value and the potential that can be derived from longer-term partnerships in today's ultra-competitive business environment, and as a result, today many sponsorship relationships operate as strategic alliances (Urriolagoitia & Planellas 2007). Strategic alliances are long-term, mutually beneficial relationships, in which resources, knowledge, and skills are shared and through which both parties are able to reach their strategic goals (Urriolagoitia & Planellas 2007). There are multiple names academics have used to describe these long-term partnerships that are formed between two organizations in aim to attain competitive advantage, including co-marketing alliances (Farrelly & Quester 2005a), strategic alliances (Urriolagoitia & Planellas 2007), and corporate co-branding (Kahuni et al. 2009).

The first researchers to touch on the subject were Fahy et al. (2004), when they developed a model on how sponsorship can give competitive advantage to companies. In their research, they adopted a resource-based approach (RBV) to model the success of sponsorship relationships. According to them, applying RBV logic on sponsorship will dictate what sets

successful sponsorships apart from unsuccessful ones. Fahy et al. (2004) state that according to the resource-based view, organizations form partnerships in order to gain sustainable competitive advantage (that will, over time, lead to gaining more market share and increased profitability). The task for managers is to figure out if and how the partnership will lead to competitive advantage, and how to sustain those advantages in the long run. According to the RBV logic, the answer to sustainable competitive advantage lies in key resources (that result from the partnership), and taking advantage of them. These key resources include tangible assets, intangible assets and competencies, Fahy et al. (2004) list. According to them, the RBV model may provide some clarity on the complicated process of how competitive advantage can be harnessed from sponsorships. Many academics have since incorporated this view, and propose their own terms and definitions to describe this approach to sponsorship relationships.

Farrelly & Quester (2005a) were among the first scholars to study if sponsorship relationships have the possibility to operate as strategic alliances. They call the strategic alliance between the sponsor and the sponsee a co-marketing alliance, using the terms interchangeably. They define strategic alliances as relationships where skills and resources are shared by the partners in order to reach common strategic objectives, making their definition refer to the RBV thinking. They state that in the sponsorship context, the resources shared are typically in the form of intangible assets, such as brand image and corporate reputation. Thus, they conclude that these alliances in sponsorship context are relationships, where the product, brand, or corporate image of the alliance partners are marketed together as one.

Continuing their research, later Farrelly & Quester (2005b) concluded that sponsorship relationships have the possibility to operate as strategic alliances, given that certain factors are present in the relationship. According to them, the factors that are critical to the success and longevity of the alliance include strategic compatibility, commitment to the relationship, similar goals, trust and satisfaction. For example, lack of commitment on either party will prevent the relationship from developing into an alliance. They also state that there should be a fit between the partners, and possibility to synergy between their goals and objectives.

When these conditions are met, sponsorship can act as a means for both parties to reach their strategic goals, and to invest jointly in order to add value.

Later, Farrelly et al. (2006) studied the evolving perceptions of sponsorship value, as they noticed that the nature of sponsorship and sponsorship relationships had changed drastically from what it was traditionally. They were the ones to detect that the perspective of sponsorship value has changed over the past years. In their study, they identified capabilities of successful sponsorship relationships. One of the core success factors was the ability to adapt to the changes of perceived sponsorship value, and to adopt a strategic mindset to the relationship. The companies that are able to adapt to this change see sponsorship relationships as co-marketing alliances. This highlights the fact that today's successful sponsorships work as strategic alliances.

Urriolagoitia & Planellas (2007) state the same in their research, and base their study on that assumption. They also define strategic alliances as relationships in which resources, knowledge, and skills are shared. In their study, they defined a life-cycle model for sponsorship relationships from the strategic alliance perspective and studied the key determinants in each phase of the relationship. Urriolagoitia and Planellas (2007) studied how these relationships should be managed in each phase of the life cycle, and came to the conclusion that if both parties are willing to take care of the relationship as needed in each phase, sponsorship can become a strategic alliance. They state that through sponsorship, partners can gain competitive edge by sharing skills, resources and knowledge.

The RBV and the strategic alliance perspectives are closely related as they both assume that sponsorship relationships are established in hopes of gaining sustainable competitive advantage, and that a successful sponsorship relationship is one where specific resources are present and shared between the partners (exchange happens). Farrelly & Quester (2005a) highlight that in the sponsorship context, the resources shared are typically in the form of intangible assets, such as brand image and corporate reputation. These perspectives offer a great basis for understanding what predicts sponsorship relationships' success in today's marketplace. In this thesis, the author will use the resource-based view, or the strategic

alliance perspective as a foundation of how modern, successful sponsorship relationships work.

Something to note is that as sponsorship has gained a strategic role in managers' minds, this shift has also meant changes to the sponsee side, and on how they need to manage their relationships with sponsors. In fact, sponsees need to carefully consider their own brand, and do their own part in value creation. As we are moving to this new paradigm of sponsorship relationships, sponsees need to take more responsibility in the value creation process to meet the expectations the companies have of sponsorship value. Sponsees need to take a proactive role in value creation, through communicating their differentiating values and the insight they have on how consumers could be enticed to further engage with the sponsoring company. It's the sponsee's responsibility to help the sponsor to fully understand and maximize the opportunities of the cooperation. (Farrelly et al. 2006)

## 2.5 Conclusions on theoretical analysis

The aim of this chapter was to bring forward literature that helps to understand the characteristics and success factors of social sponsorship relationships. Altogether, previous literature on sponsorship, sponsorship relationships and corporate social responsibility offer a basis for comprehending the nature of social sponsorship and the relationship aspect of it. Even though social sponsorships are severely understudied, sponsorship theory offers a basic foundation for understanding these relationships (Madill & O'Reilly 2010). Theory on sponsorship and sponsorship relationships in the strategic alliance context was discussed in order to gain understanding on how modern sponsorship relationships work, and to build a basis for understanding what factors constitute a social sponsorship relationship. In addition, cause-related partnerships were used as a basis for describing social sponsorship relationships (Madill & O'Reilly 2010) and their objectives. As social sponsorship is a part of corporate social responsibility, literature on CSR was brought forward.

Findings from previous literature are presented in table 2. The table concludes what was derived from existing literature to understand social sponsorship relationships. At first, characteristics, objectives and problems related to modern view on sponsorship are listed. These have been identified through the work of McCracken (1989), Crimmins & Horn (1996), Meenaghan (2001), Fahy et al. (2004), Cornwell et al. (2005), Farrelly et al. (2006), Cornwell et al. (2006), Kahuni et al. (2009), Cunningham et al. (2009), Sohn et al. (2012), Madill et al. (2014) and Kelly et al. (2016), who have extensively studied sponsorship. Moreover, from the research of Fahy et al. (2004), Farrelly & Quester (2005a), Farrelly & Quester (2005b), Farrelly et al. (2006) and Urriolagoitia & Planellas (2007), the RBV and the strategic alliance perspective on sponsorship relationships were identified, and included in the theoretical analysis. CSR characteristics, objectives and problems have been discovered through the work of Rupp et al. (2006), Aguilera et al. (2007), Walker & Kent (2009), Liu & Ko (2011), Sohn et al. (2012), Nyilasy et al. (2012), Napoli et al. (2014), Scheinbaum et al. (2017) and Currás-Pérez et al. (2018). During the literature review it was understood that cause-related marketing and cause-brand alliances, as branches of literature, can help to build understanding on the social sponsorship relationship characteristics and objectives. Thus, the research of Lafferty et al. (2004) and Lafferty (2009) was used to characterize CRM and CBAs. In the final row, social sponsorship relationship characteristics, objectives and problems are defined. Previous authors who have studied social sponsorship include Seitanidi & Ryan (2007), Madill & O'Reilly (2010) and Skard & Thorbjørnsen (2014), whose ideas have formed the basis for social sponsorship relationship characterization. Moreover, it has been formed through combining findings of all the authors listed above.

Table 2. Characteristics, objectives and problems of social sponsorship relationships Derived from sponsorship, sponsorship relationship, CSR and CRM literature

	<i>Characteristics</i>	<i>Objectives</i>	<i>Problems</i>
<i>Modern view on sponsorship</i>	<ul style="list-style-type: none"> <li>○ Strategic branding/marketing tool</li> <li>○ Mutually beneficial exchange</li> <li>○ Aims to influence consumers indirectly</li> <li>○ Evokes emotional responses</li> <li>○ There's a fit between the partners</li> <li>○ Typically motivated by commercial reasons</li> </ul>	<ul style="list-style-type: none"> <li>○ To build a favorable corporate image and positive associations</li> <li>○ To engage in activities that have promotional value</li> <li>○ To increase purchase intention and profits</li> <li>○ To build customer loyalty</li> <li>○ To reach new target markets</li> </ul>	<ul style="list-style-type: none"> <li>○ The market for sponsorship is becoming increasingly cluttered</li> <li>○ Sponsorships need to be relevant and generate value for the consumer</li> <li>○ If motives are questioned, the sponsorship will fail</li> <li>○ Sponsorship value is intangible and subject to change</li> <li>○ Company needs to find the perfect sponsee partner</li> <li>○ The relationship needs to be leveraged</li> </ul>
<i>Strategic alliance perspective on sponsorship relationships</i>	<ul style="list-style-type: none"> <li>○ Strategic branding tool</li> <li>○ A strategic mindset and strategic compatibility necessary</li> <li>○ Mutually beneficial exchange</li> <li>○ Long-term relationships (commitment)</li> <li>○ Both parties participate on value creation</li> <li>○ The relationship is carefully managed</li> <li>○ Trust and satisfaction</li> <li>○ Partners have similar goals</li> <li>○ There's a fit between the partners</li> </ul>	<ul style="list-style-type: none"> <li>○ To create unique and favorable brand meanings</li> <li>○ To attain sustainable competitive advantage through key resources and sharing these resources (resources shared are typically intangible assets, such as brand image and corporate reputation)</li> </ul>	<ul style="list-style-type: none"> <li>○ The relationship requires careful management and specific factors need to be present in the relationship in order for it to become an alliance</li> </ul>
<i>Corporate social responsibility</i>	<ul style="list-style-type: none"> <li>○ Transforming ethical practices to business activities</li> <li>○ Entails that firms have obligations to society and duties beyond just financial gains</li> <li>○ Can be a central part of organizational values and identity</li> </ul>	<ul style="list-style-type: none"> <li>○ To enhance corporate image/reputation, instill positive associations</li> <li>○ To build customer loyalty</li> <li>○ To enhance recruiting and retention of employees</li> <li>○ To develop company culture and social consciousness</li> </ul>	<ul style="list-style-type: none"> <li>○ The company's CSR motives need to be perceived as positive and authentic by the consumer</li> <li>○ The ability to generate goodwill is largely dependent on the fit of the corporation and its CSR activity</li> </ul>
<i>Cause-related marketing and Cause-brand alliances</i>	<ul style="list-style-type: none"> <li>○ A marketing tool, used for brand image building and enhancing</li> <li>○ Long-term relationships</li> <li>○ There's a fit between the partners; the cause fits the brand</li> <li>○ Company's values need to be visible in their actions</li> </ul>	<ul style="list-style-type: none"> <li>○ To enhance corporate image through image transfer</li> <li>○ To form a deeper bond with the customer</li> <li>○ To influence consumers' attitudes towards the brand and the cause</li> <li>○ To raise awareness for the cause</li> <li>○ To increase purchase intention</li> </ul>	<ul style="list-style-type: none"> <li>○ There needs to be a fit between the values of the consumers and the actions of the company</li> <li>○ There's reluctance to communicate initiatives in fear of being perceived as commercially oriented</li> </ul>
<i>Social sponsorship relationships</i>	<ul style="list-style-type: none"> <li>○ Strategic branding/marketing tool</li> <li>○ Entails that firms have obligations to society beyond just financial gains</li> <li>○ Typically non-commercially driven, however has commercial goals</li> <li>○ Mutually beneficial exchange</li> <li>○ Aims to influence consumers indirectly</li> <li>○ Evokes emotional responses</li> <li>○ There's a fit between the partners</li> <li>○ A strategic mindset and strategic compatibility necessary</li> <li>○ Long-term relationships (commitment)</li> <li>○ Both parties actively participate on value creation</li> <li>○ The relationship is carefully managed</li> <li>○ Trust and satisfaction</li> <li>○ Partners have similar goals</li> <li>○ Company's values need to be visible in their actions</li> <li>○ Can be a central part of organizational values and identity</li> </ul>	<p>Social objectives:</p> <ul style="list-style-type: none"> <li>○ To influence consumers' attitudes towards the sponsee/the cause</li> <li>○ To raise awareness for the sponsee/ the cause</li> </ul> <p>Commercial objectives:</p> <ul style="list-style-type: none"> <li>○ To build a favorable corporate image and positive associations; to create unique and favorable brand meanings</li> <li>○ To attain sustainable competitive advantage through sharing key resources, such as brand image and corporate reputation</li> <li>○ To engage in activities that have promotional value</li> <li>○ To increase purchase intention and profits</li> <li>○ To build customer loyalty; to form a deeper bond with the customer</li> <li>○ To reach new target markets</li> <li>○ To enhance recruiting and retention of employees</li> <li>○ To develop company culture and social consciousness</li> </ul>	<ul style="list-style-type: none"> <li>○ The market for sponsorship is becoming increasingly cluttered</li> <li>○ Sponsorships to be relevant and generate value for the consumer; there needs to be a fit between the values of the consumers and the actions of the company</li> <li>○ If motives are questioned, the sponsorship will fail; motives need to be perceived as positive and authentic by the consumer</li> <li>○ Sponsorship value is intangible and subject to change</li> <li>○ Company needs to find the perfect sponsee partner; the ability to generate goodwill is largely dependent on the fit of the sponsor and the sponsee</li> <li>○ The relationship needs to be leveraged, however, there's reluctance to communicate the initiatives in fear of being perceived as commercially oriented</li> </ul>

### 3 METHODOLOGY

This study is qualitative as the qualitative approach was found more suitable in terms of the purpose and objectives of the study, compared to quantitative approach. The first step in all research is to determine what the researcher wants to find out and how (Bengtsson 2016). The main purpose of the study is to understand, describe and interpret the characteristics and the success factors of social sponsorship relationships. In addition, the goal is to scope the social sponsorship phenomenon in Finland. In order to achieve these goals, empirical evidence was derived from secondary data sources and qualitative theme interviews, in addition to evidence from existing literature. In this chapter of the study, the research approach, data collection, data analysis methods and the trustworthiness of the research will be discussed. The design of the research will be clarified, and the methodological choices will be explained in detail as it enhances the reliability of the research (Hirsjärvi, Remes & Sajavaara 2013).

#### 3.1 Research approach

This study uses qualitative research approach. The research approach has been defined by the objectives and goals of this study. Qualitative research method helps to develop understanding of the studied phenomenon (Walters & Tacon 2010). As the main purpose of the study is to understand and describe the characteristics and the success factors of social sponsorship relationships, the qualitative research approach suits the objectives of the research well.

As theory and research literature on the social sponsorship phenomenon is very limited, in order to analyze the findings on social sponsorship relationship characteristics and success factors, a content analysis approach was adopted. When existing theory and understanding of a phenomenon is limited, content analysis approach is appropriate (Hsieh & Shannon 2005). The purpose of the analysis was descriptive, meaning that the analysis was conducted

by developing conclusions from collected data, by combining new information into existing theories (Bengtsson 2016).

The chosen data collection methods were utilization of secondary data and conducting theme interviews. Both methods and the data collection process are further described below. The main goal with data collection was to ensure that the empirical research is based on diverse and extensive materials. The collected data can be divided into primary and secondary data sources, depending on if the researcher has produced the data themselves or if the data was originally produced for other purposes. In this research, both primary and secondary data were utilized. Secondary data functioned as background information for the research, whereas the interviews (primary data source) were conducted in order to gain more depth to the understanding of social sponsorship relationships.

The secondary data collection can be divided to parts Alpha ( $A\alpha$ ) and Beta ( $B\beta$ ). The  $A\alpha$  part was done by researching largest Finnish companies and their websites for mentions of their sponsorship activities. The  $B\beta$  part was done by researching previous documents on the subject of sponsorship, written by Finnish experts. The first phase of the research (secondary data analysis) took place in January and February of 2019. The theme interviews (primary data) were used in the second phase of the research, taking place in February 2019.

According to Bryman (2001), the research questions need to be clear, understandable and focused in order to get the most out of the study. However, they must not be too narrow. He stated that the questions should motivate the researcher and should be formulated in a way that there's a possibility that they can make an original contribution towards the study. The research questions for this study have been formulated keeping this guidance in mind. In this study, the main question is: *What is the current status of social sponsorship in Finland, and what are the characteristics of successful social sponsorship relationships?* In order to help with the structure of the research, the research question is divided into three sub-questions. The sub-questions have been formulated as following: (1): *What is the current status of social sponsorship?*, (2): *What characterizes social sponsorship relationships?*, and (3): *What factors contribute to the success of the social sponsorship relationship?*

## 3.2 Data collection

This thesis was conducted as both qualitative theme interviews and secondary data collection. The secondary data collection and analysis were performed in the first phase of the research, and it can be divided to two parts. The secondary data functioned as background information for the research. Secondary written data is especially recommended as complementary material due to its efficiency and particularity (Koskinen, Alasuutari, Peltonen 2005). The data was collected from public sources, and all the sources were non-academic.

As said, the secondary data collection and analysis can be divided to parts, Alpha ( $A\alpha$ ) and Beta ( $B\beta$ ). The goal of the part  $A\alpha$  analysis was to determine first which Finnish companies include sponsorship in their corporate social responsibility programs. In addition, the objective was to gain understanding on the nature of these sponsorship relationships by collecting information on the sponsorship activities, the objectives of the activities and on the principles on which the activities and executed on. This was done in hopes of finding out if large Finnish companies engage in social sponsorship. The analysis  $A\alpha$  was done by researching largest Finnish companies and their websites for mentions of their sponsorship activities. The process started with identification of Finland's largest companies in terms of revenue. For this purpose, a list from [www.largestcompanies.fi](http://www.largestcompanies.fi) was used. The process proceeded to searches on a search engine, and for this research Google was used. The online search was targeted to sponsorship activities of each company. The search words for each company were "X sponsorship", X standing for the name of the company. The search was done in both Finnish and English terms ("sponsorointi" and "sponsorship"), as the study is done on Finnish companies, and as some of them have chosen to have English as the primary language of company communications.

The analysis was only done for the first results page, as it's estimated that 71-92% of organic clicks are from the first page only (Shelton 2017). While doing the search, it was assumed that if sponsorship is a part of the company's CSR strategy, there would be a mention of it in the first results page. Also, it was assumed that if sponsorship is an important part of the

CSR strategy, there would be a page discussing it that's accessible to the public. The first phase of the research (secondary data analysis, part A $\alpha$ ) took place in January of 2019.

Overall, a total of 84 companies were originally included in the A $\alpha$  part analysis out of the list of Finland's hundred largest companies, as some companies in the list were a part of the same parent company. Out of the 84 companies researched, 61 companies did not have a web page on sponsorship available. As said, it was assumed throughout this research that if sponsorship is a part of the company's CSR strategy, there would be a web page on it in the company website that's accessible to the public. Thus, a conclusion was made that sponsorship isn't included in these companies' CSR strategies as of yet, and they were excluded from the research. After the exclusion of 61 companies, the remaining 23 were examined further. Out of the 23 companies, three did not have further information on their sponsorship activities, beyond explaining the sponsee targets of the company. Thus, these three were excluded from further analysis. In the end, the sponsorship activities and characteristics of twenty Finnish companies were included in the analysis.

The B $\beta$  part of the secondary data analysis was conducted in January and February of 2019. This part was included in the research in order to collect background information for the phenomenon. The B $\beta$  part consists of publications and blog posts, written by some of the experts in the field of sponsorship. Altogether, four documents were included in the research. All the documents used are accessible to the public. As the original language of all the documents was Finnish, the texts have been translated to English for the purpose of this research.

The interviews were executed as semi-structured theme interviews, which are a popular data-collecting method in the qualitative approach. In theme interviews, the questions act simply as an introduction to the subject. This enables the interviewee to answer the question the way they feel they like to, as there are no structures to limit the scope of the answer. Through this type of exchange, there's a better chance to gain information that's relevant to the study. (Metsämuuronen 2001) The interviews were recorded and transcribed. As the interviews



research. As the social sponsorship phenomenon is under researched, two experts in the field of sponsorship and societal issues were interviewed. As the qualitative method aims to understand a phenomenon instead of looking for statistical evidence, smaller sample sizes are possible (Saaranen-Kauppinen & Puusniekka 2006). Thus, it was resolved that a sample of two experts, interviewed in addition to collecting secondary data, was enough to meet the objectives of this research. The background information for the interviewees are concluded in table 3.

*Table 3. Background information of the interviewees*

<i>Interviewee</i>	<i>Background and area of expertise</i>	<i>Years of experience</i>
<i>γ gamma</i>	Sponsorship (and marketing). Various leadership and consultative roles in sports sponsorship and marketing, with domestic and international experience	15+ years
<i>δ delta</i>	Society and culture. Communications and marketing for (non-profit) organizations. Currently in a leadership role	10+ years

According to Hirsjärvi & Hurme (2001), the questions or the themes are the same for every interviewee. However, they state the themes shouldn't be too narrow, so that the phenomenon can be fully studied. The themes for the interviews were decided with this guidance in mind. The research questions weren't told to the interviewees so that they wouldn't affect the responses of the interviewees. According to (Hirsjärvi et al. 2013), theme interviews are typically used when there's a need to learn about the personal experiences of the interviewee, thus they were useful for this case as the studied phenomenon is not fully theorized or understood.

### 3.3 Data analysis methods

As theory and research literature on the social sponsorship phenomenon is very limited, in order to analyze the findings on social sponsorship relationship characteristics and success

factors, a content analysis approach was adopted. When existing theory or research literature on a phenomenon is limited, content analysis approach is appropriate (Hsieh & Shannon 2005). According to Bengtsson (2016), content analysis can be described as a research method that provides a means to draw conclusions from data in order to describe a specific phenomenon. The purpose of the analysis was descriptive, meaning that the analysis was conducted by developing conclusions from collected data, by combining new information into existing theories (Bengtsson 2016). In other words, the researcher analysed the data with an open mind, aiming to identify subjects that answer the research questions.

### 3.4 Trustworthiness

In qualitative research, the researcher is always present with their individual background, experiences and knowledge. This evidently influences the research process all the way from topic selection to the findings and conclusions of the research. Despite this, the trustworthiness of the research can be evaluated. The classic evaluation criteria are the reliability and validity of the research, and even though typically used for quantitative research, they may still be partly applied to qualitative research (Eriksson & Kovalainen 2008).

Overall, validity refers to how well the research represents the issues it should represent and how well it is able to answer the research questions (Koskinen et al. 2005). The validity of the study can be increased through employing several methods (Hirsjärvi et al. 2013). Therefore, materials from several sources have been utilized in this research, including previous literature, secondary data and primary data (theme interviews). Each source of data has been regarded as its own throughout the research, and conclusions have been drawn from each separately. Ultimately, it can be argued that as the same results have been derived from multiple sources of data, the validity of the research has been increased.

The reliability of the research refers to if the same results can be achieved with the same research methods, or how repeatable the results of the study are (Koskinen et al. 2005). One

of the best ways to increase the reliability is to explain the design of the research, the research process and the methodological choices in detail. If this is the case, it enhances the reliability of the research (Hirsjärvi et al. 2013), as the study is possible to replicate. Thus, the research process, the methods and the sources of information have been explained in great detail, enhancing the reliability of the study.

In order to conduct the research according to high ethical standards, the interviewees were asked for a consent before conducting the interviews. Through the consenting process, the interviewees are protected and respected. The consent was asked face-to-face, and research participation was voluntary for the interviewees. In order to protect the privacy of the interviewees, personal, identifiable information is not disclosed in this study.

## 4 FINDINGS

In this chapter, the key empirical findings of the study are discussed. The primary data findings are based on theme interviews that were conducted among two experts in the fields of sponsorship, corporate social responsibility, culture and marketing management. Before the theme interviews, secondary data was acquired as a background information for the social sponsorship phenomenon and to scope it in Finland. The findings will be introduced based on the themes of the interviews, built on the theoretical framework of the study as well as the secondary analysis results. This chapter will only present the results of the research. In the Conclusions and Discussion chapter, the results from the interviews and the secondary data analysis are compared to findings from previous literature.

The secondary data analysis was performed in the first phase of the research. As discussed before, the secondary data collection and analysis can be divided to two parts, Alpha ( $A\alpha$ ) and Beta ( $B\beta$ ). The goal of part  $A\alpha$  analysis was scope the current status of social sponsorship in Finland. At first, the aim was to determine which Finnish companies include sponsorship in their corporate social responsibility programs. Further, the objective was to gain understanding on the nature of these sponsorship relationships by collecting information on the sponsorship activities of the companies, objectives of the activities and on the principles on which the activities are executed on. Overall, the majority of the examined companies were excluded from further analysis at an early stage, as described in the methodology part. As the vast majority of the companies were excluded at this stage, a conclusion was made that sponsorship isn't yet widely used as a part of CSR among large Finnish companies.

Ultimately, the sponsorship activities and characteristics of twenty Finnish companies were included in the analysis. The results from part  $A\alpha$  analysis are concluded to table 4. The table compartmentalizes the motives behind engaging in sponsorship, and the characteristics of these initiatives, or the principles on which these activities are executed on. Both the motives and the principles are sorted to order according to how many of the twenty companies researched mentioned them in their website.

Table 4. Finnish companies: sponsorship motives and principles/characteristics

<i>Motives</i>	<i>Principles/characteristics</i>	
(4) Building a favorable brand image	Sponsorship activities...	(2) are executed with partners that share the same values
(3) Benefits and value-creation for the business, customers and owners	(10) need to be socially responsible	(2) need to benefit customers
(1) Image transfer	(9) are based on values	(2) fit the strategy
(1) Making connections	(7) are executed in committed (long-term) partnerships	(1) fit the brand promise
(1) Opportunities for story-telling	(7) are targeted towards helping children and youth	(1) need to benefit the business
	(5) advance sustainability	(1) need to support the company mission
	(5) have a positive impact on society	(1) have communication value
	(4) fit the business	(1) offer mutual benefits to both partners
	(4) aim to enhance the well-being of communities and people	(1) help individual development
	(3) advance communality	(1) are executed with carefully selected partners
	(3) support the well-being of environment	(1) are executed with partners that are globally accepted and valued
	(3) impact everyday lives	(1) advance culture and innovation
	(3) promote sports	(1) advance public health
	(2) create connections	(1) engagement is couraged among employees
	(2) fit the company's vision	(1) cannot be based on earning profits
	(2) are based on ethical codes	
	(2) enhance standard of living and quality of life	

The most mentioned principles included that sponsorship initiatives need to be socially responsible and/or communicate social responsibility, and that they need to be executed in accordance with the values of the company. In addition, companies included remarks of advancing sustainability, and as environmental responsibility is an aspect of CSR, these remarks also represent responsibility. When explaining that the sponsorship activities need to be socially responsible and/or communicate social responsibility, companies would include the following remarks and like on their website:

*“We support the well-being of society.”*

*“Sponsorship activities support our role as a responsible corporate citizen.”*

*“We want to demonstrate responsibility through sponsorship”.*

*“Through all of our sponsorship partnerships, we aim to advance sustainable development.”*

Whereas when the examined companies described that their sponsorship activities are based on values, they would include the following remarks and like on their site:

*“We always act in accordance with our values.”*

*“The principles (of sponsorship activities) are built on our values.”*

*“The sponsorship initiatives reflect the values of the company.”*

The third most mentioned principle was that sponsorship activities are executed in committed, long-term partnerships. This principle was brought forward, for example, through following remarks:

*“To us, sponsorship means long-term commitment and partnership.”*

*“Commitment needs to be mutual.”*

*“We sponsor carefully selected targets, and always commit to long-term cooperation.”*

*“Our aim is to build long-term, deep cooperative relationships.”*

The results from the A $\alpha$  part of the secondary data analysis guided rest of the research project. From the results, a conclusion was made that Finnish companies that engage in sponsorship activities tend to see them as socially responsible activities. Thus, we can study them as examples of social sponsorship in Finland. Through the analysis of previous literature and the part A $\alpha$  results, themes for the theme interviews were generated. Thus, the rest of the findings (secondary and primary data) will be analyzed through the following themes: “social responsibility”, “sponsorship” and “partnerships”, included also in the theme interviews as the main themes.

## 4.1 Social responsibility

Social sponsorship is a part of corporate social responsibility and it can be perceived as a tool companies can use to engage with society. As such, it's important to understand the concept of CSR, and its significance. Thus, throughout this study, one of the objectives was to study the CSR phenomenon, and the role sponsorship plays in it. Overall, the findings of this research support the idea that corporate social responsibility is an important part of companies' strategies today. It's no longer seen as voluntary actions, but rather as a necessity. This was especially understood through the primary data analysis. During the theme interviews, the importance of responsibility was highly underlined. Responsibility was even seen as a prerequisite for existence of businesses in the long-term.

Interviewee  $\gamma$ : *“Having gotten to know the big companies: all of them have responsibility programs. – The importance of CSR is becoming increasingly evident. Today, the ideology of businesses existing only to make money to owners just simply does not cut it. Companies need to be able to justify the reason for their existence – what is their role in the society and how they can make the world a better place. Businesses have the biggest resources to make change happen. This is why the public expects companies to take action.”*

Interviewee  $\delta$ : *“Companies need to take responsibility over their direct actions, in the communities they operate in. We have great global challenges which need to be solved. Political system doesn't seem to be able to tackle them with the speed that's needed. – Big, global corporations are faced with pressure to be part of the solution. Companies have become influential, they have more power. Thus, there's increased responsibility. – Companies that aim to exist in ten to fifteen years have to be responsible. To be able to operate on a large scale without being responsible... It's hard to imagine. – The pressure is increasing. – The change is going to happen quickly. Investors and consumers have demands.”*

Among experts interviewed, there was a belief that the CSR phenomenon affects companies in a multitude of ways. Particularly it was seen to impact consumer behavior as well as recruitment: as more is expected of businesses, consumers are beginning to favor responsible brands, and employees want to work for responsible companies. Moreover, CSR was seen

as something that benefits companies financially. It was stated that responsible brands tend to do better in the marketplace.

Interviewee  $\gamma$ : *“This (CSR) is reflected to workforce (as people are no longer willing to work in companies without strong responsibility programs) as well as in consumer behavior. Consumers want to impact the future with their money. The voting takes place every day. This has caused companies to wake up. – CSR creates wealth. When you compare responsible brands and their stock prices to other brands, trend shows that they tend to do better. CSR is becoming financially significant. Companies benefit from CSR in all levels. They are able to compete for the best experts and keep their employees more satisfied. Other benefits include customer loyalty and reaching new target audiences.”*

Interviewee  $\delta$ : *“A couple of decades ago it was regarded as responsible enough to pay one’s taxes and to not directly break the law. – In recent polls, and increasingly in consumer behavior, you’re starting to see that consumers expect companies to do better. You can see it in recruiting, – money and status is not enough. People want to work in companies that operate in a responsible manner.”*

When establishing what makes CSR initiatives successful, the need for authenticity and the importance of actions were brought into discussion. The interviewees disclosed that simply talking about responsibility is no longer regarded as sufficient. In addition, it was discussed that open communication about the activities is extremely important. Moreover, companies need to consider and pick their initiatives and set their objectives carefully.

Interviewee  $\gamma$ : *“It has to be authentic. Everything needs to begin with authenticity. If a company simply establishes that ‘global warming is the thing now, we need to be involved in preventing it’, and if this does not truly reflect the core of the company, people will not buy it. It needs to begin at the heart of the company and needs to be realized through their actions. Words do not cut it. – The success depends on if the responsibility program has been properly implemented or whether it has no real importance and meaning to the company.”*

Interviewee  $\delta$ : *“You have to have realistic goals. Pick initiatives that are actually meaningful. – Companies need to figure out what are the things they’re actually able to impact, what things actually matter. Today, it’s not enough to pick a thing that’s easy to*

*fix. It has to be genuine. It has to be meaningful for the business. Also, companies need to talk about their actions. – It has to be done openly and transparently. – If you're responsible and no one knows about it, does it matter that you're responsible?"*

However, interviewee  $\gamma$  proceeded: *"This is an interesting field because it's always alive. There's no one way to do things, you can't tell companies that this is what you should do. There are many ways things could go wrong. It's very case by case."*

According to the interviewees, there are many problems related to CSR. The biggest hurdle to go through is fear. With CSR, companies step into the unknown, and don't know exactly what's to come. More than anything else, companies are afraid of the backlash that may follow their actions.

Interviewee  $\gamma$ : *"Some companies and individuals still hold the belief that they can't sponsor something that people oppose. They don't want to hurt anyone's feelings. However, that doesn't work in today's polarized world, risks are involved. Everyone has to pick sides. Companies need to be able to express their stance in order to be interesting. When companies engage in CSR, there's always a possibility that someone will lose their temper – If you oppose something, there are much more feelings involved, compared to agreeing with something. When it comes to responsible sponsorship, there are big opportunities with this."*

Interviewee  $\delta$ : *"There's fear over talking about things. By your industry, you can be seen as a troublemaker. Your most demanding clients can be like 'yeah that's good, however, you're not doing enough'. You can become a target. These are the most prevalent things people fear. Related to this, another problem is that people think everything needs to be perfect. – This is crazy. You're afraid to do anything, afraid to talk about things until everything's perfect. It doesn't make sense business-wise. – As consumers and people we should, when someone is trying to do good, thank them and cheer them on. Expecting perfect delivery creates fear. – One challenge is that this is building the future, thus, it's not exact. You need to be able to go towards the unknown. It can be scary, some companies will make errors in judgement, wrong investments. – When you are entering a new territory, you're not sure what the right path is."*

According to the results from the primary data analysis, sponsorship in the CSR context is seen as something that has benefits over traditional advertising. It is believed that sponsorship and CSR fit well together and complement each other.

Interviewee  $\gamma$ : *“Sponsorship and CSR fit well together, definitely. At its best, when thinking about what you need in a project, there’s this kind of ‘trinity’: you have a company with resources, the final customers or the audience, and you have an organization that aims to benefit the society. Then you have all the elements together: influence, visibility and resources. If you only have one, the company and its media coverage, it’s not as effective as it’s all talk. You need actions. This ‘trinity’ enables companies to take action.”*

Interviewee  $\delta$ : *“Sponsorship is a great tool for CSR, a great tool for influencing people and for dialogue.”*

The results from the secondary data analysis show that sponsorship is often seen as a tool to demonstrate CSR. At least, it’s closely linked to CSR.

*“Responsibility is the number one key factor in sponsorship. -- Responsibility is one of the corner stones of image and brand building.”* (Kärkkäinen & Tamminen 2016)

*“One of the reasons behind why companies engage in sponsorship is corporate social responsibility”* (Virkkunen 2017).

*“Sponsorship isn’t limited to sports. In fact, better targets include – charities and anything that is meaningful for one’s customers.”* (Pitenius 2015)

During the theme interviews, many tools to demonstrate CSR were mentioned. One tool referenced was sponsorship (including influencer-marketing). Others included social media, employee advocacy, responsibility reporting and opening a dialogue with one’s target audiences.

Interviewee  $\gamma$ : *“There are many ways to do CSR. – Companies are struggling to reach their target audiences. It’s problematic. Social media can be a tool especially through influencers, influencer marketing being a part of sponsorship. Also the personnel of the*

*company can be a tool: they can be involved in the marketing campaigns. Companies can provide the opportunity for their personnel to take part in CSR related activities they deem important, and let them document their experiences through their own channels. If the message is coming from the company itself, consumers are more suspicious towards it. Consumers are more trustful when the message is coming from someone that's close to them and from someone they can relate to. If the message is coming from the personnel, it's more influential, compared to it coming from a national celebrity, for example. This is because it's more personal. – However, there are situations where you need these big stars and their reach, however, you really need to consider how and if the message is delivered.”*

*Interviewee δ: “Reporting is fine. However, that does not distinguish you. To big companies it's obligatory, to others it's a good tool. – The next level is – discussion and dialogue with your customers and with other parties. – It can be a marketing campaign, it can be many things. This takes some courage. The next step is – leading the conversation.”*

From the Aα part of the secondary data analysis, one of the biggest findings was that Finnish companies that engage in sponsorship activities tend to see them as socially responsible activities or as communicating good corporate citizenship. Social responsibility was very much emphasized. Out of the twenty companies analyzed during the secondary data analysis, 18 reported that their sponsorship activities have some sort of social and/or environmental objectives or that the activities need to be socially responsible. In addition, companies reported to take part in activities that promote sustainability. As a conclusion, Finnish companies engage in sponsorship activities that communicate some aspect of social responsibility, as their initiatives have either environmental objectives or social objectives. These objectives are concluded in table 5. These sponsorship activities can thus be classified as social sponsorship, and they can be used to build understanding on social sponsorship and sponsorship relationships.

Table 5. Finnish companies: environmental and social objectives for sponsorship

<i>Environmental objectives</i>	<i>Social objectives</i>
<ul style="list-style-type: none"> <li>○ Advance sustainability</li> <li>○ Enhance standard of living and quality of life</li> <li>○ Support the well-being of environment</li> </ul>	<ul style="list-style-type: none"> <li>○ Communicate social responsibility</li> <li>○ Helping children and youth</li> <li>○ Have a positive impact on society</li> <li>○ Enhance the well-being of communities and people</li> <li>○ Advance communality</li> <li>○ Promote sports</li> <li>○ Enhance standard of living and quality of life</li> <li>○ Help individual development</li> <li>○ Advance culture and innovation</li> <li>○ Advance public health</li> </ul>

As stated before, many of the Finnish companies that engage in social sponsorship also base their sponsorship initiatives on the company's values. In addition to the social responsibility factors, values were highly emphasized among Finnish companies. This view is also supported by one of the experts included in the secondary data analysis, and further shared by the interviewees.

*“Companies are actively seeking partners whose values reflect their business. – Cooperations that are built on company values help with building the brand image.”* (Kärkkäinen & Tamminen 2016)

Interviewee  $\gamma$ : *“Hopefully the reason (for a specific sponsorship initiative) is visible in the strategy of the company, like ‘we want to be this kind of a company, and this organizations reflects our values’.”*

Interviewee  $\delta$ : *“When you share values, you go deeper into the relationship. You indicate that you represent (in some areas) the same values, instead of just hoping to gain exposure. – Through partnerships (that are based on the company values) you are able to express who you really are. – If you base your sponsorship on your values, it's powerful. You kind of leave the calculations out, and are like ‘this is what's actually important to us’. You invest in things that are meaningful to you. And that's a strong message.”*

One important note on CSR that was brought to discussion in the theme interviews was the current situation of responsibility in Finland. Some companies are profiling themselves as advocates for responsibility. However, if companies hope to be seen as a forerunner in corporate responsibility, the time to act is now.

Interviewee  $\delta$ : *“Some companies are taking the responsibility talk to the next level. Industry pioneers should be doing this. There are companies that are not all talk but have actually changed the business. – At the moment, companies would benefit from being proactive. We’re coming to a turning point. Customers that have been talking about buying sustainable products – are soon going to buy. Companies can still be forerunners in responsibility, however, it will soon be too late. If you want to position yourself, now’s the time. Are you the pioneer, the one that has fought for it or are you the one that’s forced to do it. From a business perspective, the forerunners are the ones that set the industry standards. By being proactive, – you’re able to set the rules.”*

## 4.2 Sponsorship

As sponsorship theory helps us to understand social sponsorship, sponsorship became one of the themes studied in the empirical part of this research, as well as a theme for the interviews. According to experts included in this study (both secondary and primary data), sponsorship can be defined as following:

*“Sponsorship is an effective marketing and communications tool. – It is a marketing investment, with expected ROI.”* (Pitenius 2015)

Interviewee  $\gamma$ : *“Sponsorship is activity that is goal-directed and visible. Through sponsorship, companies can impact people. There have to be objectives. Not only charity.”*

Interviewee  $\delta$ : *“Sponsorship is support with expected return on investment, a form of marketing. When supporting an athlete, and organization or an artist, you expect something back in return. I always see sponsorship as mutually inclusive.”*

The results from the secondary data analysis suggest that the importance of sponsorship has increased in Finland, especially throughout previous years. Overall, managers are increasingly paying attention to sponsorship.

*“Sponsorship is becoming an increasingly important part of companies’ marketing strategies. Already 43% of Finnish companies consider sponsorship to be a strategically important part of their marketing.” (Kärkkäinen & Tamminen 2016)*

*“The strategic importance of sponsorship has grown in Finland: 47% of companies consider it to be strategically important” (Virkkunen 2017).*

*“The organic growth of sponsorship remains strong at 5,5% (In 2018). 77% of Finnish companies are looking to increase their sponsorship investments, or keep them at the same level compared to the previous year.” (Sponsorointi & Tapahtumamarkkinointi 2018)*

According to the primary data, Finnish companies execute sponsorship with varying success. There are examples of companies that are highly successful with their sponsorship initiatives. However, some companies see it as simple charity, which was seen as a problem. It also came up that in Finland, the sponsorship term seems to even evoke some negations among managers, as it’s seen simply as charitable donations.

Interviewee  $\gamma$ : *“The success varies... You cannot generalize. Overall, Finnish companies have nothing to be ashamed of. – The Finnish market is small. Thus, the executions of these initiatives are quite small, there’s not a lot of money to spend. – Our small market, in a sense, protects companies, as you always have to do quality work in order for it to be successful and profitable.”*

Interviewee  $\delta$ : *“Sponsorship success varies... We (Finnish people) tend to have an idea that sponsorship is equal to charity. There are a lot of sponsorships that have no objectives.”*

Interviewee  $\gamma$ : *“Finland seems to be the only country where the term ‘sponsorship’ holds negative connotations. In Finland, sponsorship is largely regarded as philanthropic, single transactions. In the UK, everyone understands that sponsorship is a much larger thing. – In Sweden, companies do not hesitate to use the term “sponsorship”. In Finland,*

*companies tend to use different terms, such as “partnership” and “influencer marketing”, which ultimately all fall under the “sponsorship” branch.”*

The findings of this study support the idea that sponsorship has commercial objectives, even sponsorship activities that aim to communicate social responsibility or are socially responsible. This was evident through both parts of the secondary data analysis. In the part A $\alpha$  of the secondary analysis, the companies analyzed reported commercial goals and prerequisites for the activities in addition to social and environmental goals. The commercial objectives and prerequisites for sponsorship activities are concluded in table 6.

*Table 6. Finnish companies: commercial objectives and prerequisites for sponsorship*

<i>Finnish companies: commercial objectives and prerequisites for sponsorship activities</i>
<ul style="list-style-type: none"> <li>○ Sponsorships help to build a favorable brand image (through image transfer)</li> <li>○ Activities need to have communication value (for example, through story-telling)</li> <li>○ Sponsorships need to create value for the business and owners</li> <li>○ Activities fit the business</li> <li>○ Activities benefit the business</li> <li>○ Activities create value for customers</li> <li>○ Activities fit the brand promise</li> <li>○ Activities help build connections for the company</li> <li>○ Activities fit the company’s vision</li> <li>○ Activities fit the strategy</li> </ul>

Throughout the part B $\beta$  of the secondary data, expert opinions stated that sponsorship activities always have commercial goals and objectives. Also, throughout the theme interviews, the importance of objectives was highly emphasized. It was even said to be the most important factor of sponsorship success.

*“Sponsorship contains investments and business. Returns on investment are always expected (without it, it’s not classified as sponsorship but rather as philanthropic actions).” (Kärkkäinen & Tamminen 2016)*

*“Sponsorship isn’t philanthropy, but rather a marketing investment, with expected ROI. Philanthropic actions are ok – however, they need to be separated from sales-advancing sponsorship.” (Pitenius 2015)*

Interviewee  $\gamma$ : *“Objectives are the number one thing”* (for sponsorship success).

Interviewee  $\delta$ : *“With sponsorship, the most important thing is that you have to have a clear goal; is it contacts, is it visitors, sales... That needs to be clearly defined. The more ‘traditional’ the sponsorship, the more important the measurable objectives are.”*

From the secondary and primary data sources, many sponsorship objectives were identified. ‘Traditional’ sponsorship benefits, such as exposure and increasing awareness and brand recognition were discussed by one interviewee. However, the most important benefit seemed to be sponsorship’s effectiveness as a CSR tool, as it’s personal and targeted.

Interviewee  $\gamma$ : *“There are many reasons why companies engage in sponsorship. One of the main reasons is that it’s hard to reach people. Sponsorship offers companies platforms to reach people in situations where they are engaged in things that are important to them, whether it be sports, culture, non-profit organizations... Then we are in their area. Companies can become a part of that group. – You can organize events and get new contacts. – We need to be truly involved and create value for the members of that group with our involvement. With sponsorship, you always have to keep in mind the party to whom the final value is generated, the final customer.”*

Interviewee  $\delta$ : *“In this time, it’s a good tool, – a good way to do communication. – We’re in bubbles, there’s really no mass media anymore. It’s getting harder to reach people. Almost always, it’s extremely targeted. There’s always some kind of commitment towards the brand involved.”*

Interviewee  $\gamma$  listed ‘traditional’ objectives for sponsorship: *“Companies are able to increase awareness and brand recognition. There’s debate over if these benefits are outdated ones. – However, if you look at big, global sports event, formula one for example, this is the benefit the companies are after as these events reach great masses of people. The cost benefits are big. – If a company is simply looking to increase awareness and brand recognition, if those are their goals, that’s fine. I don’t ever want to distinguish*

*projects into ‘that’s the wrong kind of sponsorship’ and ‘that’s the correct way to do it’. It’s about the objectives of the company. If it matches the objectives, that’s fine.”*

In addition, in the secondary data analysis, the following objectives and benefits of sponsorship were listed.

*“The most paramount reason behind sponsorship is brand building. – Through sponsorship, companies are able to use the image of the sponsee for their own benefit. – The sponsee can offer many benefits to the sponsor, including their image, brand and values, as well as their customers, contacts and target groups with whom to communicate with. In addition, the knowledge and expertise of the sponsee may be of interest to the sponsor.” (Kärkkäinen & Tamminen 2016)*

*“The reasons behind why companies engage in sponsorship include brand and image building, exposure, sales, corporate social responsibility, communication value of the partnership, reaching new target audiences, making connections and building networks, building relationships with customers and personal interests. Story-telling is an increasing trend.” (Virkkunen 2017)*

*“Often it’s thought that exposure is the main motivation behind sponsorship. Typically it’s the opposite. The logo is just extra. The main objective is to offer memorable experiences to your customers, personnel or other target groups.” (Pitenius 2015)*

From the secondary data analysis, a notion stood out that sponsorship is an effective communications tool because it evokes emotion.

*“The real strength of sponsorship is that it’s capable of evoking emotions and associations in a way that’s not possible for other marketing channels” (Pitenius 2015).*

During the theme interviews, many challenges were described for when companies engage in sponsorship. A common theme was issues related to the organization and management of the sponsorship. In the secondary data, a notion was brought up that sponsorship should be properly managed.

Interviewee  $\gamma$ : *“There are many challenges present in sponsorship. Within companies, sponsorship is often separate from other functions, such as brand marketing, event marketing, social media... There are too often silos, and everyone has their own agenda and there’s no communication. Sponsorship, at its best, offers value to all of these functions. It can be utilized in events, especially in social media, and also in brand marketing. – Resources are limited. People think that companies have these massive resources, however, this is often not the case. People in charge of sponsorship typically have a lot more on their table. In addition, companies are not knowledgeable enough of different sponsees. It makes a difference whether you’re sponsoring an athlete, an artist, a team, a league, a union/an organization... The problems and risks differ with each.”*

Interviewee  $\delta$ : *“One challenge is that... if it’s not based on your values. – Especially in large scale sponsorships, if you forget that why you were doing it in the first place. – Also, it’s hard to estimate the real impact of sponsorship – It’s hard to measure. Then again, this is true with many things. – If you create a great plan for sponsorship, one that’s justified through your values or through your business, there shouldn’t be big risks involved.”*

*“The organization of sponsorship saves time and money”* (Pitenius 2015).

Fit is an important part of sponsorship literature. Some Finnish companies reported that there needs to be some type of fit between the sponsorship activities and the company, according to the data derived from the secondary data sources. The types of fit the companies reported are listed on table 7.

Table 7. Finnish companies: sponsorship and fit

<i>Finnish companies: sponsorship and fit</i>
<ul style="list-style-type: none"> <li>○ Sponsorship activities need to fit the business</li> <li>○ Sponsorship activities need to fit the company's vision</li> <li>○ Sponsorship activities need to fit the strategy</li> <li>○ Sponsorship activities need to fit the brand promise</li> </ul>

In the data collected from secondary sources, there wasn't much talk about the importance of fit. One document mentioned it. However, fit was seen as important by interviewee  $\gamma$ .

*“The sponsorship activity needs to have a clear link to the mission of the sponsor”* (Kärkkäinen & Tamminen 2016).

Interviewee  $\gamma$ : *“There are many types of fit... There has to be some kind of brand fit: there has to be a clear explanation to why this specific company has chosen to work with this particular party. Hopefully the reason is visible in the strategy of the company, like ‘we want to be this kind of a company, and this organizations reflects our values’. Then you have a connection. Or, on a lower level, you have a logical fit. – Especially when you're dealing with socially responsible activities, the justification needs to come from the strategy level. Also in the sponsee side, what the sponsee represents. Does the sponsee support what the company aims to be?”*

According to the expert opinions derived from the secondary data, communicating the sponsorship is an essential part of the sponsorship value. Leveraging the sponsorship (sponsorship-linked marketing) is seen just as important, if not more so, than sponsorship.

*“The most important thing isn't sponsorship itself, but rather leveraging it. The budget for leveraging the relationship should be far greater than the one for sponsorship. Only sky is the limit. Sponsorship can be utilized in social media, on the website of the company, in events, – internal communications, in every channel possible. Sponsorship without leveraging it effectively is useless.”* (Pitenius 2015)

*“Only leveraging the partnership makes the collaboration real. For every euro spent on sponsorship, one euro should be spend on leveraging the relationship.”* (Kärkkäinen & Tamminen 2016)

### 4.3 Partnerships

Even though sponsorship relationships are still an understudied issue, they offer basis for understanding the relationship aspect of social sponsorship. This is why they were included as a theme in the interviews. They also popped up during the secondary data collection. According to the secondary data analysis part A $\alpha$ , some Finnish companies report that their sponsorship relationships are regarded as long-term, committed partnerships. According to the part B $\beta$  of the secondary data analysis, experts also see sponsorship as something that increasingly has a long-term relationship approach. This was also evident through the primary data analysis. Partnerships were seen as an essential part of sponsorship, even as inseparable.

*“A new trend for sponsorship in Finland are longer-term partnerships”* (Kärkkäinen & Tamminen 2016).

Interviewee  $\delta$ : *“You want to build a partnership (ally with someone). – You figure out the thing you want to do. You figure out who to best do it with, and ally with them.”*

Interviewee  $\gamma$ : *“Sponsorship always entails partnership. However, not all partnerships are sponsorship.”*

Throughout the secondary and primary data, there was some consensus that sponsorship relationships need to be mutually beneficial to all parties. The partnership also helps the cause and brings it awareness, in addition to benefitting the sponsor. Also, the relationship needs to be beneficial to the ‘final customer’, the target audience.

*“With long-term partnerships, or collaborations, the relationship is mutually beneficial for both partners, as well as genuinely interactive”* (Kärkkäinen & Tamminen 2016).

Interviewee  $\gamma$ : *“It’s partnership. Both parties of the relationship, in addition to the third party (the final customer), need to benefit from the relationship. It’s not about someone buying something from someone. Through the cooperation, there are mutual benefits. Companies can help the sponsee through taking them as a part of their communication. All of this supports the sponsee side, makes it more interesting. Brings awareness.”*

Experts perceive that through partnership, companies can bring meaning to the discussion. They are not simply talking about things, but engage in actions. This makes the company’s initiatives more credible.

Interviewee  $\gamma$ : *“Motives behind why companies form partnerships are closely linked to why companies engage in sponsorship. You want to influence people, whether that would be your personnel, customers, consumers... Companies aim to create meaningful content. In order to reach those goals, companies need to establish partnerships. The partnerships are needed in order for it to work.”*

Interviewee  $\delta$ : *“— You are able to express who you really are. You can talk about that through commercials, but no one is likely to believe you. Through partnerships, you are able to authenticate your talk; like if equality matters to you, you start working with organizations that support that cause. It’s actions, not all talk.”*

According to the results of the study, there are few things that are critical in terms of the success of the relationship. Long-term orientation on the relationship was highly emphasized in the interviews. In addition, goal-setting was seen as important. Moreover, one critical success factor is to think about how committed you are to the relationship.

Interviewee  $\gamma$ : *“Objectives and the long-term perspective. Within the partnership, goal-setting is of paramount importance. The objectives guide the actions of both parties. – You need to know where you are going with the partnership and you’re willing to invest time and energy to get there. – The activities need to be long-term. Compared to traditional marketing campaigns, the difference is that there’s very little that you can accomplish in a year. It needs to be long-term, repetitive. Within the relationship you can make adjustments if something doesn’t work.”*

Interviewee  $\delta$ : *“Long-term view is important. You’re able to do small things quickly, however, with larger things you only start to see impact with repetition. You want to have a long-term collaboration.”*

Interviewee  $\gamma$ : *“Once I had to ask a company if this is actually what they want to do, or if they should just invest to a ‘traditional’ marketing campaign. This is because their objectives were all over the place, they were lacking the long-term perspective. You need to be honest about this. If the company is not committed and they want a quick fix, is it really worth it?”*

It was seen that many problems can occur in sponsorship relationships. Mainly problems are the result of the partnerships not being carefully considered. However, once the partnerships have been formed, it was seen that you should stick with your partner through thick and thin.

Interviewee  $\gamma$ : *“There can be so many... Problems can occur if we don’t really know each other. When the reality does not meet the expectations. Then it’s very easy to go wrong. The long-term view is a possible problem. After a single, weaker year some want to change everything. In addition, there are crises. When in a crisis, it should not be the first act to terminate the partnership. – The future should be figured out together.”*

Interviewee  $\delta$ : *“If something goes wrong with your partnership, your partner messes up. – If you don’t think about what you sponsor, you can run into big problems.”*

## 5 CONCLUSIONS AND DISCUSSION

In this chapter, the study will be concluded by first discussing the theoretical implications of this research, and after, by comparing relevant themes from previous literature to the empirical findings through general discussion. Content analysis approach has been adopted to evaluate the contributions and implications of the study. As described before, content analysis can be described as a research method that provides a means to draw conclusions from the data in order to describe a specific phenomenon, and as such, the analysis was conducted by developing conclusions from collected data, by combining new information into existing theories (Bengtsson 2016). In addition to discussing the theoretical implications of this research, this chapter will go through the managerial implications as well as the limitations of the study and suggestions for future research.

### 5.1 Conclusions and theoretical contributions

The aim of this thesis was to gain further understanding on the social sponsorship phenomenon. Especially, the goal was to comprehend the relationship aspect of social sponsorship by shedding light on the characteristics of this type of sponsorship relationship. In addition, the objective was to gather information on the phenomenon in Finland. Moreover, this research was executed in hopes of identifying the success factors for the relationship. To the author's best knowledge, there are no previous studies examining the relationship characteristics and success factors of social sponsorship relationships. This research has been done in attempt to fill that gap. The research questions were derived from these objectives. Next, the research sub-questions and main research question will be answered.

#### ***Research sub-question 1: What is the current status of social sponsorship?***

Whereas virtually every large company in Finland has a responsibility program, the majority of the companies don't use sponsorship as a CSR tool. At the very least, it can be stated that social sponsorship does not play a major role in their responsibility programs. Overall, a

total of 84 companies were originally included in the secondary data analysis. Out of the 84 companies researched, 61 companies did not have a web page on sponsorship available. As described before, an assumption was made throughout this research that if sponsorship is an important part of the company's CSR strategy, the company would discuss it in their website. Thus, a conclusion was made that sponsorship isn't included in these companies' CSR strategies as of yet. As the vast majority of the companies were excluded at this stage, a conclusion was made that sponsorship isn't yet widely used as a part of CSR in Finland. Thus, social sponsorship isn't a big phenomenon among large Finnish companies to date. During the primary data analysis, it was discovered that the term 'sponsorship' seems to resonate negatively among Finnish managers, which may offer a reasoning why Finnish companies tend not to engage in sponsorship, even though they engage in CSR.

Ultimately, the sponsorship activities of twenty companies were analyzed further. Out of the twenty companies analyzed during the secondary data analysis, 18 reported that their sponsorship activities have some sort of social and/or environmental objectives or that the activities need to be socially responsible. In addition, companies included remarks of advancing sustainability, and as environmental responsibility is an aspect of CSR, these remarks also represent corporate responsibility. Thus, Finnish companies that engage in sponsorship activities tend to see them as socially responsible initiatives. A conclusion can be made that even though social sponsorship isn't a large phenomenon in Finland, the sponsorship activities that take place have social sponsorship characteristics. Moreover, as the importance of both CSR and sponsorship is on the rise in Finland, it is likely that social sponsorship will increase in popularity in the future.

***Research sub-question 2: What characterizes social sponsorship relationships?***

As this research has adopted the content analysis approach, to answer this research question the empirical findings are compared against existing literature, in order to comprehend the relationship aspect of social sponsorship phenomenon in more detail. In table 8, the findings from the secondary and primary data analysis are compared against existing literature on social sponsorship. In addition to answering the second research sub-question, this comparison has been made to build an answer to the main research question.

*Table 8. Social sponsorship relationship characteristics and objectives: previous literature compared to secondary and primary data findings*

	<i>Previous literature on social sponsorship relationships (built on theories on sponsorship, corporate social responsibility, sponsorship relationships and cause-marketing)</i>	<i>Secondary and primary data findings</i>
<i>Characteristics</i>	<ul style="list-style-type: none"> <li>○ Strategic branding/marketing tool for CSR</li> <li>○ Typically non-commercially driven, however has commercial goals</li> <li>○ Long-term relationships</li> <li>○ Mutually beneficial exchange</li> <li>○ Aims to influence consumers indirectly</li> <li>○ Evokes an emotional response</li> <li>○ Can be a central part of organizational values and identity</li> </ul>	<ul style="list-style-type: none"> <li>○ Strategic branding/marketing tool for CSR</li> <li>○ Is driven by non-commercial and commercial objectives</li> <li>○ Long-term relationships</li> <li>○ Mutually beneficial exchange</li> <li>○ Evokes an emotional response as its extremely targeted</li> <li>○ Enables companies to take responsible action</li> </ul>
<i>Objectives</i>	<p>Social objectives:</p> <ul style="list-style-type: none"> <li>○ To influence consumers' attitudes towards the sponsee/the cause</li> <li>○ To raise awareness for the sponsee/ the cause</li> </ul> <p>Commercial objectives:</p> <ul style="list-style-type: none"> <li>○ To build a favorable corporate image and positive associations; to create unique and favorable brand meanings</li> <li>○ To attain sustainable competitive advantage through sharing key resources, such as brand image and corporate reputation</li> <li>○ To engage in activities that have promotional value</li> <li>○ To increase sales and profits</li> <li>○ To build customer loyalty; to form a deeper bond with the customer</li> <li>○ To reach new target markets</li> <li>○ To develop company culture and social consciousness</li> <li>○ To enhance recruiting and retention of employees</li> </ul>	<p>Social objectives:</p> <ul style="list-style-type: none"> <li>○ To support the well-being of society</li> <li>○ To advance sustainable development and well-being of the environment</li> <li>○ To offer memorable experiences to target groups</li> </ul> <p>Commercial objectives:</p> <ul style="list-style-type: none"> <li>○ To build a favorable corporate image</li> <li>○ To attain competitive advantage through sharing key resources, such as brand image, values, customers, contacts, knowledge and expertise</li> <li>○ To communicate good corporate citizenship</li> <li>○ To engage in activities that have promotional value</li> <li>○ To increase sales</li> <li>○ To build relationships with customers</li> <li>○ To reach new target markets</li> <li>○ To impact company culture and employer image</li> <li>○ To increase job satisfaction by enhancing the meaningfulness of work</li> <li>○ To create value for the business and owners</li> <li>○ To create value for customers</li> <li>○ To make connections and build networks</li> <li>○ To create meaningful content</li> </ul>

The results of this research suggest that social sponsorship relationship can be characterized as a strategic branding/marketing tool that is efficient in terms of reaching one's target audiences. Social sponsorship evokes an emotional response among consumers. Companies can use social sponsorship to address their obligations to society in a way that is beneficial to them. The relationship aspect of social sponsorship is an important one, as a strategic, long-term approach is needed to make the initiative successful. The relationship enables companies to take action, to which consumers react more positively to. The relationship makes companies authenticate their talk, giving the initiative more credibility. In addition,

the relationship provides the initiative with longevity, which consumers perceive more favorable compared to short-term approaches.

Social sponsorship is driven by both non-commercial (social) and commercial objectives and it can benefit businesses in a multitude of ways. The social objectives may include raising awareness for the sponsored cause, for example, for initiatives that support the well-being of society or that aim to advance sustainable development and well-being of the environment. However, contrary to pure philanthropy, social sponsorship is always goal-directed activity with expected return on investment, as is pure commercial sponsorship. This investment is expected to be realized over time in the forms of positive brand associations and increases in customer loyalty and purchase intention. The relationship is mutually beneficial for both partners. In order to reap all the benefits from a social sponsorship relationship, the company should perceive the relationship as an alliance. This means that exchange of knowledge and resources (including image exchange) should take place in the relationship. Finally, social sponsorship can be a central part of organizational values and identity. In the best case scenario, the reasoning behind why a company establishes a social sponsorship relationship should be found at the strategy level of the company, in its values.

***Research sub-question 3: What factors contribute to the success of the social sponsorship relationship?***

In order to identify the factors contributing to the success of the social sponsorship relationship, it was essential to identify issues that can hinder the success. Thus, it was important to identify problems that are likely to occur with social sponsorship. In addition, previous authors have recognized prerequisites for sponsorship relationship success. These are listed in table 9. The findings from previous literature are again compared to findings from the secondary and primary data.

*Table 9. Social sponsorship relationship problems and prerequisites for relationship success: previous literature compared to secondary and primary data findings*

	<i>Previous literature on social sponsorship relationships (built on theories on sponsorship, corporate social responsibility, sponsorship relationships and cause-marketing)</i>	<i>Secondary and primary data findings</i>
<i>Problems</i>	<ul style="list-style-type: none"> <li>○ The market for sponsorship is becoming increasingly cluttered</li> <li>○ Sponsorships need to generate value for the consumer</li> <li>○ There needs to be a fit between the values of the target audiences and the actions of the company</li> <li>○ Consumers need to perceive motives as positive and authentic</li> <li>○ Reluctance to leverage the relationship</li> <li>○ Finding the perfect sponsee partner; fit</li> <li>○ Sponsorship value is intangible and subject to change</li> </ul>	<ul style="list-style-type: none"> <li>○ Consumers need to benefit from the partnership</li> <li>○ Reluctance to leverage the relationship</li> <li>○ Apprehension towards engaging in CSR</li> <li>○ Initiatives need to be authentic and meaningful</li> <li>○ Limited resources</li> <li>○ Expectation management</li> <li>○ Possible mistakes made by the partner</li> <li>○ Relationships need to be carefully considered beforehand</li> <li>○ Value generation is difficult to attribute to specific activities</li> <li>○ There are no simple fixes</li> <li>○ If marketing happens in silos, all benefits are not exploited</li> </ul>
<i>Prerequisites for relationship success</i>	<ul style="list-style-type: none"> <li>○ There has to be a fit between the partners (a logical or an emotional)</li> <li>○ A strategic mindset and strategic compatibility necessary</li> <li>○ Long-term relationships (commitment)</li> <li>○ Company's values need to be visible in their actions</li> <li>○ Both parties actively participate on value creation</li> <li>○ The relationship is carefully managed</li> <li>○ Trust and satisfaction</li> <li>○ Partners have similar goals</li> </ul>	<ul style="list-style-type: none"> <li>○ There has to be a fit between the partners (a logical or an emotional)</li> <li>○ A strategic mindset necessary</li> <li>○ Activities fit the mission/ business/ strategy/ brand promise of the company</li> <li>○ Long-term relationships (commitment)</li> <li>○ Initiatives reflect the values of the company</li> <li>○ There needs to be a link between the values of the partners</li> <li>○ The relationship is carefully managed</li> <li>○ Partners are carefully selected</li> <li>○ Partners share the vision for the partnership</li> <li>○ There's constant interaction between the partners</li> <li>○ Goals and objectives are set for the partnership</li> </ul>

***Main research question: What is the current status of social sponsorship in Finland, and what are the characteristics of successful social sponsorship relationships?***

The main research question of this study is answered through referring to the first research sub-question, and through figure 4. Figure 4 concludes this study's contribution to research literature. It lists the key characteristics of social sponsorship relationships, and the key driving factors behind why companies have come to use social sponsorship. Moreover,

figure 4 goes through the non-commercial and commercial objectives of social sponsorship, and the benefits companies can gain from engaging in social sponsorship. Furthermore, the problems associated with social sponsorship relationships are listed, both intra- and extraorganizational. Finally, based on the integrative analysis of literature, secondary and primary data, success factors for social sponsorship relationships are defined.

Whereas virtually every large company in Finland has a responsibility program, the majority of the companies don't use sponsorship as a CSR tool. At the very least, it can be stated that social sponsorship does not play a major role in their responsibility programs. However, Finnish companies that engage in sponsorship activities tend to see them as socially responsible initiatives: they have environmental or social objectives. Hence, the companies that use sponsorship typically engage in social sponsorship. Overall, a conclusion can be made that even though social sponsorship isn't a large phenomenon in Finland, the sponsorship activities that take place have social sponsorship characteristics. Moreover, as the importance of both CSR and sponsorship is on the rise in Finland, it is likely that social sponsorship will increase in popularity in the future. For now, it can offer companies a means to differentiate from competition.

The biggest driving factors behind why companies should engage in social sponsorship include the significance of CSR today and sponsorship's effectiveness as a marketing tool: through sponsorship, companies can reach consumers in an emotional state. Thus, the message is extremely targeted, making it efficient. Overall, social sponsorship relationship can be described as a strategic branding/marketing tool. Firms can use social sponsorship to address their societal obligations in a way that is beneficial to them, as through social sponsorship, companies can achieve both social and commercial objectives.

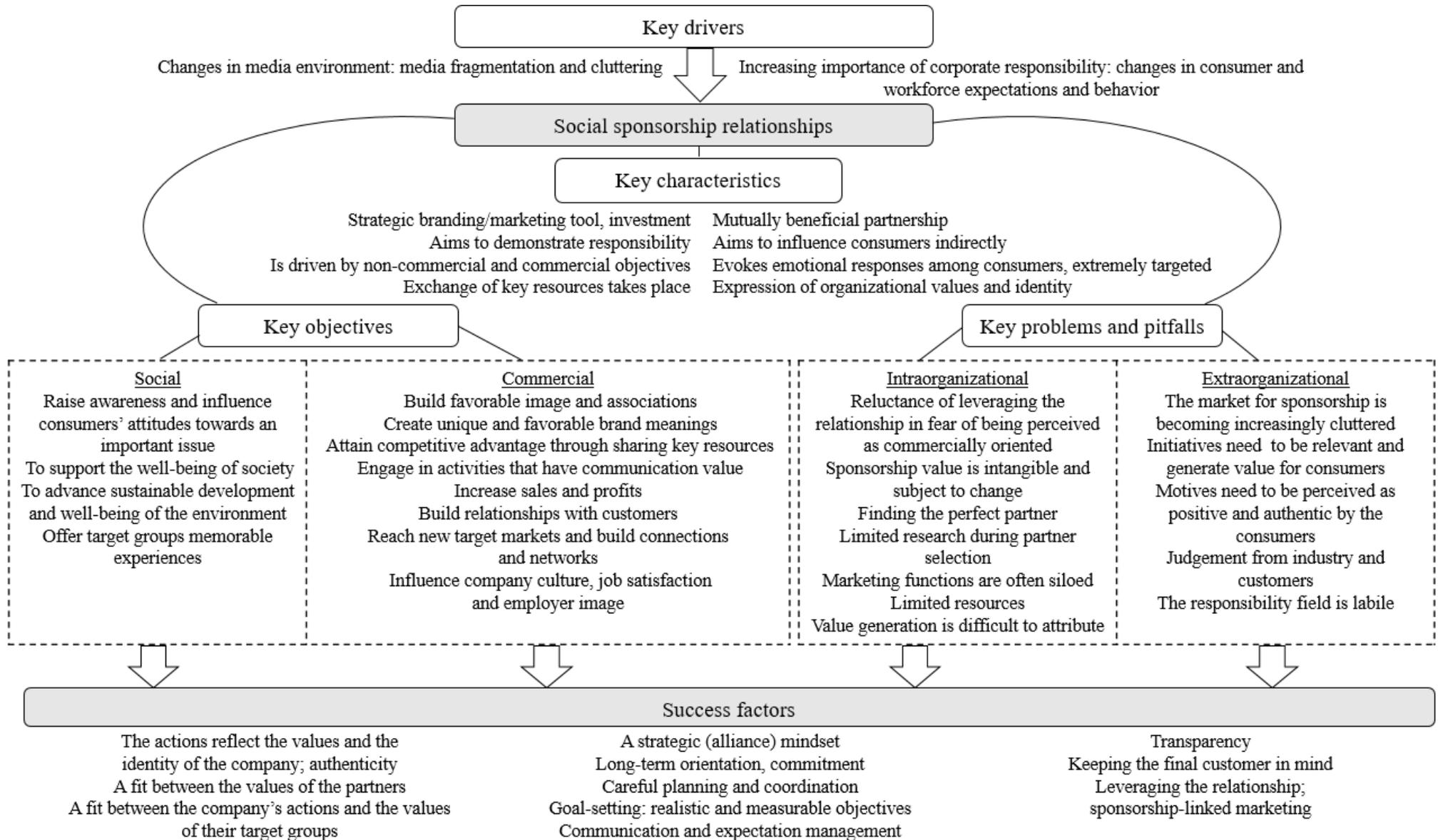


Figure 4. Social sponsorship relationships: key characteristics and success factors

However, there are problems associated with social sponsorship. The market for sponsorship is becoming increasingly cluttered, which means that unplanned sponsorship won't stand against competition, and even if a sponsorship is able to rise above its competition, it still needs to be relevant and generate value for the target audiences of the company (Fahy et al. 2004). With social sponsorship, it is crucial that the company's initiatives reflect the values of its target groups. When this is the case, consumers are more likely to perceive motives of the company as positive and authentic. In the best case scenario, the reasoning behind why a company establishes a social sponsorship relationship should be found at the strategy level of the company, in its values. These observations from previous literature, secondary and primary data have led to the recognition of the following success factors: the initiatives need to reflect the values and the identity of the company, there needs to be a fit between the values of the partners, and a fit between the company's actions and the values of their target groups. When these conditions are met, consumers are less likely to second-guess the motives of the partnership, and more likely to react more positively to it.

Moreover, there are issues related to the management of the sponsorship relationship. To answer these issues, success factors were derived from previous literature and empirical findings. In order to reap all the benefits from a social sponsorship relationship, the company should perceive the relationship as an alliance and have a strategic mindset towards the relationship. This means that exchange of knowledge and resources (including image exchange) should take place in the relationship. Long-term orientation towards the relationship, and commitment to the relationship and the planned activities is crucial. When it comes to solving social issues, impact happens over time and through repetition. Thus, before establishing the relationship, both parties need to establish commitment to the partnership. Realistic and measurable objectives need to be set for the initiative, as they guide the actions of both parties. The relationship and the initiative need to be carefully planned and coordinated even prior to the relationship: there needs to be communication between the partners, and the expectations need to be managed throughout the partnership.

Furthermore, one of the main issues with social sponsorship is leveraging it. Among companies with responsible initiatives, there's reluctance to leverage the relationship in fear

of being perceived as commercially oriented. Companies fear judgement from industry and their customers. However, the results of this study argue that leveraging the relationship is crucial for the success of the initiative. Companies need to be open and transparent with their actions, as they only have value once they are communicated to key target audiences. There should be significant investments to sponsorship-linked marketing.

## 5.2 General discussion

The aim of this thesis was to gain further understanding on the social sponsorship phenomenon, especially on the relationship aspect of social sponsorship. The goal was to shed light on the characteristics of this type of sponsorship relationship, and to gather information on the phenomenon in Finland. Moreover, this research was executed in hopes of identifying the success factors of these particular sponsorship relationships. Due to the objectives of the study, a qualitative research approach was chosen. The objectives of the study were met by collecting secondary and primary data on the subject. Through examining the sponsorship activities of Finnish companies, the goal was to discover whether they engage in social sponsorship and to gain background knowledge on the characteristics of these relationships. The knowledge on the subject was deepened by collecting secondary data on experts' opinions on CSR and sponsorship, as well as through primary data collection (theme interviews). This issue was studied in the Finnish market, from the company perspective.

This study investigated social sponsorship relationships through three dimensions. These dimensions were sponsorship, corporate social responsibility and sponsorship relationships. The dimensions were chosen after getting acquainted with previous literature. Despite the increasing interest towards social sponsorship, it is still an understudied phenomenon. However, Madill & O'Reilly (2010) propose that sponsorship theory can be used as a basis for describing social sponsorship. As social sponsorship has been described in the literature to be a special case of corporate social responsibility (Skard & Thorbjørnsen 2014), and referred to as a form of sponsorship whose primary intent is to demonstrate CSR (Seitanidi & Ryan 2007), there was a need to examine corporate social responsibility as a phenomenon.

By bridging literature from sponsorship and corporate social responsibility, social sponsorship can be better understood. In addition, in order to understand social sponsorship relationships, there was a need to understand sponsorship relationships. The goal with deriving literature from sponsorship relationships in strategic alliance context was to help build understanding on how social sponsorship relationships can work successfully in today's ultra-competitive environment. Altogether, previous literature on sponsorship, sponsorship relationships and corporate social responsibility offered a basis for understanding social sponsorship relationships and their characteristics. The first conclusion from this research was that social sponsorship always has social objectives. This was understood through the work of Madill & O'Reilly (2010), who state that while very little literature defines and describes social sponsorship, complementary literature on cause-related partnerships (cause-related marketing) exists to understand the objectives of social sponsorship. They suggest that CRM always necessarily includes social marketing objectives. This also self-evidently applies to social sponsorship.

According to literature, the public has taken an increased interest in social duties of firms (Liu & Ko 2011). Companies are facing an increasing amount of pressure to solve societal issues and impact positive change, i.e. have a purpose beyond generating wealth for shareholders. Through CSR, companies are trying to rise to the challenge of acting as a valuable part of society (Sohn et al. 2012). The recent trend seems to show that most businesses have integrated CSR into their business operations, in response to the demands from the public (Walker & Kent 2009). The results of this study conclude that corporate social responsibility is an important part of companies' strategies today, and it's an increasingly important phenomenon also among Finnish companies. The role of corporations in advancing societal well-being is getting bigger. It's no longer seen as voluntary actions but rather as a necessity, and even as a prerequisite for existence in the long run. This was especially understood through the primary data analysis. Today, responsibility needs to be seen as a part of the reason why the company exists.

Lafferty et al. (2004) state that among managers, there's a common understanding that communicating good corporate citizenship makes good business sense in the long run. The

results of this study support that statement. Through the primary data analysis, it was understood that CSR may well become financially significant for companies, and the phenomenon can impact businesses in a multitude of ways. Responsible brands tend to do financially better compared to other brands, and their growth is driven by increased customer loyalty and reaching new target audiences. Responsible brands are able to compete from best experts in the field and keep their employees more satisfied through increasing meaningfulness of work, as people want to work in companies that operate in a responsible manner.

Previous literature suggests that CSR is a central part of organizational values and identity (Scheinbaum et al. 2017). CSR guides the morals and ethics of a company (Walker & Kent 2009). As the results of this study suggest that responsibility needs to be seen as a part of the reason why the company exists, the results support the idea from literature that CSR impacts companies at the root level; the morality, ethics and culture of the firm. The results of this study also support the idea that CSR and corporate values are closely intertwined. This conclusion was made as the topic of values came up on multiple occasions throughout both secondary and primary data analysis. Almost all of the examined Finnish companies explained that their sponsorship activities need to be socially responsible or communicate social responsibility, and a vast amount noted that the initiatives need to reflect the values of the company. This point was also stressed in the theme interviews.

Values were discussed throughout this research by the experts examined and interviewed. In addition, many companies that were studied in the first part of the secondary data analysis reported that values play a big part in their sponsorship activities, as described before. This supports the idea of Cunningham et al. (2009), who suggest that corporate values influence what type of sponsorship activities the firm will undertake. Another point made in literature was by Fahy et al. (2004), who state that in order for the sponsorship relationship to be successful, there has to be a link between the values of the sponsor and the sponsored, or there has to be a possibility of establishing such a link. They state that there has to be a strong understanding on both parties' core values, on what both brands represent to the stakeholders, and on how these values can be manipulated in order to deliver a coherent

picture of the partnership to the marketplace. The issue of partners sharing values was only mentioned by two of the examined companies. However, it came up during secondary and primary data collection and analysis.

In a secondary data source, it was stated that Finnish companies are actively seeking partners whose values reflect their business. This is as collaborations that are built on company values are seen as an efficient tool for building brand image. This strongly aligns with the notion of Fahy et al. (2004) on the importance of there being a link between the values of the partners. Further supporting the point of previous authors, one interviewee stated that when companies engage in activities that reflect their values, with partners that share the same values, the message is exceptionally strong. These findings suggest that when engaging in sponsorship, companies need to consider their values and establish partnerships with parties that share the same values. At least, as supported by previous literature, there needs to be a possibility to establish a link between the values of the partners. The results of this study demonstrate that values are an important part of CSR, and when engaging in social sponsorship, the values of the company need to be carefully evaluated. Values should impact the partner selection of the company, when engaging in sponsorship activities. When this is the case, consumers are less likely to question the authenticity of the partnership (Napoli et al. 2014).

Literature suggests that when engaging in CSR, it's crucial that consumers perceive the company's initiatives as authentic. This is true even if a company has a good CSR reputation (Liu & Ko 2011). It has a huge impact on brand trust whether a consumer deems the initiative authentic, and when companies are able to build authentic brands, customers are more loyal (Napoli et al. 2014). Thus, companies need to be extremely careful when engaging in CSR, as if consumers do not have a positive perception of the initiative, the program can easily result in harmful end results from the company perspective (Nyilasy et al. 2012). Among the experts interviewed for this research, authenticity was mentioned as the number one success factor for CSR, and it was overall regarded as a crucial issue. The results of this study suggest that all the initiatives should be genuine, and for this to be the case, they have to have roots in the core of the company, preferably in the strategy.

Furthermore, the results of this research argue that when engaging in social sponsorship, the company should make their value-base the foundation of its sponsorship activities, by establishing a link between the core values of the company, the values of its target audiences, and the values of the sponsee. In order for preventing consumers second-guessing the motives behind the company's actions, consumers need to be able to see a fit between the sponsor and its social sponsorship activities (Sohn et al. 2012). However, there isn't necessarily a need for a logical fit. Lafferty (2009) suggests that consumers evaluate the partnership in terms of whether it reflects their values. She states that there should be a link between the consumers' values and the actions of the company. This means that when engaging in social sponsorship, companies need to be familiar with the values of their key audiences. One way to ensure that consumers perceive company's actions as authentic is to engage in social sponsorship activities that reflect the values of the company, with sponsees that share the same values, while making sure these initiatives sit well with the values of the company's target audiences.

The results of this study suggest that among Finnish companies, sponsorship is increasingly seen as a tool for demonstrating corporate social responsibility. Finnish companies that engage in sponsorship activities tend to see them as socially responsible or as communicating good corporate citizenship. This was evident through the secondary data analysis, as social responsibility was very much emphasized among the companies, when they described their sponsorship activities on their website. Out of the twenty companies analyzed during the secondary data analysis, 18 reported that their sponsorship activities have some sort of social and/or environmental objectives, or that the activities need to be socially responsible. In addition, companies report to take part in activities that promote sustainability and well-being of the environment. As a conclusion, Finnish companies engage in sponsorship activities that communicate some aspect of social responsibility as their initiatives have either environmental or social objectives. This means that companies that engage in sponsorship activities typically also engage in social sponsorship, where through sponsorship they aim to demonstrate CSR. This highlights the importance of the phenomenon, and the need for further research.

The results of this study support the idea that sponsorship can be an effective CSR tool. The experts interviewed for this research had a unified view that sponsorship and CSR fit well together, and that sponsorship is a great tool for CSR. In recent years, the value of sponsorship has grown from mere awareness and exposure into strategic brand building. In today's ultra-competitive environment, businesses need to differentiate to survive. One way to stand out from competition is to build unique and favorable brand meanings and associations (Dickinson & Barker 2006), and this can be established through sponsorship. Sponsorship is a tool that managers are increasingly adopting to build favorable brand images and to reach their CSR goals. According to the results of this study, sponsorship offers businesses a tool to reach their target audiences effectively, in an emotional state in which they are open to receiving the message, in today's fragmented media environment where reaching one's target audiences is hard. Some experts included in this research state that responsibility is one of the corner stones of image and brand building – and thus, should be the number one key factor in sponsorship. The effectiveness of sponsorship is attributed to its ability to evoke emotional responses among consumers, and to the fact that it has all the necessary elements of success. One of the interviewees attributed the success of sponsorship as a CSR tool to a kind of 'trinity'; when you have a company with resources, the audience that's influenced, and an organization that aims to benefit the society, you have a combination of elements that enables companies to take action. This is more effective than traditional advertising, as actions have more credibility than just talking about making an effort. The results of this research state that the relationship aspect brings additional value to sponsorship: partnerships offer companies additional communication value, making communication content more meaningful.

Sponsorship in the CSR context is seen as more effective in other ways too, compared to traditional advertising. This is a conclusion derived from previous authors as well as from the results of this study. Meenaghan (2001) states that sponsorship has advantages over traditional advertising, as it aims to influence consumers indirectly, making consumers less suspicious of it. One interviewee explained that sponsorship is effective, because it's almost always extremely targeted. Some experts included in the research state that companies can reach previously unreachable target groups through sponsorship. In addition, social sponsorship can impact company culture; as employees are included in the social

sponsorship initiatives, possibilities for increased work satisfaction and feeling of meaningfulness open. These benefits are also recognized in the literature. According to previous authors, CSR can enhance recruiting and retention of employees (Walker & Kent 2009); thus, result in a better employer image.

In recent years, sponsorship has been the focus of intense academic interest (Fahy et al. 2004). The nature of perceived value of sponsorship has changed greatly over the years, and as opposed to the conventional view of sponsorship as a short-term, single transactions, modern marketers are on the road to recognizing the strategic role of sponsorship (Urriolagoitia & Planellas 2007). According to literature, modern marketers are giving sponsorship an increasingly central role as they've realized that sponsorship represents a huge potential to generate a sustainable competitive advantage in the marketplace (Fahy et al. 2004). The results of this study support the understanding that sponsorship is becoming increasingly important in managers' minds. The importance of sponsorship has increased in Finland, especially throughout previous years. In 2016, 43% of Finnish companies considered sponsorship to be a strategically important part of their marketing, whereas in 2017, the number was 47%. The results of this study also show that organic growth of sponsorship is very strong in Finland, as in 2018, it was 5,5%, with 77% of Finnish companies looking to increase their sponsorship investments, or keep them at the same level compared to the previous year.

Based on the findings of this study, Finnish experts define sponsorship similarly as it has been defined by previous authors. Meenaghan (2001) defines sponsorship as a form of marketing communication that aims to influence consumers indirectly. Typically sponsorship definitions also include the following: sponsorship is a mutually beneficial exchange, in which sponsor offers resources into the relationship in return for promotional value provided by the sponsee (Madill et al. 2014). Experts included in this research tended to define sponsorship as a strategic marketing and communications tool, where the sponsor can use the image of the sponsee for their own benefit. The experts wanted to distinguish sponsorship from purely philanthropic activities, emphasizing that with sponsorship, there's

always objectives and expected return on investment, as sponsorship is goal-directed activity and a marketing investment.

According to previous literature, CSR activities as well as sponsorship activities always entail commercial objectives. The activities are not executed unless there is expected returns on investment. In the literature, CSR is defined as so-called strategic giving where investments are carefully monitored and returns are expected (Liu & Ko 2011). Literature also emphasizes the commercial benefits of sponsorship: through sponsorship, businesses typically seek to increase awareness, build positive attitudes and favorable image, and/or to increase purchase intent (Cornwell et al. 2005), and thus, sponsorship can give long-term competitive edge to companies (Fahy et al. 2004). The findings of this study support the idea that sponsorship has commercial objectives, even sponsorship activities that aim to communicate social responsibility and/or are socially responsible. Even though the companies examined in the secondary data analysis didn't disclose many commercial objectives for sponsorship, this was something that became evident in the second part of the secondary data analysis as well as in the primary data analysis. As described above, experts regard sponsorship as goal-directed activity, with expected returns on investment. The partnership needs to deliver results, even when it comes to social sponsorship. This suggests that social sponsorship, as commercial sponsorship, has broader objectives, beyond social ones. This is also what previous literature on social sponsorship has disclosed. Madill & O'Reilly (2010) state that while objectives for social sponsorship are likely to differ from the ones of commercial sponsorships, they also very likely to include commercial ones, such as building brand image.

Literature has recognized that creating emotional brand meanings among consumers is a key aspect of long-term success (Dickinson & Barker 2006). This research suggest that in CSR as well as in sponsorship, the main objective of engaging in these activities is building or enhancing brand image. In previous literature on the subject, it has been concluded that brand image building through image transfer is typically the most sought out benefit of sponsorship. In regards to CSR, previous authors have suggested that through engaging in it, companies aim to enhance their corporate image, and that commitment to it has been

proven to be a powerful way to instill positive image onto the company's stakeholders (Sohn et al. 2012). Sponsorship is an effective tool because of brand image transfer, as explained in the theory part of this thesis. Thus, it can be argued that social sponsorship is an effective brand image building tool as well. Madill & O'Reilly (2010) propose that as with commercial sponsorship, image transfer is a crucial element of social sponsorship. In fact, image transfer is especially important in sponsorships that are philanthropic at their nature, as one of the core goals is to develop goodwill (Cornwell et al. 2005). The results derived from secondary data sources support this idea from literature.

During the secondary data analysis, the role of sponsorship in brand image building became evident. Experts concluded that the most important reason behind engaging in sponsorship is brand building. It was explained that through sponsorship, companies are able to use the image of the sponsee for their own benefit. In the primary data, however, the most emphasized benefit of sponsorship seemed to be its ability to efficiently reach one's target audiences. The interviewed experts explained that sponsorship is an effective tool for reaching target groups in our fragmented media environment, as through sponsorship, companies are able to reach consumers in situations where they are engaged in things that are important to them, i.e. when they are willing to listen. Even though different benefits were emphasized in different parts of the research, the evidence from previous literature as well as from secondary data would suggest that image building and enhancing is the primary benefit of social sponsorship.

Whereas the previous literature on sponsorship highly emphasizes the benefits of brand image transfer, in the secondary and primary data other benefits were also brought forward. During primary data collection, 'traditional' sponsorship benefits were brought up, such as exposure and increasing awareness and brand recognition. Findings from literature as well as from primary data suggests that these benefits are still relevant for specific situations, when they support the objectives set for the sponsorship. In secondary sources, there were experts that noted that in addition to brand image, sponsors can utilize the sponsee's brand and values, as well as their customers, contacts and target groups for their advantage. Through sponsorship, companies are able to make connections and build contacts and

networks, as well as reach new target audiences. Sponsorship helps firms build relationships with customers. All of this adds up to increased sales in the long run. In addition, the knowledge and the expertise of the sponsee may be of use for the sponsor. In the secondary data sources, multiple ways the sponsors can benefit from the sponsees were described, and the experts explained that multiple resources are exchanged in the relationship. This is an issue that previous research on sponsorship relationships has focused on, especially the RBV logic and the strategic alliance perspective.

The RBV logic of sponsorship relationships suggest that sponsorship brings companies sustainable competitive advantage, when the exchange of key resources (tangible assets, intangible assets and competencies) takes place in the relationship (Fahy et al. 2004). Whether these resources are shared sets successful sponsorships part from unsuccessful ones. The strategic alliance perspective on sponsorship relationship suggests that in the relationship, resources, knowledge, and skills are shared between the partners (Urriolagoitia & Planellas 2007). Overall, a conclusion can be made from the literature and from the secondary data analysis that sponsorship is more complicated than simple image exchange and image building, even though it's the most sought out benefit of sponsorship. Simply exchanging resources (money) into promotional value of the sponsee (the image) may not be enough for companies, if aiming for long-term benefits of sponsorship. The sponsorship relationship can be mutually beneficial in many more ways. Companies that embrace the alliance thinking in their sponsorship relationships can build long-term, sustainable competitive advantage through resource exchange. Today's successful sponsorships operate as strategic alliances (Urriolagoitia & Planellas 2007).

However, literature has recognized that there are preconditions on whether the relationship can transform into an alliance. Farrelly & Quester (2005b) suggest that sponsorship relationships can become strategic alliances only if certain factors are present in the relationship. They identified critical success factors for the longevity of the alliance. These factors included strategic compatibility, commitment to the relationship, similar goals, trust satisfaction and possibly fit. For example, lack of commitment on either party will prevent the relationship from developing into an alliance. Urriolagoitia and Planellas (2007) came to

conclusion that if both parties are willing to take care of the relationship as needed, sponsorship can become a strategic alliance. These are issues that companies need to take into consideration, if hoping to leverage the full value of sponsorship relationships.

Literature suggest that managers are realizing the value of long-term partnerships, and as a result, sponsorship has transformed from single, charity-type transactions to strategic, long-term relationships. According to the results of this study, sponsorship relationships are increasingly often regarded as long-term, committed partnerships. Whereas previously sponsorship has been seen as short-term transactions, companies are changing their perspective. However, it seems that this shift in perspective is very recent, and still not fully established in Finland. Out of the twenty companies examined, seven mentioned that they prefer long-term partnership approach to sponsorship. However, experts included in the secondary and primary data analysis strongly emphasized the long-term relationship aspect. Some state that this can be seen as the future of sponsorship relationships in Finland, as a new trend for sponsorship.

Overall, the integrative results from previous literature, secondary data and primary data suggest that a sponsorship relationship should be regarded as a long-term, strategic partnership. A strategic mindset should be present in the relationship in order for the sponsorship to be successful in the long-term. From company perspective, every partnership should be very carefully considered, and both parties need to commit to the relationship and the objectives of the partnership. The relationship needs to be mutually beneficial, and there needs to be proper communication present in the relationship. Overall, the partners should share the vision for the partnership, have similar goals and work together towards achieving those goals.

According to literature, simply establishing sponsorship relationships will not help companies in reaching the objectives they have set for their sponsorship activities. This is because simply establishing a sponsorship relationship does not include a meaningful communication component. (Cornwell et al. 2001) However, Skard & Thorbjørnsen (2014) suggest that the sponsors of social causes tend to be hesitant to communicate their

sponsorships, the reluctance being a result of fear of being perceived as commercially oriented. The results of this study suggest that this may well be the case with Finnish companies. This supports the idea from previous literature that when engaging in social sponsorship, companies are less likely to communicate the relationship in fear of being perceived as commercial.

There are also other reasons companies can be apprehensive about engaging in social sponsorship or in other CSR initiatives. The results from primary data analysis state that managers are afraid of the backlash that may follow of their actions: you can be seen as a troublemaker by other companies in your industry, and your most demanding customers may think that your actions are not sufficient. However, the experts state that companies should shake these fears. They suggest that companies need to be able to express their stance in order to be interesting to their target groups, and that companies should engage in CSR and talk about their initiatives, even though they are just taking the first steps towards responsibility. If you're not communicating your responsibility initiatives, they do not have value. Previous literature supports this idea. This view is also supported by the data from secondary sources. Leveraging the sponsorship relationship, even a social sponsorship one, is crucially important. If the sponsorship is not communicated to the public, it is essentially useless as it's not helping the business nor the cause or the sponsee. Some experts state that for every euro spend on sponsorship, you should spend at least a euro for leveraging the relationship, i.e. communicating it to the public. It is understood that sponsorship itself doesn't necessarily bring value to companies, but rather leveraging it.

According to literature, one of the biggest issues managers have to deal when it comes to sponsorship is finding the perfect sponsee partner (Kim et al. 2011). Sponsorship pairing has been found to affect the attitudes consumers have towards both partners of the relationship and their brands (Kelly et al. 2016), thus, the success of the sponsorship relationship. When looking for the perfect partner, many scholars seem to emphasize the fit between the sponsor and the sponsee (Lafferty 2007). The results of this study also support the idea of fit being important to an extent. Some Finnish companies reported that there needs to be some type of fit between the sponsorship activities and the company. Companies reported that the

sponsorship activities need to fit the business, the company's vision, the strategy or the brand promise. This view was supported by experts; there needs to be some kind of fit. One expert stated that the sponsorship activity needs to have a clear link to the mission of the sponsor. Other stated that there has to be a clear explanation to why the company has chosen to work with this particular sponsee. In the best case scenario, this explanation should be visible on the strategic level of the company. This is important especially when the company engages in socially responsible activities.

### 5.3 Managerial implications

This thesis provides also practical contributions for managers. In the times of increasing public pressure for companies to solve societal issues and in our fragmented media environment, social sponsorship can be an effective tool for marketing managers to communicate their socially responsible initiatives to their target groups. However, as companies need to be extremely careful when engaging in social sponsorship, they need to be aware of the possible roadblocks that may hinder the success of the social sponsorship initiative. This research has identified problems related to social sponsorship relationships. Moreover, this research has examined the success factors of these relationships. By going through the problems associated with social sponsorship and the success factors identified through this research, managers can gain a comprehensive image of what needs to be taken into consideration when planning social sponsorship initiatives, establishing partnerships and managing the relationship.

Moreover, as this study has scoped the social sponsorship phenomenon in Finland, the results of this study offer a means to understand the current situation in the Finnish market. Whereas responsibility initiatives are increasingly commonplace among large Finnish companies, social sponsorship isn't a prevalent practice in the Finnish market yet, and offers businesses a means for differentiation. By going through the characteristics of social sponsorship relationships mapped by this research, managers can gain knowledge on what social sponsorship is and what benefits it can give their business.

## 5.4 Limitations and future research

This research has been very concise, and offers only a narrow view into the social sponsorship phenomenon. Overall, two experts in the fields of sponsorship, marketing and societal issues were interviewed for this research in addition to collecting data from secondary sources. Even though the sample has been sufficient for qualitative research, the study has not been extensive enough to produce any conclusive results. As such, the results and the conclusions derived from the data need to be regarded as directional. In addition, the research is conducted in Finland which is a very small market. As such, the number of experts on sponsorship and publications on social sponsorship is limited. This further gives restrictions to generalization of the results of the study. As described before, this study has been done exclusively in hopes of increasing understanding on a phenomenon that is not yet widely comprehended.

However, the author came to the same conclusion from previous literature, secondary and primary data analysis: the importance of both CSR and sponsorship is increasing, both globally and in Finland. Thus, it can be concluded with high certainty that there's a need for deeper understanding on the social sponsorship phenomenon and that further research on the subject is necessary. In the future, it would be beneficial to gather quantitative evidence on the benefits and disadvantages of engaging in social sponsorship. This research has gathered together social sponsorship objectives, benefits, problems and success factors. Relevant subjects to study could include proving through quantitative methods whether, for example, the benefits attributed to CSR can be indeed achieved through social sponsorship and linked marketing. For example, an interesting subject to study would be the impact social sponsorship has on employer image and employee retention and satisfaction.

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## APPENDICES

### Appendix 1. Interview themes and example questions

#### **Introduction**

What is your field of expertise?  
Years of experience?

#### **Themes:**

#### **1. (Corporate) social responsibility**

Definition

What is CSR?

Importance

How important is CSR?

Objectives

Why do companies engage in CSR?

Benefits

What are the benefits of engaging in CSR?

Challenges

What are the challenges when engaging in CSR?

Success factors

What are the most important things to keep in mind when engaging in CSR?

Tools

What tools can be used to implement CSR?

Status in Finland

How do Finnish companies succeed in CSR?

#### **2. Sponsorship**

Definition

What is sponsorship?

Objectives

Why do companies engage in sponsorship?

Benefits

What are the benefits of engaging in sponsorship?

Challenges

What are the challenges when engaging in sponsorship?

Success factors

What are the most important things to keep in mind when engaging in sponsorship?

Status in Finland

How do Finnish companies succeed in sponsorship?

#### **3. Sponsorship partnerships**

Definition

What is a sponsorship relationship?

Objectives

Why do companies build partnerships for sponsorship?

Benefits

What are the benefits of building sponsorship partnerships?

Challenges

What challenges can occur in sponsorship relationships?

Success factors

What are the most important things to keep in mind when establishing a sponsorship partnership?

The role of fit

What's the role of fit in sponsorship relationships?