

## **FRAMEWORK FOR ASSESSING CORPORATE SPONSORSHIP: RESEARCH PROPOSITION FROM A RESOURCE-BASED VIEW**

**Kimio Kase**, Universidad of Navarra, Spain, [kkase@iese.edu](mailto:kkase@iese.edu)

**Ignacio Urrutia**, Universidad of Navarra, Spain

**Fernando Martín**, Universidad of Navarra, Spain

**Carlos Martí**, Universidad of Navarra, Spain

### **INTRODUCTION**

Corporate spending on sport sponsorship continues to escalate. US companies spent \$13.4 billion and European companies \$9.5 billion in 2006. According to the IEG Sponsorship Report global sponsorship spent \$33.7 billion in 2006 (IEG, 2007). Sport is the leading category for sponsorship spending with 69% of expenditures, followed by entertainment (8%), festivals and fairs (8%), cause-related marketing (9%), and arts (6%) (Stotlar 2004).

The literature provides various approaches to the study of sponsorship: Nature of sponsorship; Managerial aspects; Measurement of sponsorship effects; Legal and ethical considerations in sponsorship; and Strategic use of sponsorship (Walliser 2003; Cornwell and Maignan 1998). Within the latter approach, the sponsorship is connected to the organisational strategy and is conceived as a means of achieving (Chadwick 2004): Marketing communication (Tripodi 2001); Relationship marketing (Cousens et al. 2001); Network (Wolfe et al. 2002); and Resource (Amis et al. 1999)

An increasing number of authors are recognising the transition and increased status of sponsorship, from a tactical to a more purposeful strategic focus. Furthermore they consider this to be a strategic tool with the potential to generate a sustainable competitive advantage in the marketplace (Fahy, Farrelly et al. 2004; Amis, Pant et al. 1997).

The sponsorship consists of two parties which are in total agreement: the sponsor and the organiser of the event being sponsored. The transfer of attributes and values between the two parties involved in the sponsorship is a crucial aspect in achieving the perfect fit between sponsor and sponsored (Meenaghan 2001). In relation to this, some authors have focused on the importance of this fit, but only from the perspective of the product relevance (McDonald, C. 1991; Poon and Prendergast 2006).

In this context, the objective of this paper consists in further developing an already existing framework (Urrutia, Kase et al. 2005), which makes use of a RBV perspective for analysing sponsorship relations (Haley 1991; Amis et al. 1997; Barney 2001). This framework permits the evaluation of the degree of fit and congruence between the sponsor and the event or activity being sponsored, in corporate as well as strategic terms. Moreover it permits the exploration of the implications of the fit from a theoretical and practical point of view.

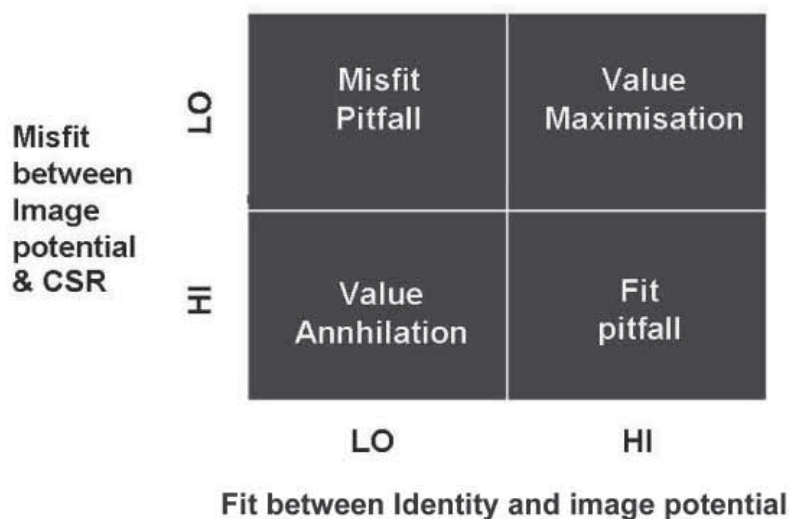
### **METHOD AND THEORETICAL FRAMEWORK**

Our research makes use of the sponsorship-RBV (Resource Based View), which is an extensively used perspective for studying organisational strategy (Barney 1991; Priem and Butler 2001). This perspective is based on the idea that the main resources of the firm are utilized in sponsorship in order to achieve competitive advantage. These resources could be classified as follows: tangible assets, intangible assets and capabilities (Fahy, Farrelly et al. 2004). From our perspective, some intangible assets have not been sufficiently taken into account when considering sponsorship opportunities. Furthermore, the degree of the fit between the companies's intangible assets and the sponsored can strengthen or weaken the competitive strategy of the firm.

These key variables can be classified into three constructs: Identity, Image Potential, and reputation-CSR (Corporate Social Responsibility) – who we are, how we would like to portray ourselves, and what do we contribute to our stakeholders. There should exist a congruent fit between the essential elements of the firm, which include the mission, vision, culture and the corporate strategy of the company, brand positioning, corporate image, attributes, values, symbols, and the variables related to the social responsibility and the reputation of the company, and the event or activity being sponsored.

The paper is theoretical and essayistic in the sense that we do not draw upon one specific study that is set out to measure empirically elements of strategic sponsorship. This paper extends the line of argument through the development of a conceptual model of sponsorship evaluation. We propose an evaluation framework of these constructs (see figure 1).

Figure 1. Framework for assessing corporate sponsorship.



## DISCUSSION

Most of the time quantitative indicators dominate the decision making and evaluation process of the sponsorship (Jobber 2001; Mullin 2000), which permit measuring the exploitable sponsorship components. However, the growing complexity of sponsorship relations, and the potential conflicts that these harbours, have made marketers more aware of the need for clear strategic justification to underpin the choice of partner (Farrelly 1999).

This framework is not only useful for those responsible of the selection and evaluation of sponsorship programs, but could also be a useful tool for the board of directors. The main benefit of this matrix is to make the intangible factors more tangible. The advantages offered by this approach are: enabling firms to decide on a portfolio of different sponsorships alternatives; utilised for homogenising the terms of discussion and assessment criterions for the decision makers; and detect the under-exploited sponsorships.

While discussing the implications for research and practice it must be kept in mind that so far this offers only a conceptual framework/research position, and practitioners would therefore need a methodology or specific protocol in order to move from theory to practice.

## SELECTED REFERENCES

- Amis, J., N. Pant, et al. (1997). "Achieving a Sustainable Competitive Advantage: A Resource-Based View of Sport Sponsorship." *Journal of Sport Management* 11(1): 80.
- Fahy, J., F. Farrelly, et al. (2004). "Competitive advantage through sponsorship. A conceptual model and research propositions" *European Journal of Marketing* 38(8): pp. 1013-1030.

- Meenaghan, T. (2001). "Understanding sponsorship effects." *Psychology and Marketing* 18(2): 95-122.
- Poon, D. T. Y. and G. Prendergast (2006). "A new framework for evaluating sponsorship opportunities." *International Journal of Advertising* 25(4): 471-487.
- Stotlar, D. K. (2004). "Sponsorship Evaluation: Moving from Theory to Practice." *Sport Marketing Quarterly* 13(1): 61-64.
- Urrutia, I., K. Kase, et al. (2005). Assessment methodology of corporate sponsorship and maecenasship. 11th Annual SMAANZ Conference, University of Canberra and Sport and Recreation ACT.