
LEGITIMATING SPONSORSHIP DECISIONS INTO CORPORATE MARKETING COMMUNICATION: CASES FROM THE GERMAN SPORTS BUSINESS INDUSTRY

Submitting author: Mr Thorsten Dum
Baden-Wuerttemberg Cooperative State University (DHBW), Faculty of Business
Mannheim, 68163
Germany

All authors: Thorsten Dum (corresp), Jochen Koch, Tomás Bayón

Type: Scientific

Category: 3: Governance of Sport(s) and Sport Organisations

Abstract

AIM OF PAPER AND RESEARCH QUESTION

Our aim is to explore intra-organisational legitimation processes in the field of the German sports business industry to contribute to the growing body of literature within the realm of organisational research. Despite the fact that many studies have looked into legitimacy parameters (cf. Deephouse & Suchman 2008), just a handful of studies have been conducted to explore legitimation processes between internal stakeholders with only a few of them developing process models based on longitudinal case study designs (cf. Vaara et al. 2006; Drori & Honig 2013).

We apply our study to the field of the sports business industry, more specifically, to sport sponsoring as growing and popular discipline of marketing communication. Generally, measuring sponsorship return on investment (ROI) is a difficult problem due to missing, inconsistent and non-valid metrics and methods. Recent sponsorship research specifically examined the use of sponsorship linked internal marketing (SLIM) to conceptualise, communicate and implement corporate identity development and employee performance (Farrelly & Greyser 2012) shifting from explicit (e.g. media exposure) to implicit (e.g. employee retention) effects of sponsorship. However, research specifically addressing the role of sponsorship-ROI when it comes to selling sponsorship investments to internal audiences and evaluating the business value of investing in the brand through tools such as sponsorship, where the impact on the bottom line is not always direct or immediate, is rare. Hence, we formulate the following research question: How are sponsorship decisions legitimised on an intra-organisational level?

Looking at micro-level analyses helps us to understand the complexities of intra-organisational legitimation processes that are merely unnoticed

within the domain of management and organisation. With regard to the domain of investigation, we specifically explore how sponsorship decision-makers (legitimation seekers) legitimise their sponsorship investments and how these decisions are perceived by internal audiences (legitimation providers).

THEORETICAL BACKGROUND

Organisational legitimacy has not evolved as one contingent theory but as an umbrella of concepts stemming from a variety of scientific disciplines, ranging from sociological to management theories (cf. Deephouse & Suchman 2008 for a definition of legitimacy). Depending on their respective disciplinary backgrounds, these concepts vary in the ways legitimacy is defined as well as the analytical perspective that is taken. Despite wide recognition that legitimacy is fundamental to understanding the structure and viability of an organisation, articulating the general processes that underlie legitimacy, and more specifically internal legitimacy, is a difficult problem as these processes are dynamic and sometimes fragmented, leading to volatility.

RESEARCH DESIGN AND DATA ANALYSIS

This paper is exploratory and methodology is qualitative. As the research objective is about examining a phenomenon within its complex real-life context and obtaining in-depth understanding, a case study design is the most appropriate approach considering the guidelines on qualitative data collection and analysis outlined by Yin (2009). We considered an embedded multiple unit case study as the most appropriate type of case study design (Yin 2009, p. 46) with sports sponsorships as the units of analysis and various sponsorship decisions within the sponsorship processes (e.g. signing of the contract, activation, termination, etc.) as the embedded case units. Three in-depth case studies with 31 face-to-face and telephone interviews with decision-makers and employees from sponsoring corporations represent the empirical basis of our study. In addition, we conducted seven context interviews with sponsoring experts working in different business environments and consulted websites and media articles for data triangulation to increase validity and reliability of our study (Yin 2009). The textual data was transcribed and analysed with QSR-NVivo 10 for systematic content analysis.

RESULTS AND CONCLUSIONS

The findings of our study reveal that the sponsorship decision-makers in collaboration with the purse-string holders can be characterised as the legitimation seekers (LS) and all other employees not involved in sponsorship as the legitimation providers (LP). Drawing on several statements of the interviewed sponsorship managers, experts and employees intra-organisational legitimacy is primarily gained by rendering sponsoring as a normal or natural activity of marketing communication using frequent internal media and ongoing communication (i.e. press releases, newsletters, intranet, etc.). In-line

with existing literature (cf. Deephouse & Suchman 2008), media exposure is a key driver for gaining internal legitimacy. Remarkably, sponsorship legitimation changes over time within a sponsorship ranging from justification arguments addressing the utility or the function of specific sponsorship-related actions or practices (rationalisation effect) to simple story-telling activities and mechanisms (narrativisation effect) (cf. Vaara et al. 2006). To conclude, our findings reveal that decisions on sponsorship investments are primarily legitimised by activities and arguments of normalisation, rationalisation, and narrativisation.

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