

## Role and relevance of cause related marketing for professional sport organizations

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### Aim of the abstract

Sport franchises, like other for-profit organizations, are increasingly engaging in cause-related marketing (CRM) (Irwin, Lachowetz et al., 2010). Over the past few decades, studies have acknowledged the benefits of CRM for sport organizations (Kim, Kwak et al., 2010; Roy & Graeff, 2003). These authors state that CRM can provide competitive advantages by enhancing team reputation and consumers' image and attitude towards the team. However, despite these benefits, not all professional sport organizations are embracing the CRM tactic. In Western Europe, for example, desk research shows that the majority of professional basketball organizations are either not engaging in CRM, or not communicating about their CRM efforts on their website. This study intends to increase understanding of why and how professional sport organizations are engaging in CRM. Moreover, this research will expand the CRM literature from a more common business-to-consumer perspective towards a broader business-to-business and managerial perspective.

### Review of relevant literature

Professional sport organizations are no different from other companies in their intent to be financially healthy and positively impact the economy in their local communities. However, the way sport teams engage in CRM seems to be different from more general business organizations. Where general business literature advises a strategic CRM partnership approach (Seitanidi, 2007), this approach has not been proven to be beneficial in sports (Kim, Kwak et al., 2010; Roy & Graeff, 2003).

Various dimensions differentiating sport from other business contexts such as the monopolistic market situation, highly involved stakeholders, very loyal consumers, and exposure of unethical practices may suggest that professional sport organizations view CRM involvement more as a public relations necessity rather than a strategic marketing tool (Roy & Graeff, 2003). Hence, a different approach to cause-related sport marketing (CRSM) than to CRM may be implied.

The CRM conceptual framework of Liu (2013) can help to gain a better insight into the CRSM tension between evolving towards a strategic CRM approach, as proven beneficial in the general business literature (Seitanidi, 2007), and sticking with a silence-speaks-louder-than-words CRSM approach that safeguards legitimacy. The Liu (2013) model defines two CRM dimensions; an instrumental dimension (CRM as goal to influence consumers' purchasing behavior) and a relational dimension (CRM as goal to enhance stakeholder relationships). Based on the weighting of these two dimensions, four types of CRM can be defined; altruistic, commercial, social, and integrative.

### Methodology, research design and data analysis

To explore the different CRM types in professional sport organizations, a qualitative research design was adopted. A

series of semi-structured face-to-face and telephone interviews were conducted within a sample of professional basketball teams throughout Europe. This sample included 16 teams in total, consisting of 4 teams from 4 different countries; Belgium, Netherlands, United Kingdom and France. The selection of these countries assumes a representation of the 4 CRM types described in the Liu (2013) model. The interviews occurred with the team or marketing manager, or the person responsible for managing the CRM projects within the team. Interviews lasted between 45 and 70 minutes and were recorded, transcribed and analyzed using NVIVO11 qualitative software.

### Results and discussion

The reader should be aware that at the time of writing, interviews are still to be completed. As such, the initial results will become more detailed throughout the next months.

The main preliminary finding is that the instrumental motivator weighs less in the sport sector than in it does in the general business sector. Consequently, professional sport organizations are more highly represented in the social and altruistic CRM type and regular companies are in turn more present in the commercial and integrative CRM type.

Professional sport teams manage CRM more in a philanthropic rather than in a commercial manner. This approach results in "second order" outcomes such as improved image, reputation and organizational legitimacy, but lacks the "first order" benefits such as increased sales, loyalty and brand awareness.

However, there are exceptions amongst the investigated teams, that do approach CRM in an integrative way. At the conference, we will discuss the determining organizational, economic and cultural variables of teams engaging integratively in CRSM. Increasing the understanding of the integrative – and other - CRM types is important, because while an altruistic CRM approach can be worthwhile, it is perhaps not leveraging the full potential of a professional sport team to make a difference for the good cause and the team itself.

### References

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