

Sports sponsorship as an international marketing communications tool A multiple case study of Finnish companies

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**Sports sponsorship as an international marketing communications tool –
A multiple case study of Finnish companies**

Research objectives – Sponsorship as a marketing communications tool increasingly attracts academic interest; however, the international aspect of the practice of sponsorship has not yet been extensively studied. The purpose of this study is to examine how sports sponsorship is utilizable as an instrument of international marketing communications in an effective manner in context of companies' international operations. The theoretical part of the study aims to isolate the characteristics of effective international sports sponsorship, and on the basis of the theoretical review, a theoretical framework is proposed. In the empirical part, the case companies' international sponsorship activities are examined and interpretations on the effectiveness of sports sponsorship as a method of international promotion are made resulting in a modified framework.

Research method – The empirical study was based on qualitative research, and a multiple case study design was applied. Data from seven cases were included in the research. Data were collected both from primary and secondary sources. Semi-structured interviews with the representatives of the case organizations were conducted as the primary data source, and textual data such as company websites, customer magazines, and press releases were used to support the study. The analysis of the data was performed through qualitative data analysis methods.

Main findings – The findings suggest that sports sponsorship is utilizable as an international marketing communications instrument in an effective manner by different kinds of companies regardless of their size, level of international involvement, or customer segment they serve. Sports sponsorship is found to be utilizable in the achievement of strategic objectives relating to the strengthening of companies' international operations. International sponsorship deals providing simultaneous visibility across markets and local sponsorship deals which are entered in individual overseas markets are identified as the two ways of engaging in international sports sponsorship. The findings imply that focusing on the main partnerships and exploiting them to the fullest results in the best perceived effectiveness of sponsorship in the international context. Also, setting objectives and assessing the outcomes seem to be part of effective international sports sponsorship. Additionally, the findings suggest that some factors should be taken into account when selecting the sponsorship target in order for the international sponsorship activity to result in positive outcomes.

Keywords – Sponsorship, sports, marketing communications, international operations, Finnish companies

Urheilusponsorointi kansainvälisenä markkinointiviestinnän välineenä – Monitapaustutkimus suomalaisista yrityksistä

Tavoitteet – Sponsorointi markkinointiviestinnän välineenä on enenevässä määrin tieteellisen tutkimuksen kohteena; sponsorointitoiminnan kansainvälinen näkökulma on kuitenkin vielä jäänyt laajalti huomiotta. Tutkielman tavoitteena onkin tarkastella, kuinka urheilusponsorointi on tehokkaasti hyödynnettävissä markkinointiviestinnän välineenä yritysten kansainvälisissä toiminnoissa. Tutkielman teoreettinen osuus käsittelee tehokkaan kansainvälisen sponsorointitoiminnan ominaispiirteitä, minkä perusteella ehdotetaan teoreettista viitekehystä. Empiirisessä osassa tutkitaan kansainvälistä sponsorointitoimintaa ja sen tehokkuutta markkinointiviestinnän välineenä tapausyritysten kautta ja tulosten perusteella ehdotetaan muokattua viitekehystä.

Tutkimusmenetelmä – Tutkielma perustui laadulliseen tutkimukseen. Empiirinen osa toteutettiin monitapaustutkimuksena, jossa tutkittiin seitsemän yrityksen kansainvälistä sponsorointitoimintaa. Tutkimuksessa käytettiin sekä ensi- että toissijaisia lähteitä. Ensisijaisina lähteinä toimivat puolistrukturoidut haastattelut tapausyritysten edustajien kanssa, kun taas toissijaisia lähteitä olivat tapausyritysten internetsivut, asiakaslehdet ja lehdistötiedotteet. Tutkimusaineiston analyysi suoritettiin laadullisia analyysimenetelmiä käyttäen.

Tulokset – Tutkimuksen tulosten perusteella urheilusponsorointi on tehokkaasti hyödynnettävissä kansainvälisenä markkinointiviestinnän välineenä erilaisten yritysten toimesta riippumatta yritysten koosta, kansainvälisyyden tasosta tai asiakaskohderyhmästä. Tulokset osoittavat, että urheilusponsorointi on hyödynnettävissä yritysten kansainvälisiin toimintoihin liittyvien tavoitteiden saavuttamiseksi. Kaksi tapaa harjoittaa kansainvälistä urheilusponsorointia on 1) kansainväliset sponsorointisopimukset, jotka tarjoavat samanaikaista näkyvyyttä useilla markkinoilla ja 2) paikalliset sponsorointisopimukset, jotka solmitaan yksittäisillä markkinoilla. Tulosten mukaan keskittyminen pääkumppanuuksiin ja niiden laaja hyödyntäminen johtaa kaikkein tehokkaimpiin tuloksiin kansainvälisessä urheilusponsoroinnissa. Myös tavoitteiden asettaminen ja lopputulosten arvioiminen ovat osa tehokasta kansainvälistä urheilusponsorointia. Tulokset osoittavat, että joitain tekijöitä tulee lisäksi ottaa huomioon sponsorointikohdetta valittaessa, sillä ne voivat vaikuttaa urheilusponsoroinnin tehokkuuteen kansainvälisenä markkinointiviestinnän välineenä.

Avainsanat – Sponsorointi, urheilu, markkinointiviestintä, kansainväliset liiketoiminnot, suomalaiset yritykset

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1 INTRODUCTION

The aim of this thesis is to study the utilization of sports sponsorship as a marketing communications tool in context of companies' international operations. This first chapter introduces the underlying issues and ideas of the thesis. The background of this study is first provided in terms of practical and theoretical relevance. This is followed by defining the research setting; the research problem, questions, and objectives are identified. Then, the central concepts of the study are defined. Finally, the structure of this thesis is outlined.

1.1 Background

Sports sponsorship has existed in a form or another since the early days of sports. The roots of what we nowadays regard as commercial sponsorship can be traced back to the late 19th century (Aaker & Joachimsthaler, 2000). The importance of sponsorship as a marketing communications tool first increased gradually but during the past few decades the investments companies make in sponsorship have grown dramatically, and sponsorship has developed into a major global industry (Meenaghan, 1998b). In 2010, global sponsorship spending amounted to more than \$46 billion. This was more than the year before and the spending on sponsorship is only forecasted to increase in 2011. (IEG, 2011) On the contrary to the international growth trend, Finnish sponsorship spending decreased in 2009 and future cuts are estimated. €151 million was spent on sponsorship in Finland in 2009. (Mainostajien liitto, 2010)

Overlapping with the growth of sponsorship expenditures, and partly as a result of it, sport has developed from just a way for people to spend their free time with into an enormous industry. It has been claimed that as sport is ultimately a way for all people to satisfy a variety of deep human needs, it provides an attracting means for international corporations to reach wide audiences (Westerbeek & Smith, 2003). In addition to its commercial potential, sport is a tempting target for sponsorship because it is inextricably part of people's lives and the level of emotion is high when it comes to people's relationship with sport. Therefore, by linking their product to a well-known

athlete or team by the means of sponsorship, companies aim to transfer associations from the sponsored property to their own brand. It is hoped that the goodwill that people feel toward the sports property will rub off on firms' brands leading to favorable attitudinal change (Speed & Thompson, 2000). In fact, the proportion of sports sponsorship from all sponsorship spending, internationally and in Finland, is approximately 70% (IEG, 2011; Mainostajien liitto, 2010).

As the numbers above show, sponsorship can nowadays be regarded as a fundamental medium for corporate communication (Olkkonen *et al.*, 2000) as well as a "mainstream marketing communications tool" (Cornwell *et al.*, 2005, 21). In the past, companies' involvement in sponsorship activities was often a result of the interests of company leaders (Cornwell & Maignan, 1998), whereas today such large amounts of resources are tied to sponsorship that firms face pressure to demonstrate return on their sponsorship investments (Crompton, 2004). Therefore, research attention on sponsorship is also warranted. In fact, simultaneously with the increased commercial interest and the mounted up expenditures, the academic interest in sponsorship research has grown (Cornwell & Maignan, 1998). For a long time, authors claimed that even though the research on sponsorship began already in the mid-1980s, it has attracted only limited academic research attention (e.g. d'Astous & Bitz, 1995; Speed & Thompson, 2000). According to Walliser (2003), however, no longer can it be claimed that sponsorship research has been sparse. Particularly the research streams focusing on the nature of sponsorship, its managerial aspects, and the measurement of its effects are quite well-advanced (*ibid*). Nonetheless, future academic contributions in the field are still relished. Research on the international aspect of sponsorship is among the topics which are called for. For instance, Cornwell (2008) suggests that it would be of importance to study the role of sponsorship in brands' entry to new markets. Additionally, a better knowledge of the practice of sponsorship internationally is needed in general (Walliser, 2003).

As noted above, even if sponsorship has been studied from multiple perspectives, broadly stated, research which would explicitly focus on the utilization of sponsorship as a marketing communications instrument in context of companies' international

operations remains limited. On the one hand, as sponsorship is acclaimed an efficient and cost-effective promotional tool (Erdogan & Kitchen, 1998; Gardner & Shuman, 1988), it is worth researching how companies can successfully exploit it to promote their operations and products internationally. On the other hand, concentrating on sports sponsorship is justified because of its role as the largest recipient of sponsorship money and as sports have been claimed to be a global language instead of being culturally-bound (O'Sullivan & Murphy, 1998; Tuori, 1995), thus potentially providing a good means for international promotion.

In addition, in the Finnish context, research seems to be lacking which would study how Finnish firms utilize sports sponsorship as a means of international promotion. At the same time, Valanko (2009) argues that still nowadays many Finnish companies only play around with sponsorship instead of integrating it as a strategic element into their marketing. He claims that only the minority of Finnish firms employing sponsorship has a drafted sponsorship strategy and actively links sponsorship with other marketing communications as well as leverages the sponsorship deals by other means of communications. The 16 % reduction in sponsorship spending that took place in Finland 2008-2009 might be considered a sign of this argument. According to Valanko (ibid), in order to gain any real benefits from sponsorship, Finnish firms should approach the issue more professionally and increase their knowledge of the topic. This considered, this thesis may be regarded as adding to the knowledge base in the Finnish context.

Additionally, it has been found out that Finnish companies of all sizes actively employ sponsorship. 80% of companies which employ more than 250 people spend money on sponsorship, whereas the corresponding percentage is 75 for firms with 50-249 employees. 58% of companies employing 10-49 people engage in sponsorship; the percentages for firms with 2-9 employees and private entrepreneurs are 47 and 24 percent, respectively. (Mainostajien liitto, 2010) Hence, it can be concluded that Finnish companies provide a prolific platform for research on this topic.

1.2 Research setting

As explicated in the previous section, both from the theoretical and practical perspectives, research focusing on the utilization of sports sponsorship in the international context is warranted. Expressed as the research problem of this thesis, to date, it has remained unclear how sports sponsorship is effectively utilizable as an international promotional instrument.

Consequently, the primary research question this thesis intends to answer is the following;

How is sports sponsorship utilizable as a marketing communications tool in an effective manner in context of companies' international operations?

The supportive sub-questions can be formulated in the following manner;

- *What are the characteristics of sports sponsorship as a marketing communications tool?*
- *How is sponsorship utilizable in the international context?*

The objectives of this thesis can be formulated to include the following. Firstly, the study sets out to determine the effectiveness of sports sponsorship as a marketing communications tool in the international context and its feasibility for Finnish firms in their international endeavors. Secondly, the aim is to find out how Finnish companies of different kinds presently exploit sports sponsorship as part of the promotion of their operations and products abroad, as well as how the companies could utilize sports sponsorship more effectively. Thirdly, this thesis aspires to add a new insight to the sponsorship literature when it comes to the utilization of sports sponsorship in companies' international operations.

The achievement of these objectives will take place through first reviewing the existing literature. From the multiple perspectives which may be taken on sponsorship, the one adopted in this study examines sponsorship from the viewpoint of firms which employ sports sponsorship in their international marketing and communications programs. In other words, marketing communications literature is the central tenet, both in terms of sponsorship and international marketing communications in general. The decision to not

to focus on internationalization theory was made as empirical findings seemed to suggest that at least in this particular study, firm internationalization and sponsorship cannot be explicitly tied together. The empirical research, on the other hand, is based on qualitative research, namely a multiple case study design is employed. Data are collected through interviews as well as textual material, and analyzed through qualitative data analysis methods. In terms of the case organizations, a decision was made to exclude the largest Finnish multinational corporations from the study and instead concentrate on smaller firms as all identified previous research touching the topic of international sports sponsorship in a way or another focuses on large corporations (see e.g. Apostolopoulou & Papadimitriou, 2004; Miyazaki & Morgan, 2001).

1.3 Definitions

The central concepts for this thesis are defined below.

Sports sponsorship: A two-way relationship between the company and the sponsored property which is based on the firm associating itself with the sponsored, and whereby both parties enter the relationship with the expectation of gaining benefits. The sponsored sports property may be an athlete, team, event, association, or something alike. See section 2.1.1 for a discussion.

International sponsorship: In context of this study, international sponsorship may be considered to include both major international sponsorship deals which are simultaneously visible in many countries, and local sponsorship deals in those overseas markets where the company is active either through a subsidiary, sales office, or distributor. The resources committed to major international sponsorship activities are larger than the resources committed to local deals which are restricted to individual countries and visible only there; in this research, they are considered to be deals which are visible either nationwide or only locally in some area of a country.

Communications tool: An instrument available to companies to inform, influence, and interact with their different stakeholder groups. Sponsorship is considered an element of the marketing communications mix (see section 2.1.3 for a discussion) and in this thesis

is primarily discussed as such. However, as sponsorship may also fulfill corporate communications objectives (see section 2.1.5), this broader context is also touched upon.

Finnish companies: The case organizations represent a broad spectrum of firms which originate in Finland and are active in overseas markets either through sales and production subsidiaries, sales offices, or distributors. Both B2B and B2C companies as well as manufacturing and service firms are included. The companies are active in employing international sports sponsorship in the form of sponsoring an athlete or a team competing on the international level, or an international sporting event, as well as some local sports properties in the foreign markets in which they are present.

1.4 Structure of the thesis

This study is structured into six chapters. This first chapter outlines the background of the research and the overall setting in which the study takes place as well as its objectives. In Chapter 2, the literature review and theoretical framework are presented. The section 2.1 focuses on sports sponsorship in general as a marketing communications tool, whereas in section 2.2 some concepts from international marketing communications literature relating to international sponsorship are examined. The theoretical framework is constructed on the basis of the reviewed literature and is presented in section 2.3.

Chapter 3 outlines the empirical research conducted for this study. The reasons for choosing a multiple case design are first discussed, after which the research sample is presented. The process of data collection is then outlined concentrating on interviews and textual material as data collection methods of this thesis. Data analysis methods are also presented, followed by a discussion on reliability and validity of the research.

The empirical findings of the present study are then covered in Chapter 4, and Chapter 5 is dedicated to the analysis of and discussion on the findings relative to the reviewed previous research. In the final chapter, Chapter 6, the main findings and theoretical contribution of this thesis are presented, the managerial implications as well as

limitations of this research are discussed, and some recommendations for further research on the topic of international sponsorship are given.

2 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

The purpose of this literature review is to provide an overlook on the extant literature on the topics of sports sponsorship and international marketing communications. The chapter is divided into three parts. First, sponsorship is discussed in general as a marketing communications instrument with a focus on sports sponsorship. Second, sponsorship in the international context is examined. Third, the chapter is concluded with a presentation of the theoretical framework which is constructed and explicated based on the reviewed literature.

2.1 Sports sponsorship as a marketing communications tool

An extensive part of this literature review is dedicated to a discussion on sponsorship as a marketing communications instrument with a specific focus on the sponsorship of sports. The section is outlined as follows. A definition of sponsorship is introduced first, and the current situation and the extent of the practice of sponsorship are examined then. After that, a discussion on the role of sponsorship in the marketing mix of companies follows, including comparisons between sponsorship and advertising as well as sponsorship and philanthropy. The importance of considering sponsorship as a strategic investment is then discussed. After that, the objectives of sponsorship are outlined, followed by discussions on the evaluation and effects of sponsorship. Finally, the potential risks related to sponsoring sports are examined.

2.1.1 Definition of sponsorship

Much of the sponsorship research has focused on developing an encompassing, widely accepted definition for the activity. According to Olkkonen *et al.* (2000), the discussion on sponsorship may basically be divided into three categories; there has been research on the definition of the term, the measurement of its effects, and the objectives and motives behind it. Especially, creating a definition for sponsorship was a topic of the early sponsorship research in the 1980s and the beginning of the 1990s (Walliser, 2003). In fact, Cornwell and Maignan (1998) report how trying to find an explicit definition for sponsorship has been a way to legitimize it as a promotional tool.

Meenaghan's (1983, 9) definition of sponsorship is one of the definitions used the most often;

Sponsorship can be regarded as the provision of assistance either financial or in kind to an activity by a commercial organisation for the purpose of achieving commercial objectives.

Another definition provided by Berrett (1993, 325) also emphasizes the commercial nature of sponsorship but explains the intended objectives of sponsorship in more detail; "Sponsorship is a contribution to an activity by a commercial organisation in cash, or in kind, with the expectation of achieving corporate and marketing objectives".

A yet another frequently employed definition is by Mullin *et al.* (2000, cited in Apostolopoulou & Papadimitriou, 2004, 180; Bennett *et al.*, 2002, 175) who define sponsorship as "the acquisition of rights to affiliate or directly associate with a product or event for the purpose of deriving benefits related to that affiliation or association".

Abratt and Grobler (1989, 352) also define sponsorship similarly but a bit more precisely in terms of the possible sponsorship targets;

Sponsorship is an agreement in terms of which a sponsor provides some aid to a beneficiary which may be an association, a team or an individual, to enable the latter to pursue some activity and thereby derives the benefits contemplated in terms of its promotion strategy.

As can be seen from above, some definitions of sponsorship are more accurate than others and highlight different aspects of the concept; Dolphin (2003, 176) emphasizes the importance of goodwill and public relations in his definition of sponsorship whereas d'Astous and Bitz (1995, 6) stress the effects of sponsorship on image and awareness.

Based on an extensive literature review, Walliser (2003) argues that there is still a lack of consensus on the definition of sponsorship among the researchers and no generally accepted definition exists; a proof of which is the presence of numerous definitions of the term in the literature. However, as the definitions presented above show, sponsorship can be understood to comprise certain characteristics. First, an exchange takes place between the sponsor and sponsored property; the sponsor invests in order to obtain the right to associate itself with the sponsored entity, and the sponsor receives benefits in return for the investment (Apostolopoulou & Papadimitriou, 2004;

McCarville & Copeland, 1994). Second, companies engage in sponsorship in order to achieve their corporate or marketing objectives by exploiting the association with the sponsored property gained through the initial investment (Walliser, 2003). Third, the sponsored properties can range for instance from events to individual persons.

Even though the inclusion of commercial and corporate objectives in the early definitions of sponsorship for instance by Meenaghan (1983) and Berrett (1993) may be regarded as sponsorship having some strategic significance, the more current research calls for more explicit recognition of the strategic role of sponsorship. Consequently, Valanko (2009, 62) gives a comprehensive definition of sponsorship; Sponsorship is a judicial co-operation agreement between the sponsor and sponsorship target, which allows the renting of images. The agreement is based on the needs of both parties and involves both tangible goods and intangible services. It is a strategic decision and a commercial investment which is creatively designed and leveraged in practice both together and separately by different means of marketing communications. It brings along measurable added value to the operations of both sides.

Similarly to Valanko (2009) who puts emphasis on the needs of both parties in his definition of sponsorship as presented above, Alaja and Forssell (2004, 21) rather use the term *sponsorship cooperation* in their research. In their opinion, combining the word *cooperation* with the term *sponsorship* reinforces the reciprocal relationship that the two parties of the sponsorship agreement have and the active role that both parties play. Additionally, according to Valanko (2009), it is also important to acknowledge that the sponsor provides the sponsored entity with multiple indirect benefits besides the monetary support; these benefits may include for example increased publicity, professional marketing know-how, and new contacts.

2.1.2 Extent of sponsorship

The roots of what is nowadays regarded as sponsorship are in the ancient civilization; however, commercial sponsorship as such did not begin to develop until the mid-1960s (Meenaghan, 1991a). There are some examples of sponsorship activity from the late 1800s and the early 1900s, though. According to Aaker and Joachimsthaler (2000), the

English soccer team Nottingham Forest was sponsored by a brand called Bovril already in 1898, whereas Gillette sponsored baseball in 1910 and Coca-Cola began to sponsor the Olympics in 1928. Also Adidas participated in the Olympics that year by sponsoring individual athletes competing in the Games (ibid).

Nonetheless, it is only since the 1970s as commercial sponsorship has been able to enjoy of the exploded corporate expenditures (Meenaghan, 2001a). Not only has the number and range of companies employing sponsorship increased and widened, but also the amounts of money companies spend on sponsorship have grown (Javalgi *et al.*, 1994; Meenaghan, 1998b). On the worldwide scale, sponsorship market was valued at \$2 billion in 1984 (e.g. Meenaghan & Shipley, 1999) but by 2010, global sponsorship spending reached \$46.3 billion, which was 5.2% more than the previous year. Global spending on sponsorship is only forecasted to increase in 2011, to close to \$49 billion. (IEG, 2011)

In Finland, according to an annual study conducted by the Association of Finnish Advertisers, €151 million was spent on sponsorship in 2009. Contrary to the international trend, this was €28 million less than the previous year. In addition to the €151 million which was directly spent on the acquisition of sponsorship rights, €69 million was used to leverage the sponsorship deals by supportive communications in 2009. There was a decrease of €30 million in this amount. According to the study, the reductions in the amounts spent are a result of a decrease in the number of sponsorship targets rather than cuts in the amounts of sponsorship money directed to the sponsored properties. As opposed to the worldwide sponsorship spending which is estimated to increase, Finnish companies forecast future cuts. (Mainostajien liitto, 2010; Mainostajien liitto, 2009) These numbers are only estimates and indicative of real sponsorship spending as not all companies which employ sponsorship are included in the annual study, and as the money used to leverage the sponsorship investment is often hidden in multiple different budgets (Valanko, 2009). Therefore, it is safe to assume that the amounts spent on sponsorship are surely somewhat higher in reality.

Numerous reasons have been given for the tremendous growth in sponsorship expenditures during the past decades. In an article from the early 1990s, Meenaghan

(1991b, cited in Meenaghan, 1991a, 5) lists some factors potentially affecting the growing popularity of sponsorship;

- Government policies on the advertising of alcohol and tobacco have changed and become stricter.
- The costs of media advertising have gone up.
- New opportunities have evolved because free time and leisure activity has increased.
- The ability of sponsorship as part of marketing communications has been proven.
- Sponsored events experience greater media coverage than before (due to new media, satellite channels, and cable TV).
- Traditional media have faced inefficiencies.

In a more recent article, Meenaghan (2001a) emphasizes the disappointments companies have faced with traditional media advertising – caused for instance by advertising clutter and increased price leading them to search for alternative forms of gaining exposure – and the perceived relative effectiveness of sponsorship as a marketing communications method as the main determinants of the continuously increasing sponsorship spending. Similar reasons are reported by Pickton and Broderick (2001) who also add the ability of sponsorship to create positive associations to the list of reasons for increased sponsorship spending.

Both Valanko (2009) and Meenaghan (1998b) argue that there is a clear trend in sponsorship markets both in Finland and around the world of companies reducing the number of their cooperation partners and simultaneously choosing to form in-depth, quality relationships with the chosen partners. One reason for this is the fact that as the popularity of sponsorship has increased, quality events to sponsor are at shortage. Companies proactively look for partnerships, based on their own needs and on their own terms.

Of all the sponsorship possibilities, it is sport that is the leading category of sponsorship spending, generally attracting almost 70% of sponsorship investments (Stotlar, 2004). In 2010, the share of sports of the North American sponsorship market was 68% (IEG, 2011); correspondingly, sports amounted to about 63% in Finland in 2009 (Mainostajien liitto, 2010). Olkkonen and Tuominen (2006) argue that the primary

reason for the popularity of sport as the sponsorship target is its flexibility as an element of marketing communications. Within sports, there exist many types of sponsorship opportunities. A company may sponsor for example an event, league, association, team, or individual athlete. Of the wide variety of different sports, the most attractive are generally considered to be the ones that “command wide audiences, good media coverage and offer the greatest publicity potential” (Marshall & Cook, 1992, 309). However, it is the firms’ objectives which should determine which sports to select as the sponsorship target.

Tuori (1995, 54) suggests some additional explanations for the popularity of sports sponsorship;

- People belonging to the target audiences are personally involved in sports, either doing sports themselves or attending sporting events.
- The image of sport is positive.
- Elements like excitement and risk are present in sports.
- Sporting organizations are actively looking for sponsors.
- The commercialization of sport is easy.

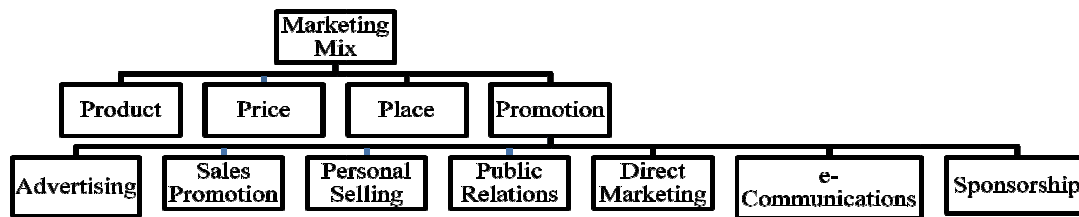
Additionally, sport provides a lucrative target for marketing because sport organizations are well-established brands in general; brand loyalty is argued to be high in the industry of sports (Westerbeek & Smith, 2003). People often tend to be emotionally attached to their favorite teams or athletes. A sports team may have a major role in many of its supporters’ lives, and thus sports sponsorship may provide unique opportunities for companies in terms of forming connections and retrieving positive associations (Aaker & Joachimsthaler, 2000). Furthermore, because of sports being interesting and thrilling by nature, a close relationship has formed between sports and the television medium (Meenaghan & O’Sullivan, 1999). According to Olkkonen and Tuominen (2006), through the means of television and other electronic media, sports can potentially be flexibly employed to attract either specific niche audiences or audiences comprising a range of demographic and psychographic segments. As sport tends to entice more media coverage and publicity as well as bigger audiences than for instance cultural events, it is argued to be well-suited for commercial purposes (ibid).

Simultaneously with the increased spending on sponsorship, the economic importance of sports has increased, and nowadays the line between sports and entertainment is blurred and the economic impacts of sports are enormous (Westerbeek & Smith, 2003). Estimating the total value of the sports industry is extremely difficult but according to Timo Lumme, the Marketing Director of the International Olympic Committee, recent studies estimate the global sports industry being worth between \$400 and \$500 billion when all financial factors are included (SLU, 2010). Although the increased commercialization of sports has brought along many financial benefits, it may also entail some problems (Meenaghan & O'Sullivan, 1999). The competition has increased and sports organizations are more indebted than before (Mahony & Howard, 2001). In addition to the fact that prices paid for instance for sports rights are extremely high, the gap between the rich and the poor within the sports industry seems to be widening as fewer and fewer gain control of influential sports enterprises (Westerbeek & Smith, 2003).

2.1.3 Role of sponsorship in the communications mix

The concept of marketing mix is one of the foundation stones of marketing. Randall (2001, 135) defines the marketing mix as “the mixture of the marketing variables which we can control, and more precisely the amount of which we choose for a particular situation”. Marketing mix has come to be known as the 4Ps, introduced by McCarthy in 1975 (ibid). The 4Ps comprise *product*, *price*, *place*, and *promotion*. *Promotion* translates to the communications of the firm to its different stakeholders, i.e. marketing communications or communications mix, whose implicit purpose is “the stimulation of market demand” (Meenaghan, 1983, 5). *Promotion* has typically been further divided into advertising, public relations, sales promotions, and personal selling (e.g. Pickton & Broderick, 2001). Sponsorship has classically been included under the general heading of public relations (Randall, 2001) but more current texts place it under *promotion* as its own entity alongside the traditional as well as other contemporary elements of the communications mix (De Pelsmacker *et al.*, 2007; Kitchen & De Pelsmacker, 2004). This is depicted in Figure 1 which portrays the position of sponsorship in the marketing mix according to the more recent thinking.

Figure 1. Sponsorship as part of the marketing mix



Source: Adapted from De Pelsmacker *et al.* (2007, 5) and Kitchen & De Pelsmacker (2004, 20)

As previously indicated, the popularity of sponsorship as a marketing communications tool has been constantly increasing. Compared to other instruments of marketing communications, a North American study (IEG, 2011) reports that the growth rate of sponsorship has been ahead of the pace experienced by advertising and sales promotion in most years during the past two decades and a similar trend is also likely to continue. For instance, in 2008 the average annual growth rate of sponsorship spending in North America was 11%; the same rates for advertising and sales promotion were only 0.6% and 2%, respectively. Dolphin (2003, 182) has even suggested that “sponsorship is now the equal in importance of advertising as a marcoms tool”. Nonetheless, despite its growth, sponsorship is still considerably outspent by advertising. The general estimate in the industry is that the worldwide sponsorship spending is only equal to approximately 7% of global advertising expenditures (Fenton, 2009).

In Finland, according to an annual survey called Advertising Spend in Finland, the total marketing communications amounted to €3.1 billion in 2009 which was 14% less than the year before due to the recent recession. Of this amount, the share of sponsorship was about 5%. In comparison to other Nordic countries, in Denmark the development has been similar to the one in Finland with the share of sponsorship being 5% of Danish marketing communications spending. On the contrary, in Sweden the corresponding percentage is 9%, which suggests sponsorship being relatively more popular as a marketing communications tool in Sweden than in Finland or Denmark. (Mainonnan Neuvottelukunta, 2010)

Sponsorship is regarded as an efficient instrument of companies' communications mix partly because of its capacity to address a wide range of corporate audiences. The multiple different target audiences and stakeholder groups which may be appealed to through the use of sponsorship include for instance a company's existing and potential customers; consumers; current and prospective shareholders; employees; partners; government regulators; local community; and general public (Alaja & Forssell, 2004; Crowley, 1991; Tuori, 1995). It has been suggested that companies of different types rate the importance of target audiences differently putting emphasis on target groups most relevant to their business (for a more detailed discussion, see Crowley, 1991). While the potential sponsorship audiences are many, Slack and Amis (2001) argue that sponsorship is an efficient communications instrument as it enables the targeting of a specific audience with a specific message. In the words of Pickton and Broderick (2001, 514), sponsorship is an "excellent means of targeting selected market segments".

According to Cornwell and Maignan (1998), two separate but interrelated activities are involved in sponsorship; an exchange of a fee or alike and the right of association between the sponsor and sponsored property, and the marketing of that association to the target group by the sponsor. In order for the sponsorship investment to reap any benefits, both activities are required. In other words, for the communication goals of sponsorship to realize and for the indirect and implicit messages of sponsorship (Erdogan & Kitchen, 1998) to be successful, the sponsorship investment should be leveraged by accompanying communication efforts, i.e. be one element of a company's integrated communications strategy (Valanko, 2009; Walliser, 2003). Weeks *et al.* (2008, 639) define the leveraging of sponsorship as "the act of using collateral marketing communications to exploit the commercial potential of the association between a sponsee and sponsor".

As to the importance of leveraging sponsorship, Valanko (2009) has suggested that it is not the scale of the initial sponsorship investment which determines the success of the sponsorship activity but it is the skilful exploitation of the sponsorship deal which makes the difference. Therefore, different kinds of sponsorship-linked marketing programs should be employed to support the sponsorship investment (Cornwell &

Maignan, 1998). The methods used to leverage sponsorship may for instance include television, magazine, and Internet advertising, sales promotions, public relations, packaging, incentive programs, direct marketing, internal communications, cause related marketing, website communications, hospitality events, and exhibitions (e.g. Abratt & Grobler, 1989; Papadimitriou *et al.*, 2008; Polonsky & Speed, 2001). Weeks *et al.* (2008) report that currently the most prevalent means to leverage sponsorship investments are traditional advertising, public relations, internal communications, and hospitality. Consequently, it may be concluded that all the different elements of the communications mix are employable in leveraging sponsorship even though some differences may exist in the importance of different instruments depending on the type of company (Crowley, 1991).

Supporting sponsorship by the other communications instruments is nevertheless costly. The general belief is that “a sum at least equal to the property rights costs should be used to leverage the initial investment” (Meenaghan, 2001a, 192). Farrelly *et al.* (1997) found out in their research that North American companies spent on average between \$1 and \$2 on related activities for every dollar spent on sponsorship. This finding is supported by Valanko (2009) who argues that the value of the sponsorship deal (price) in relation to the investment in supportive communications is nowadays 1:2 in the US. In contrast, this relation is currently only 1:0.5 in Finland (*ibid*). Farrelly *et al.* (1997) pointed out the differences between countries already in the late 1990s as they found out that the spending by Australian companies on related communications activities was only between 50 cents and \$1 for every dollar spent on sponsorship agreement. In fact, it has been argued that among the biggest impediments to the success of sponsorship is its too narrow and insufficient exploitation by other means of marketing (Valanko, 2009).

2.1.3.1 Sponsorship vs. advertising

Both advertising and sponsorship investments are made in order to fulfill commercial objectives and therefore it can be argued that they are fundamentally similar to each other (Meenaghan & Shipley, 1999). Nevertheless, there are some basic differences between these two elements of the communications mix, and as Marshall and Cook

(1992, 309) state, sponsorship “should not be confused with advertising”. In addition to advertising and sponsorship being employed to mainly achieve different outcomes (Crompton, 2004), one of the biggest differences between the two is the fact that sponsorship message – or the medium for that matter as in sponsorship “both message and medium are inextricably linked” (Meenaghan, 1996, 104) – is not as tightly controlled by the sponsoring company as it is in the case of traditional advertising (Javalgi *et al.*, 1994; Meenaghan & Shipley, 1999). In other words, the company’s control over the content and environment of the message is weaker in sponsorship than in the use of advertising (De Pelsmacker *et al.*, 2007), resulting in the risk inherent in all sponsorship.

According to Meenaghan (1991a), there is a difference in the messages that sponsorship and advertising convey. Advertising is more direct and explicit than sponsorship which is often targeted towards an audience on an emotional level (Tuori, 1995) and dependent on the fundamentally affective relationship between the target group of the sponsorship and the sponsored property (Crimmins & Horn, 1996). Advertising message is a “mixture of visuals, vocals and context” whereas the message sent out by sponsorship is non-verbal and delivered by associations, thus being indirect (Meenaghan, 1991a, 8). Audience also tends to react differently to sponsorship than to advertising. Sponsorship is argued to have a special goodwill factor (McDonald, 1991) as the audience has a tendency to consider the sponsorship investment having a beneficial impact on the activity that is being sponsored (Meenaghan, 1991a; 2001b). Therefore, Meenaghan (2001a) argues that consumers’ attitude towards sponsorship is more favorable than it is towards advertising. In addition, sponsorship usually reaches people in their free time when they are more receptive and committed (Valanko, 2009) and enables people to experience and interact with the sponsor (Sneath *et al.*, 2005). Nevertheless, due to the fact that people are primarily involved in the sponsored activity thus paying less attention to the environment, i.e. the sponsors, sponsorship may be less influential in gaining attention than advertising (Marshall & Cook, 1992).

Instead of focusing on the differences between sponsorship and advertising, they could be regarded as having a complementary relationship (Meenaghan, 1991a). In fact,

Erdogan and Kitchen (1998) argue that sponsorship is not a replacement for advertising or vice versa, but the two methods of marketing communications may be employed side by side to maximize benefit from each activity in context of integrated communications strategy. According to Cornwell and Maignan (1998), sponsorship may, for example, be successfully set as the central concept of marketing communications and a comprehensive advertising campaign may be built around it, thus replacing a conventional advertising campaign with a sponsorship theme.

2.1.3.2 Sponsorship vs. philanthropy

The roots of sponsorship can be traced back to the patronage system of earlier societies (Meenaghan & Shipley, 1999) but nowadays the two activities greatly differ from each other. Philanthropic sponsorship is based on an altruistic activity, basically charity (Dolphin, 2003), where the benefits are primarily directed towards society and/or the beneficiaries (De Pelsmacker *et al.*, 2007). According to Tuori (1995), in case of philanthropy, the donor neither expects anything in return, nor is publicity the driver behind the activity. Moreover, there is necessarily no contract which the activity would be based on (*ibid*). On the contrary, contemporary commercial sponsorship is an integrated part of a company's communications efforts, motivated by profit, and based on a reciprocal relationship between the parties (Alaja & Forssell, 2004; d'Astous & Bitz, 1995). An additional distinguishing factor is the deliberate exploitation of the association between the sponsor and sponsored property, which is central to commercial sponsorship (Walliser, 2003).

2.1.4 Sponsorship as a strategic investment

The literature is consistent in the view that the role of sponsorship in an organization should be strategic and that as a rule, sponsorship agreements should be regarded as strategic investments. This is because sponsorship “concerns decisions about the allocation of resources to achieve organisational objectives and also because it is used to align an organisation with the pressures and demands of its environment” (Slack & Bentz, 1996, 177). Based on their research, Amis *et al.* (1999) and Fahy *et al.* (2004) suggest that considering sponsorship a strategic activity and clearly linking it to

marketing and corporate strategies have a positive influence on the outcome of sponsorship. In fact, regarding sponsorship as one of the central elements of the marketing strategy of the firm and resourcing it as such is claimed to be one of the keys to its success (Fahy *et al.*, 2004). Amis *et al.* (1999) even argue that if sponsorship is linked to the broader corporate strategy of the company and effectively supported by organizational resources, it can potentially be developed into a distinctive competence enabling the company to secure a competitive advantage in the marketplace.

According to Valanko (2009), the core of any sponsorship should be the sponsorship strategy which merges the many aspects of the activity, as depicted in Figure 2.

Figure 2. Sponsorship strategy as the core of sponsorship



Source: Adapted from Valanko (2009)

Firstly, sponsorship strategy should always be based on the needs of the company and the strategic priorities derived from them (Papadimitriou *et al.*, 2008). The objectives of sponsorship are discussed in detail in section 2.1.5 but on a more general level, sponsorship has been argued to be usable for instance as a component of a firm's expansion strategy, after a merger to promote the new company, in differentiating from competition, or in strengthening or changing market position (Papadimitriou *et al.*, 2008; Pickton & Broderick, 2001; Valanko, 2009). According to Cornwell *et al.* (2001), sponsorship may have the ability to differentiate a brand from competition under active management and hence add financial value to the brand. Secondly, sponsorship strategy should derive from the company's values and its overall corporate strategy. It has been claimed that in contrast to sponsorship which derives from the corporate strategy, uncoordinated sponsorship activities based on ad hoc decisions due to resource availability or management's interest might be successful temporarily but unlikely

thrive in the long run (Fahy *et al.*, 2004). Thirdly, Fahy *et al.* (2004, 1026) argue that “sponsorship should be seen as an integral part of the company’s marketing strategy”. In order to deliver a non-fragmentary image of the company and convey a clear and consistent message, thus creating value to the company, sponsorship should be integrated into the marketing activities of a company, i.e. be part of a firm’s integrated communications as discussed in section 2.1.3 (Amis *et al.*, 1999). Fourthly, sponsorship strategy should direct the implementation of the sponsorship activity in practice. For instance, the selection of sponsorship targets should be done objectively and analytically based on strategic priorities instead of personal interests and preferences – which is claimed still often to be the case (Papadimitriou *et al.*, 2008; Valanko, 2009). In addition, the exploitation of the sponsorship deal should be based on the sponsorship strategy (Valanko, 2009). According to Amis *et al.* (1999), for sponsorship to be beneficial, it should be extendable to a range of settings; it should be leveraged externally, for instance by exploiting it in customer-oriented functions, and internally, for example by engaging employees. New, imaginative ways of strategically utilizing sponsorship should be continuously considered (*ibid*).

2.1.5 Sponsorship objectives

Both the motives and objectives of companies entering a sponsorship arrangement have received considerable attention in the literature. In general, according to Javalgi *et al.* (1994), the objectives set for sponsorship tend to be vague instead of being precise and clear. Very often firms employing sponsorship have a number of objectives for the activity (Apostolopoulou & Papadimitriou, 2004); also, a single sponsorship may fulfill various objectives (Marshall & Cook, 1992; Meenaghan, 1983).

The literature seems to consistently promote the view that the motives and objectives behind the sponsorship activity should be carefully considered and set before the activity takes place. With the help of clearly set objectives, it is possible to select the most appropriate sponsorship opportunities and plan their execution, and they also act as standards when the success of the sponsorship is to be evaluated (Apostolopoulou & Papadimitriou, 2004; Marshall & Cook, 1992). Crimmins and Horn (1996) go as far as to claim that not knowing in advance what the objective of the sponsorship is will likely

result in failing of the activity. Therefore, the set objectives should be SMART – specific, measurable, achievable, results oriented, and time bound (Crompton, 2004).

In general, sponsorship is regarded as a flexible communications tool which may be used to achieve both marketing and corporate communications objectives (De Pelsmacker *et al.*, 2007). Pope and Voges (2000) add a third category of sponsorship objectives, namely media objectives, but also they report a shift in importance from media objectives toward marketing and corporate objectives. Valanko (2009) is of like mind but even goes a step further by arguing that brand and corporate sponsorship tend to nowadays converge in such way that the company, its operations and products are visible to the target audiences of sponsorship as en bloc.

In terms of marketing communications, companies have a tendency to set quite a variety of objectives for sponsorship, related to brand awareness, brand image, and sales:

1. Enhancing the awareness and recognition of the brand among current and potential customers often belongs to the main objectives of sponsorship (Apostolopoulou & Papadimitriou, 2004). More specifically, firms may, for instance, aim to confirm their market leadership or increase awareness of their new products with the help of sponsorship (De Pelsmacker *et al.*, 2007). According to Cornwell *et al.* (2001), sponsorship may be of particular value in the development of brand awareness whereas its direct impact for example on purchase intention may be more modest.
2. Companies may try to impact the image a specific target group has of their products or brands through the means of sponsorship (De Pelsmacker *et al.*, 2007). According to Crompton (2004), the objective might be to change or reinforce the position of a brand, identify it with a particular market segment, or differentiate it from other brands, or as Javalgi *et al.* (1994) state, alter the perception consumers have of the brand. What needs to be taken into consideration is that the effects of both awareness and image building usually become visible only in the long run (De Pelsmacker *et al.*, 2007; Fahy *et al.*, 2004) and hence a sponsorship agreement should be entered with a long-term point of view (Valanko, 2009).

3. Increasing sales and market share tends to be a central objective of sponsorship (Apostolopoulou & Papadimitriou, 2004). As Valanko (2009) states, sponsorship is a commercial activity and the basic rationale and goal of all business is to increase sales and thus create profit. In other words, the ultimate aim of sponsorship should, according to Crompton (2004, 270), be the enhancement of “profitability by generating additional sales”. In his research, Crompton (2004) found a shift from awareness towards sales increase objectives. However, a contradictory claim is made by De Pelsmacker *et al.* (2007) who suggest that in comparison to awareness and image building, the growth in sales or market share as an objective of sponsorship is generally of less importance.

Many objectives associated with corporate communications are also portrayed in the literature. De Pelsmacker *et al.* (2007) divide corporate communications objectives according to the different target groups of sponsorship, namely general public, employees, channel members and trade partners, as well as opinion-formers and decision-makers. In terms of the general public, the objectives may include enhancing corporate image, altering the public perception of the company, as well as forging links with the local community and portraying the company as a good corporate citizen (Apostolopoulou & Papadimitriou, 2004; Gardner & Shuman, 1988; Pickton & Broderick, 2001). In other words, one of the main benefits of sponsorship is that it may enable the company to portray its values to the public in practice (Valanko, 2009). On the other hand, sponsorship can possibly be used to improve staff relations (Apostolopoulou & Papadimitriou, 2004), unite employees around a common vision and effort (Papadimitriou *et al.*, 2008), increase employee motivation, and assist staff recruitment (De Pelsmacker *et al.*, 2007). When it comes to channel members and partners, the objectives of sponsorship may include demonstrating trade goodwill, providing corporate hospitality, and building trade relations in general. Furthermore, sponsorship may be used to build goodwill among opinion-formers and decision-makers, other objectives in terms of this group potentially being the reassurance of policy-holders and stockholders, counter of negative publicity, and increase in positive media attention. (De Pelsmacker *et al.*, 2007) In general, Cornwell and Maignan (1998)

state that of all corporate communications objectives of sponsorship, enhancing corporate image, creating goodwill, and establishing relationships with different target groups tend to be the most important.

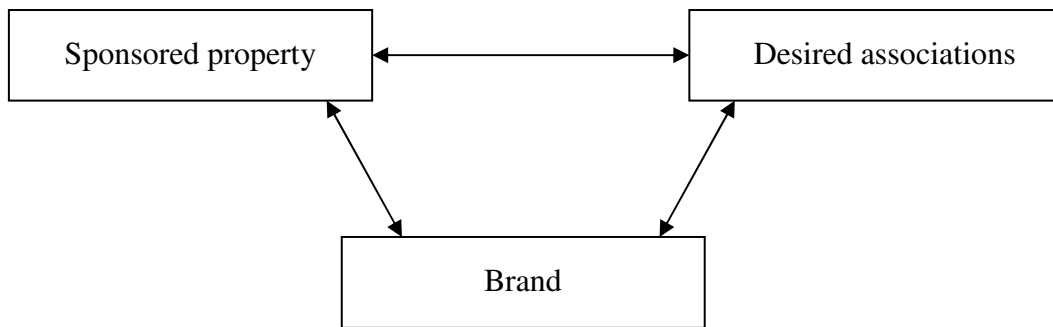
According to some literature, objective setting for sponsorship may be influenced by the size of the company. Compared to larger companies which often consider the objectives presented above particularly important, smaller firms tend to emphasize the possibilities sponsorship may provide in terms of local community involvement and hence mostly engage in the sponsorship of local events and charities (Webb & Carter, 2001). According to Mack (1999), small firms may consider the marketing objectives of sponsorship only secondary to giving back to the community, showing goodwill, and encouraging employee participation. It has also been found out that smaller companies tend to use sponsorship to enhance their reputation among their communities' opinion leaders as well as to create relationships with their customers and suppliers, thus often having other businesses as the primary audience of their sponsorship activities (Crowley, 1991; Webb & Carter, 2001). Regardless of the differences in the objectives, Gardner and Shuman (1988) as well as Webb and Carter (2001) argue that sponsorship can potentially be a cost-effective marketing communications instrument for small companies as well enabling them to differentiate themselves from competition even if their resources and budget are often limited in comparison to larger firms.

As a marketing communications tool, sponsorship can potentially also contribute to brand building in several unique ways. According to Valanko (2009), this is an important contribution of sponsorship as products tend to be similar nowadays and brand loyalty is claimed to be decreasing. Therefore, a significant role is played by stories, personal experiences, differentiation, and creativity in building product personalities and brand experiences (ibid). As these are the strong points of sponsorship, it can potentially positively contribute to brand building.

The hope of image transfer from the sponsored property to the firm has been highlighted to belong to the main reasons for a company to choose a particular property as the sponsorship target, for example a specific sport (Grohs *et al.*, 2004). As a sporting event, team, or athlete, for instance, is often associated with particular meanings and

images, it is hoped that linking a brand with the sports property through the means of sponsorship would transfer those associations to the brand in the minds of the target audience (Aaker, 1991; Gwinner & Eaton, 1999), hence aiming to influence the target groups' perceptions. This desired development of associations is shown in Figure 3.

Figure 3. Developing brand associations through sponsorship



Source: Adapted from Aaker & Joachimsthaler (2000, 209)

The figure depicts three linkages whose strength the creation of associations is dependent on. The process begins with the company determining which associations it desires the target audience to connect to its brand. Simultaneously, the target audience attaches associations to the sponsored properties; be them athletes, sporting events, or something alike. By linking the brand to the sponsored property through the means of sponsorship, the expectation is that the associations linked with the property are connected to the brand, thus improving or strengthening the brand's image. As previously discussed in section 2.1.3, supportive communications should be employed to enforce the hopefully established link between the brand and sponsored property. (Aaker & Joachimsthaler, 2000)

According to the Association of Finnish Advertisers (Mainostajien liitto, 2010), the two main associations Finnish companies would like to gain from their sponsorship activity are *responsibility* and *reliability*. Other important, but considerably less significant attributes include *local*, *modern*, *innovative*, *successful*, *healthy*, *distinguishable*, *friendly*, and *international*.

2.1.6 Measuring of sponsorship effects

Based on an extensive literature search, Cornwell and Maignan (1998) conclude that research on measuring the effectiveness of sponsorship is still developing and results in inconsistent findings. Even though this field of research has since advanced and new contributions have been added to the body of knowledge, the findings from the studies are still contradictory (Walliser, 2003) and no agreement on a standardized method of evaluating sponsorship exists (Tripodi *et al.*, 2003). Nonetheless, the increased spending on sponsorship as well as the corporate scandals and economic recessions of the early 21st century have resulted in more pressure on companies to demonstrate accountability for their sponsorship investments (Crompton, 2004; Stotlar, 2004). This has consequently led to increased interest in measuring and evaluating the effectiveness of sponsorship (Crompton, 2004).

In their early research, Abratt and Grobler (1989) found out that the majority of sponsors do in fact have a set procedure for evaluating their sponsorship activities. This finding is in contrast with numerous later studies (e.g. Crompton, 2004; McDonald, 1991), according to which there tends to be a lack of adequate evaluation of sponsorship effectiveness. Stotlar (2004) argues that most companies do not measure the effectiveness or success of their sponsorship activities because of the variability in the objectives they set for the activities and the perceived complexity of measurement. Some early research even initiates the idea that sponsorship investments are not substantial enough to warrant research (Marshall & Cook, 1992; McDonald, 1991). Moreover, as sponsorship should always be supported by other promotional tools, as explicated in section 2.1.3, isolating its effects from the other simultaneously employed marketing and communications instruments may be difficult due to their interaction, interdependencies, and possible carry-over effects (Amis *et al.*, 1999; Marshall & Cook, 1992; Walliser, 2003). According to Crompton (2004), sometimes the evaluation of sponsorship results may also be complicated because of uncontrollable external variables affecting sponsorship. Other reasons researchers have identified for the lack of sponsorship evaluation include the wide variety of heterogeneous sponsorship activities and the non-predictable character of sponsorship in general (Walliser, 2003). It has also

been claimed that the long history of sponsorship only being based on company leaders' preferences and interests has resulted in it not being treated "as a promotional practice whose outcomes should be evaluated systematically" (Cornwell & Maignan, 1998, 14).

According to Stotlar (2004, 62), "the most appropriate measure of effectiveness emanates not from what the sponsorship generated, but from whether the specific marketing objectives of the corporation were met". In a similar vein, Valanko (2009) states that it is the monitoring and measuring of sponsorship effects relative to the set objectives which should inform the company about the success of sponsorship. Therefore, thoroughly considered objectives which derive from strategy are important not only in the planning and execution of sponsorship activity but also in its final evaluation.

In the literature, numerous methods have been suggested to monitor and measure sponsorship, its results and effectiveness. These can be divided into different categories; 1) exposure-based methods, 2) methods to measure the communication effects of sponsorship, 3) sales and market share measures, and 4) feedback from participating groups (Cornwell & Maignan, 1998; De Pelsmacker *et al.*, 2007). These categories are discussed in more detail below.

- 1) Two different types of exposure can potentially be measured. First, by counting the number of people attending the event and examining the audience closer, it is possible to estimate how many people are directly and indirectly reached and how frequent their exposure to the sponsor name is (De Pelsmacker *et al.*, 2007). Second, the exposure-based techniques include monitoring the exposure resulting from the media coverage of the sponsored event (Cornwell & Maignan, 1998). According to De Pelsmacker *et al.* (2007), for instance calculating the number of times the sponsor brand or logo is mentioned in a newspaper or the number of seconds it is shown on television enables the estimation of the reach and frequency of exposure and the monetary value of the exposure. In fact, even if a change of focus from the measurement of exposure to intermediate results of sponsorship, i.e. awareness and image, has been reported (Walliser, 2003), measuring the extent of media coverage has been

argued to still be the most frequently used measure of sponsorship effectiveness (Crompton, 2004; Speed & Thompson, 2000). However, as media coverage is not the primary objective of sponsorship and as it does not ensure product recall, attitude change, or any other consumer response, its use as a measure of sponsorship effectiveness is claimed to be questionable (Cornwell & Maignan, 1998; Tripodi *et al.*, 2003). Additionally, Cornwell (2008, 43) argues that sponsorship exposure is “not equivalent in quality to an advertising message”.

- 2) To evaluate the communication effects of sponsorship, awareness and image variables are measured. In other words, the developments in consumers’ awareness of, familiarity with, and favorability towards the sponsoring company are detected (McDonald, 1991), focusing on questions like how many people are aware of the brand prior to and after the event, and how the image of the sponsoring brand has evolved (De Pelsmacker *et al.*, 2007). Tripodi *et al.* (2003) argue that the techniques most often used for these purposes are the continuous tracking approach and the ad hoc dipstick approach. Although these methods pursue similar outcomes, they differ both in terms of the frequency with which measurements are taken and in the nature of the questions used. According to McDonald (1991), the problem with the tracking measures is that they do not unambiguously assess consumers’ change of attitudes towards the sponsor. In addition, what should also be considered is that particularly images tend to change relatively slowly and it might take time for the impacts of sponsorship to become visible (Valanko, 2009).
- 3) Collecting and comparing sales and market share data before and after the sponsorship activity is also a way to judge its effectiveness (Stotlar, 2004). Tripodi *et al.* (2003, 437) state that this is a “‘bottom-line’ approach to evaluating the effects of sponsorship” and has been suggested to be employed by numerous firms to assess the success of their sponsorship activities (*ibid.*). According to De Pelsmacker *et al.* (2007), estimating the commercial impact of sponsorship allows for evaluating its long-term effectiveness. Nevertheless, as previously mentioned, in the presence of other elements of integrated marketing communications, isolating the impact of sponsorship on the sales performance

of a company is difficult, and it has been argued to be practically impossible to directly attribute any sales growth to sponsorship (Tripodi *et al.*, 2003).

- 4) In some cases, collecting feedback directly from the participants in a sponsored event may be called for. For instance, as the varied target groups of sponsorship sometimes include business partners and employees as the main audience, in these cases, the effectiveness of sponsorship can be argued to primarily derive from the reactions of partners to corporate hospitality events or employees' opinions about sponsorship programs (De Pelsmacker *et al.*, 2007). Qualitative interviews with different stakeholders, consumer-based focus groups, or written feedback are examples of methods to collect comments on the sponsorship (Kitchen & De Pelsmacker, 2004; Stotlar, 2004; Tuori, 1995).

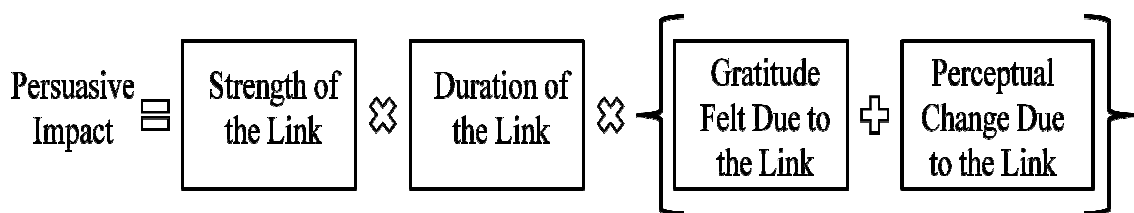
As can be seen from above, no unambiguous model for evaluating the effects of sponsorship exists. Tripodi *et al.* (2003) claim that most sponsoring companies only employ methods from one of the categories outlined above, if any, to measure the outcomes of their sponsorship activities. However, to gain a more reliable picture of the effects of sponsorship on which further analysis and future decisions could be based, it has been suggested that multiple measures should be used in combination (Tripodi *et al.*, 2003; Valanko, 2009).

2.1.7 Sponsorship impact

As depicted in section 2.1.5, sponsorship is based on the hoped-for transfer of associations. By connecting the company or its brand to the property through the act of sponsorship and by forging that connection, the firm aims to develop a link in the minds of the target audience between itself and the sponsored property the audience values. However, the identification of the sponsor and recall of the link is rarely automatic in people's minds. According to Johar and Pham (1999), people tend to recall those sponsors the best who are somehow congruent with the property they sponsor and have high market prominence. This derives from the fact that the best-performing sponsorship targets usually entice prominent and related sponsors, while simultaneously raising strong feelings – either positive or negative – thus activating the cognitive recall process in the minds of the audience (Wakefield & Bennett, 2010).

Other research has come to similar conclusions in terms of the importance of the sponsor-event fit. In more detail, Crimmins and Horn (1996) argue that the persuasive impact of sponsorship is a result of four factors relating to the link between the sponsor and sponsored; the strength of the link, its duration, and the resulting gratitude and perceptual change should determine how persuasive sponsorship really is. This relationship is depicted in Figure 4.

Figure 4. Persuasive Impact Equation



Source: Crimmins & Horn (1996, 13)

Erdogan and Kitchen (1998) claim that a sole awareness of the link between the sponsoring company or its brand and sponsored property does not equal a strong link, but in order for it to result in advantage over competitors, the link should only be enjoyed by the company and not by its competitors. The link can potentially be strengthened by integrating sponsorship into other marketing communications activities of the company and thus supporting sponsorship by additional means of communications, whose importance has been emphasized also previously (ibid).

Duration of the link is another factor of the equation. Even if a strong link has been created between the sponsoring company or its brand and sponsorship target, it will potentially fade away quickly from the target audience's mind if it is not supported and defended by long-term marketing practices (Crimmins & Horn, 1996). It is suggested that the longer the sponsorship is supported by other means of communications, the more effective its outcome likely will be (ibid); this supports the idea that sponsorship tends to be more effective in terms of resulting in stronger image associations when it is based on a long-term relationship (Amis *et al.*, 1997; d'Astous & Bitz, 1995; Valanko, 2009).

According to Erdogan and Kitchen (1998), the link the target audience perceives between the sponsor and sponsored possibly leads to gratitude in their minds. In fact, Crimmins and Horn's (1996) study indicates that this gratitude tends to result in some degree of intended buying behavior, thus increasing sales. However, this finding only applies to fans, active participants, and live spectators. On a more general level, it has been observed that the attitude toward the sponsor and the response to the sponsorship may be interlinked, and therefore a sponsor who is regarded as sincere and is well-liked may benefit more from sponsorship (Speed & Thompson, 2000).

Sponsorship may also lead to positive perceptual changes toward the sponsor due to the sponsor-sponsored link if the logic of the association is clear in people's minds (Crimmins & Horn, 1996). A similar argument is made by Speed and Thompson (2000) who found out in their research among Australian sponsoring firms that consumers' response to sponsorship tends to be stronger when they perceive a fit between the sponsor and sponsored property. Lee and Cho (2009) go as far as to claim that the congruence between the sponsoring company and sponsored property is the most important predictor of attitude towards the sponsor. In practical terms, this fit is typically defined as "the degree to which consumers *perceive* congruence between a sponsor and a sponsee" (Dardis, 2009, 40). According to Gwinner (1997), the fit can be either functional or image related. Functional fit occurs when the sponsor's product is used by the sponsored property, whereas image related fit arises when the image of the sponsor is related to the image of the sponsored property. However, as it is not direct and natural like functional fit, image related fit should be explicitly and repeatedly defined to the audience through the use of supportive communications (Crimmins & Horn, 1996). Similarly, Dardis (2009) found out in his recent research that the perceived fit has a tendency of not being a static, innate property but it may be positively influenced by repeated marketing communications. By the same token, Dardis (2009) as well as Coppetti *et al.* (2009) suggest that even a sponsor initially deemed low in fit may become perceived more congruent if the basis and meaning of the linkage between the parties is explicitly articulated and the target group is exposed to repeated sponsorship messages. Woisetschläger *et al.* (2010) add to this line of thinking by arguing that it may be possible for a sponsor to increase the fit perceived by people by

particularly communicating them the benefits the sponsored property receives from the partnership.

As portrayed in section 2.1.5, the literature seems consistent in the view that the objectives related to the building of awareness, enhancement of image, and increase of sales belong to the primary goals set for sponsorship. Therefore, in the following sections, the way sponsorship may affect awareness, image, and purchase behavior is discussed.

2.1.7.1 Impact on awareness

When measuring the awareness generated by sponsorship, it has been suggested that sponsor recall factors should be concentrated on; the question is how well the target group remembers the sponsor (Grohs *et al.*, 2004). Grohs *et al.* (2004) detected when researching the impact of sponsorship on awareness that people who are aware of and know the sponsor and its brand before the sponsorship takes place tend to have higher sponsor awareness after the event. Moreover, a closer perceived fit between the sponsored event and sponsor tends to result in better recall of the sponsor. In other words, if the association between the event and sponsor is perfectly encoded, it is likely that the target audience will more easily remember the name of the sponsor (Walliser, 2003).

It has also been found out that people who are highly interested and involved in the sponsored activity or actively watch it have a tendency to better recall the sponsor (Grohs *et al.*, 2004). McDonald (1991) has come to the same conclusion about the positive relationship between interest and awareness; he also adds that interest tends to increase favorability towards the sponsor. When it comes to the length of the sponsorship activity, Pitts and Slattery (2004) recognize a positive relationship between time and awareness; the recognition of the sponsor tends to improve over the course of the activity. On the other hand, the need to integrate sponsorship into marketing communications may be necessitated also by the fact that when sponsorship is used in combination with other communications instruments, awareness of sponsorship tends to

increase, whereas detached sponsorship activities are claimed to be ineffective in generating brand awareness (Quester & Thompson, 2001; Walliser, 2003).

2.1.7.2 Impact on image

Because the fundamental aim of sponsorship is to generate positive feelings and attitudes towards the sponsor, evaluating the image transfer can be considered important. However, measuring the effect of sponsorship on image has been argued to be more difficult than it is on awareness (Grohs *et al.*, 2004). In general, according to Javalgi *et al.* (1994), companies employing sponsorship for the attainment of corporate communications goals tend to have a more positive public image than companies not involved in sponsorship. Sponsorship may thus enhance the image people have of the sponsoring company but the outcome is not automatic and may in fact diminish over time (*ibid.*). On the contrary to this research, Pitts and Slattery (2004) report no considerable relationship between a person's belief that a company is engaged in sponsorship and the corporate image the person holds of that company.

If a firm has a good image already before it engages in the sponsorship activity, sponsorship may have a further positive impact on its image (Grohs *et al.*, 2004; Javalgi *et al.*, 1994). On the other hand, Gwinner (1997) claims that the better the sponsor-event fit, the stronger the image transfer from the sponsored property to the sponsor. This view is supported by both Grohs *et al.* (2004) and d'Astous and Bitz (1995) who additionally state that the image of the sponsor may be affirmatively influenced also by leveraging the sponsorship investment by supportive communications and choosing to sponsor properties towards whom initial attitudes are positive. In addition, the level of sponsorship in terms of exclusivity may have an effect on the image transfer as exclusive sponsorship or at least a central sponsorship position as opposed to being only one amongst many sponsors is claimed to enhance the likelihood of image transfer (Gwinner, 1997). Generally speaking, Cornwell *et al.* (2001) found out in their research that the perceived contribution of sponsorship tends to be larger when it comes to corporate and brand image as well as brand awareness as opposed to more distinctive elements such as brand personality, brand loyalty, and image of quality, as well as differentiating the brand from competition.

2.1.7.3 Impact on purchase behavior

Crompton (2004) argues that evaluating the effects of sponsorship on consumers' purchase behavior and thus on sales is the most desirable measure from the sponsor's perspective. Nonetheless, assessing the impact of sponsorship on consumer behavior may be problematic (Mason, 2005), and Pope (1998, 124) goes as far as to claim that "the relationship between sales volume and sponsorship activity remains both tenuous and contentious".

Pope and Voges (2000) suggest that consumers who simply believe that a company's brand is involved in sponsorship tend to have a higher intention to purchase the company's product, whereas according to Mason (2005), the sponsoring firm can try to influence consumer behavior by leveraging the sponsorship by supportive communications. It has also been claimed that if consumers have a positive feeling toward the sponsoring company or are involved in the activity being sponsored (Mason, 2005; Pope & Voges, 2000) or are avid fans of the sponsored property (Meenaghan, 2001b), it is likely they show their support for the company by purchasing the company's products. On the contrary, based on their research, Pitts and Slattery (2004) report no positive relationship between consumers' involvement in the sponsored activity and their purchase behavior. Also, the intention to purchase a sponsor's product might not translate to real behavior, i.e. sponsor's product is not necessarily bought instead of competitor's product even though the intention to do so might exist (Walliser, 2003).

2.1.8 Risks related to sports sponsorship

Risks, both internal and external, are inherent in sports sponsorship, like in other types of sponsorship as well. This derives from the fact that just like with most things situated in the external environment of the company, "the sponsorship is not a resource over which the company has total control" (Amis *et al.*, 1999, 255). According to Valanko (2009), risks related to sponsorship can be divided to two groups; first, calculated, potential risks which are controllable and manageable, and second, unforeseeable and unexpected risks. As many of the risks may be anticipated beforehand, risk management

should be closely incorporated into the sponsorship process and its management in terms of target analysis, planning of cooperation, implementation, and follow-up. Different sponsorship targets tend to have varying potential of risk; therefore, when targets are mapped, also risks should be closely considered. If risks materialize, they should be quickly and honestly reacted to, but in the worst case, they may end the entire cooperation with the contract being dissolved and compensation becoming payable. (ibid)

The biggest risk companies face through the employment of sports sponsorship tends to be negative associations and the loss of reputation (Pickton & Broderick, 2001; Valanko, 2009). Possible threats to the success of sports sponsorship may be considered to include incidents natural to sports such as injuries, sickness, and underachievement. Furthermore, different kinds of bad behavior and illegal action may pose threats. The use of prohibited substances by professional athletes is nowadays widely publicized in the media. Sponsored athletes' inconsiderate statements and bad attitude, as well as their bad behavior in free time are possible sources of negative publicity to companies. Sponsorship of individual athletes is thus regarded as entailing more risk than for instance the sponsoring of teams, leagues, or events (Hughes & Shank, 2005). In addition, contemporary side-effects of sports and scandals which attract media attention around the world such as illegal betting and trying to influence game results may also be regarded as risks to sports sponsorship.

No company wishes to be engaged in any kind of negative publicity, neither due to their sponsorship engagements nor in any other circumstances. Therefore, the anticipation and prevention – or at least minimization – of risks in advance may be considered the best possible insurance. Sponsorship agreements should hence comprehensively take into account risks, in addition to the other content of the contracts, i.e. the rights and obligations of both parties (Valanko, 2009).

In addition to negative associations explicated above, external risks related to society and general operational environment should be considered (Valanko, 2009). For example, some publicly presented comments, opinions expressed in the social media, any negative 'buzz', and even boycotts may be considered possible threats to sports

sponsorship and should be reacted to. In addition, the behavior of fanatical hooligans and different kinds of disturbances and vandalism may be regarded as sources of risk as well. Other threats which are beyond the control of both athletes and sponsors may be considered to include for instance the cancellations of competitions and thus decreased media visibility as well as quick changes in general operational environment for example in the form of declined profitability and worsened economic situation.

Another type of risk derives from the fact that whereas loyal fans tend to be inclined to show a positive response to sponsorship in the form favorable purchase intentions (e.g. Madrigal, 2000; Meenaghan, 2001b), it has been found out that “sponsors that support the rival are viewed negatively”, thus being avoided (Hickman & Lawrence, 2010, 265). Similarly, according to Hughes and Shank (2005, 209), “fans’ negative attitudes towards sports personalities lead to negative attitudes towards brands associated with these personalities”.

The reactions of competitors might possess a threat to sponsorship as well. In fact, ambush marketing (see Meenaghan, 1994; 1996; 1998a) has become a major threat to the sponsors of sports. As the intention of a sponsor is to draw public attention to its brand through the means of sponsorship, ambush marketing is the practice whereby a competitor intrudes into the public attention, thus trying to deflect attention to itself and away from the actual sponsor. In other words, an ambush marketer aims to indirectly associate with an event without purchasing sponsorship property rights from the event owner while hoping to reap similar benefits as the official sponsor, thereby likely causing reduced effectiveness of the legitimate sponsor’s communication. (Meenaghan, 1996; 1998a)

Typical ambush strategies are numerous. For instance, an ambushing firm may employ broadcast sponsorship and sponsor the media coverage of a sporting event; sponsor a subcategory of an event and leverage the sponsorship aggressively (e.g. sponsor a team or athlete competing in an event sponsored by some other company); or visibly advertise during an event (Meenaghan, 1996). On the other hand, there are also multiple strategies to preemptively counter ambushing and minimize its effects. Sponsors can do their own share for example by properly leveraging their sponsorship investments by

supportive communications (Meenaghan, 1998a), whereas event organizers also have a variety of methods at their disposal (for a discussion, see McKelvey & Grady, 2008). Nonetheless, in spite of possible counter strategies, ambush marketing raises both legal and ethical issues (e.g. Meenaghan, 1996; O'Sullivan & Murphy, 1998) which are however outside the scope of this particular study.

On a more general level, both sponsorship clutter and the over-commercialization of sports may act as threats to sports sponsorship. One of the major factors behind the early development of sponsorship was the belief that sponsorship could be a solution to the cluttered advertising environment offering "quality access to consumers at reasonable cost" (Meenaghan, 1998b, 18). However, the proliferation of sponsorship both in terms of the number of companies engaged in the activity and the scale of their expenditures is claimed to have resulted in somewhat cluttered sponsorship environment. According to Meenaghan (*ibid*) as well as Walliser (2003), this development might be a source of consumer confusion and cynicism towards sponsorship, a result of which might be decreased public acceptance of sponsorship. Of course, as a result of this development, it is also more difficult for sponsors to stand out than before (Walliser, 2003). It has been suggested that in order for a sponsorship to prosper despite the clutter, the amount of money used to leverage the sponsorship in the form of supportive communications should increase (Quester & Thompson, 2001).

On the other hand, and even more fundamentally, it has been suggested that the ever-increasing commercialization of sports and the contradicting interests of different groups, namely sports, media, commercial sponsors, and individual fans, might eventually altogether destroy sports as basis of social and cultural value (Meenaghan & O'Sullivan, 1999). Even though the financial benefits occurring from the interaction of sports, media and sponsors are vast, they are also blamed for creating a variety of problems for sports; one of them being the distribution of financial benefits, which Meenaghan and O'Sullivan (1999) claim to be unjust and only reaching a few.

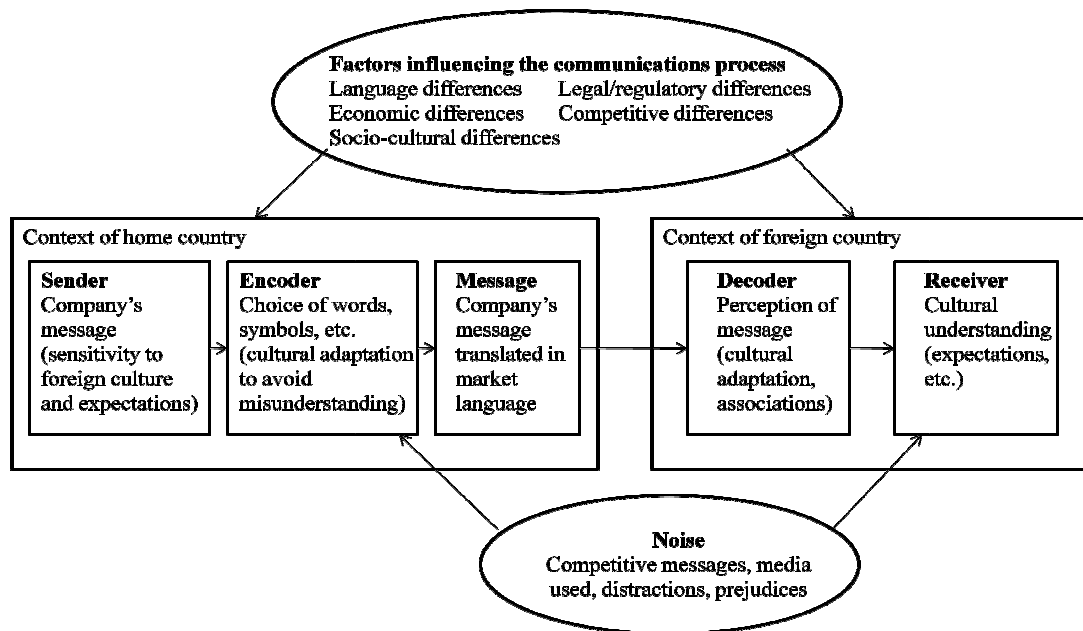
2.2 Sponsorship in the international context

This second section of the literature review explores marketing communications and specifically sponsorship in the international context. First, the challenges of sponsorship as an international marketing communications tool are examined. Then, the topic of standardization vs. adaptation of marketing communications is discussed with implications to sponsorship.

2.2.1 Challenges of internationality for sponsorship

As portrayed in section 2.1.3, the underlying goal of marketing communications is to impact the customer by transmitting a message and positively change the customer's attitudes towards the brand. This role of marketing communications – to whose instruments sponsorship belongs to – can be considered similar both in the domestic and international environment (Hollensen, 2004). Nevertheless, according to De Pelsmacker *et al.* (2007), as the demographic, economic, geographic, technological, political, and legal conditions differ across markets, international marketing communications may be more challenging than communications taking place in the domestic setting. De Pelsmacker *et al.* (2007) have suggested the following framework for international marketing communications (Figure 5).

Figure 5. International marketing communications process



Source: De Pelsmacker *et al.* (2007, 559)

Figure 5 depicts international marketing communications as a process in which the message transfers from the domestic environment to the international setting, and which is influenced by the differences in a range of marketplace dimensions as well as by the noise resulting from external sources. Even though a closer examination of these international dimensions of the marketing communications environment is outside the constraints of this particular study, they can be considered to have an impact on the employment of sponsorship as an international marketing communications instrument. On the one hand, according to Walliser (2003), the acceptance of sponsorship is partly culture-specific and there tend to be differences in the way sponsorship is met across countries. This suggests that companies should carefully consider whether sponsorship is the marketing communications instrument to employ in all overseas markets and also how the allocation of resources to sponsorship is done between different countries in such way that it would result in the best possible return on investment for the firm as a whole. On the other hand, Gwinner (1997) argues that as cultural and social norms vary across countries, the image of an international sports property which a firm may choose to sponsor thus gaining visibility across national boundaries might not be suitable for the company's target audiences in all its foreign markets. As a consequence, the

company should carefully consider the relationship between the image of the internationally sponsored property which the firm is associated with and the image goals it has in different local markets.

Furthermore, differences in the prevalence of technology across markets should be taken into consideration when a firm is planning to employ sponsorship internationally. As explicated in previous sections, in order for a sponsorship activity to result in maximum benefits, it should be exploited as widely as possible, and therefore it may be decisive which technologies are available for the leverage of sponsorship and to what extent. In addition, the rules and regulations as well as customs and established principles of operations in overseas markets could be regarded as challenges for international sponsorship. (Valanko, 2009)

2.2.2 Adaptation vs. standardization of sponsorship

Due to the differences in the operational environments in which international marketing communications, including sponsorship, take place, the question becomes to what extent to standardize or adapt sponsorship across different countries. Somewhat similarly to the discussion on global integration – local responsiveness tradeoff (i.e. globally integrating value-added activities vs. ‘customizing’ value-added activities to a given environment) in the international business literature (e.g. Prahalad & Doz, 1987), the topic of standardization vs. adaptation of marketing has attracted considerable academic discussion, in favor of both standardization (Levitt, 1983) and adaptation (Cavusgil & Zou, 1994; Jain, 1989; Samiee & Roth, 1992; Van Raaij, 1997; Zou & Cavusgil, 2002). The standardization argument is based on the premise that the needs and desires of people are becoming more and more homogenous around the world enabling standardized marketing communications across markets and thus economies of scale. Adaptation, on the other hand, is argued for by the opponents of standardization as, for instance, different cultural backgrounds, lifestyles, norms, values, and experiences exist around the world resulting in different needs and consumption behaviors, hence making standardized communications across the globe impossible.

In fact, it has proven problematic for companies to identify such communications instruments which would allow for global reach regardless of the existing differences in dimensions like culture and language between countries (Fahy *et al.*, 2004). Sport, however, has been credited as a universal language providing unique possibilities for simultaneously accessing audiences with a standardized message worldwide (O'Sullivan & Murphy, 1998). According to several authors (Meenaghan, 1991a; Meenaghan, 1998b; Miyazaki & Morgan, 2001; Quester & Thompson, 2001; Tuori, 1995), sports sponsorship has the potential to transcend cultural, lingual, and geographic boundaries and hence reach international audiences. Meenaghan and O'Sullivan (1999, 245) claim sports to be “one of the few truly global languages available to marketers and indeed to media” as, according to the authors, it generally does not take into account for instance people's language, age, religion, culture, or economic background. Therefore, for companies which aim to build their corporate or brand image internationally, sports sponsorship may offer interesting opportunities (Fahy *et al.*, 2004). The sponsorship of an internationally visible, recognized, and interesting sporting event, athlete, team, or alike could provide simultaneous access to target groups in multiple countries.

However, as was highlighted in section 2.1.3, a sponsorship investment is unlikely to be successful unless it is exploited in a variety of ways and leveraged by additional marketing communications. Valanko (2009) claims that for internationally visible sponsorship arrangements to result in maximum return on investment, they should be exploited locally in companies' overseas markets. As a result, the above-discussed local conditions for instance in terms of culture, language, rules and regulations, as well as the popularity of the sponsored property may be relevant also in context of international sponsorship, and it is suggested that its exploitation should be planned separately in each market to assure local congruence. That is to say, as is the case of the standardization vs. adaptation discussion also in general, the question of whether to standardize sponsorship across countries or localize it in individual countries may not be black and white but it rather seems to be about the degree of standardization or adaptation. It has been suggested that a compromise between the two extreme options would call for firms to harmonize strategy and objectives, while flexibly incorporating

local needs into their marketing communications plans (e.g. Phillips *et al.*, 1996; Van Raaij, 1997; Wind, 1986). In context of international sponsorship, this could be considered to translate to a standardized sponsorship of a sports property which is visible and interesting across a multitude of markets but then adapting the exploitation of the deal to respond to local environments.

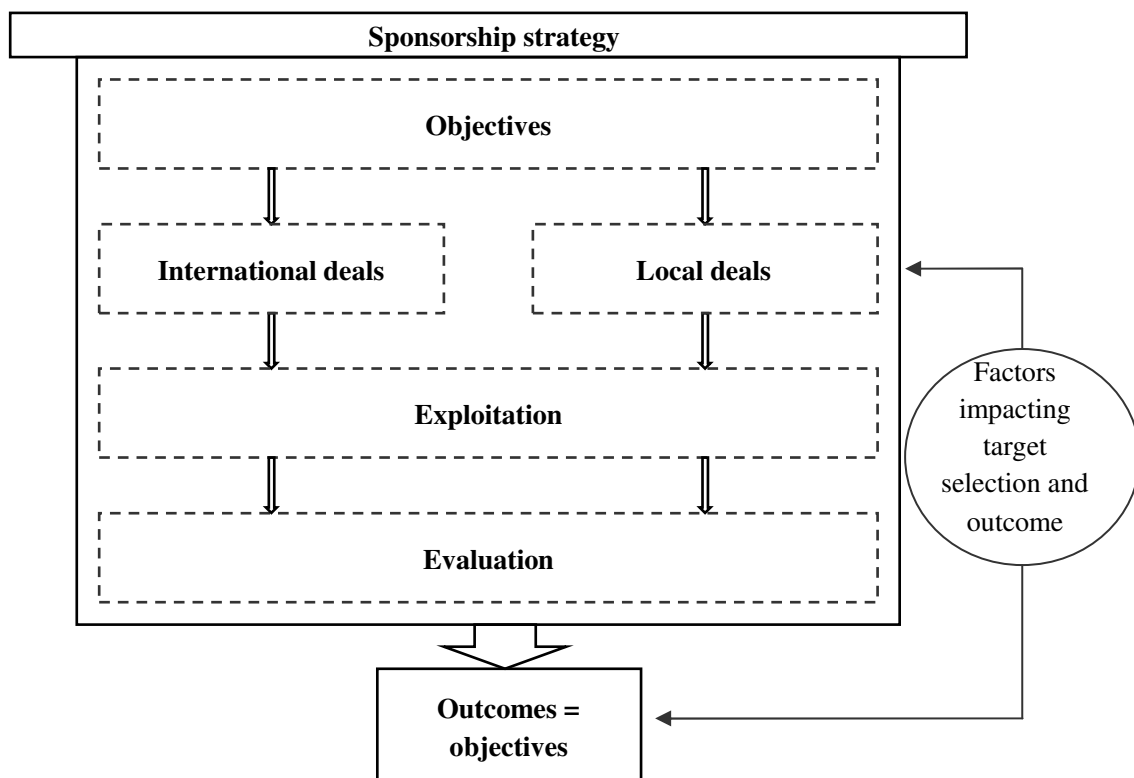
According to Kitchen and Erdogan (1998), sponsorship can be made use of as a local method of marketing communications in individual markets as well. In other words, a company with international operations may choose to employ sponsorship locally in the markets in which it is active, either instead of or in addition to an international sponsorship deal described above. In the literature, multiple motives for local sponsorship are suggested. De Pelsmacker *et al.* (2007) argue that a firm may wish to associate itself with a sport which is not popular and followed in many countries, hence engaging in local sponsorship. Moreover, as mentioned in the previous section, if the image of the internationally sponsored property is not equivalent to the image goals of the company in a specific market (Gwinner, 1997), emphasis may be put on a local sponsorship target. Furthermore, a firm may exploit local sponsorship for market-specific purposes in one country. For instance, a company beginning production in a foreign country may utilize local sponsorship to gain 'license to operate' as well as awareness and publicity (Valanko, 2009). In these cases, for example, the use of sponsorship could be adapted to individual markets to better respond to local needs.

To summarize, from the standardization vs. adaptation perspective to international marketing communications, a company could be considered to be involved in two types of sponsorship in context of its international operations. On the one hand, a firm may enter international sponsorship deals which are simultaneously visible and interesting in a number of countries, and then exploit them locally in different markets to respond to differing needs of these markets. On the other hand, a company may have local sponsorship deals in the foreign markets in which it operates; these deals are locally relevant only in the particular countries. Nevertheless, as argued by Valanko (2009), sponsorship activities of different levels should be employed in tandem for them to result in synergy.

2.3 Theoretical framework

To conclude the literature review, the following theoretical framework is presented (Figure 6). The theoretical framework proposed here depicts the effective utilization of sports sponsorship as a marketing communications tool in the international context.

Figure 6. Sports sponsorship as an international marketing communications tool



As Figure 6 shows, sponsorship strategy is presented on top and proposed to be the overarching notion and starting point of international sports sponsorship. Based on section 2.1.4, it is suggested that for sponsorship to be effective and to result in positive outcomes – especially in the long run – it should be based on corporate and marketing strategies of a company (Fahy *et al.*, 2004) from which the sponsorship strategy portrayed in the framework derives.

Effective international sports sponsorship is suggested to require four separate but interlinked activities as identified by Aaker and Joachimsthaler (2000) and shown in Figure 6; 1) setting objectives, 2) choosing the sponsorship target, 3) exploiting the sponsorship deal, and 4) measuring results. First, predetermined objectives enable the

firm to choose the proper sports property to sponsor as well as eventually assess the success of the sponsorship activity (Apostolopoulou & Papadimitriou, 2004; Marshall & Cook, 1992). Second, in the international context a company can be assumed to have two options; it may either enter an international sponsorship deal providing the firm with simultaneous visibility in a number of countries, or it may choose to focus on separate sponsorship activities locally in different markets. Third, the sole sponsorship investment is unlikely to lead to the most effective outcome but for it to result in maximum return on investment, the sponsorship investment should be exploited in multiple fronts and supported by additional elements of the communications mix (e.g. Cornwell & Maignan, 1998). Fourth, to determine its success and demonstrate its effectiveness, the outcomes of sponsorship should be measured (Crompton, 2004; Stotlar, 2004).

As Figure 6 further shows, international sports sponsorship is proposed to be effective when its outcomes meet the objectives a company sets for it (Stotlar, 2004). As section 2.1.7 describes, the impact of sponsorship on awareness and image of the company or its brand, or end customer's purchase behavior may be evaluated in order to determine its success.

Furthermore, as the figure depicts, some factors are suggested to potentially have an effect both on the target selection and outcomes of international sports sponsorship. The most important of them are proposed to include the following; 1) the intended target audience of the sponsorship (Gardner & Shuman, 1988), 2) the risks inherent in sponsoring a sports property (Valanko, 2009), 3) the congruence between the sponsor and sponsored property (e.g. Crimmins & Horn, 1996), and 4) the operational environments and needs of local markets (Walliser, 2003). Moreover, the length of the international sports sponsorship activity is suggested to potentially influence its outcome (Amis *et al.*, 1997).

To summarize, the framework proposed in this section forms the foundation for the empirical research which focuses on the utilization of sports sponsorship as a marketing communications instrument by Finnish companies in context of their international operations.

3 RESEARCH METHOD

The chosen research method for the present study is described and validated in this chapter. Consequently, a brief discussion on the choice of qualitative research method follows first. Then, the selection of sample companies is outlined, followed by an examination of the collection of data, namely interviews and textual material. The description of the data analysis process is also included, and the chapter ends with a discussion on the reliability and validity of the research.

3.1 Choice of methodology

As mentioned above, the empirical part of the thesis was conducted through qualitative research. Eriksson and Kovalainen (2008) state that as qualitative research is a process that continuously transforms, it is difficult to define it in such way that all researchers would agree on its definition or on the ‘correct’ and ‘best’ way of performing it. However, according to Ghauri and Gronhaug (2005), qualitative research emphasizes understanding and gaining insights, being thus especially relevant in situations in which the objective is to understand and uncover a subject about which only little is known. As indicated in the first chapter of this thesis, the topic in question has not been vastly researched, and therefore, qualitative research as exploratory, flexible, and unstructured (Eriksson & Kovalainen, 2008; Ghauri & Gronhaug, 2005) appears appropriate for the study considering the research problem and objectives of the research. A methodology that allows for the emergence of something new and unexpected and enables an in-depth examination of the topic of international sports sponsorship is required.

Miles and Huberman (1994) argue that qualitative research data are generally rich and concentrate on daily events in their natural surroundings; it stresses the socially constructed nature of reality. As the objective is to study organizations and their actions, comprehending the subject from the point of view of the informant, i.e. the organization, is vitally important. Qualitative research enables this (Daymon, 2002; Ghauri & Gronhaug, 2005). In general, it can be said that a qualitative approach which can provide an answer to the question *how* is more suitable than a quantitative approach considering the research question of this study. According to Marschan-Piekkari and

Welch (2004), qualitative research goes deeper than just measure the observable behavior, the ‘what’, by searching for the meaning and beliefs underlying the action, the ‘why’ and ‘how’. These features – the overarching objective being the increase in understanding of the topic – advocate the use of the qualitative research method in this thesis.

A case study research is employed in this thesis. As the phenomenon under research is difficult to understand if studied outside its natural setting and as it is a *how* question which is to be answered, a case study can be regarded as useful (Ghauri & Gronhaug, 2005). According to Eriksson and Kovalainen (2008), the primary goal of a case study is to investigate, illustrate, and understand a certain phenomenon in relation to the context in which it takes place. Yin (2003) makes a distinction between single and multiple case designs. A multiple case study design is appropriate for “studies not involving rare, critical or revelatory cases” and which have the purpose of finding general explanations with an inductive approach (Ghauri & Gronhaug, 2005, 120). In this thesis, a multiple case study approach is used.

Stoecker (1991, cited in Eriksson & Kovalainen, 2008) differentiates between intensive and extensive case study research somewhat similarly to Yin. Whereas intensive case study tries to create understanding in context of a unique case, extensive design – which is deployed here – aims at mapping common patterns, mechanisms, and properties across cases for instance to fill in gaps in existing theory. In this approach, it is not the cases *per se* where the interest of the researcher lies but it is the “investigating, elaborating, and explaining a phenomenon” which are of interest to the researcher (Eriksson & Kovalainen, 2008, 123).

3.2 Research sample

The research sample of the present study is introduced in this section. Firstly, the sample selection is discussed, and secondly, the sample organizations are briefly introduced.

3.2.1 Sample selection

For the purpose of answering the research question of this thesis, Finnish companies utilizing sports sponsorship as an international communications instrument were identified and contacted. The case selection was not based on statistical sampling but the cases were chosen so that they were predicted to share enough similarities to allow for the filling in gaps in theory (Eriksson & Kovalainen, 2008; Yin, 2003). The researcher's own deliberation was used to select the sample; this has been identified as an appropriate way of sample selection because the purpose of qualitative research is to develop an in-depth understanding of the researched phenomenon and provide explanations instead of statistical generalizations (Eskola & Suoranta, 1998; Hirsjärvi & Hurme, 2000).

An extensive search on the Internet was performed in order to identify applicable Finnish firms for the empirical research. For instance, websites of athletes, sports teams, associations, and events were visited to look for sponsor listings, in addition to which search engines were used as well as multiple news archives were visited. Additionally, the researcher had a number of personal discussions with different people to identify potential case firms. For the reasons discussed in the first chapter, it was decided early on to exclude the largest Finnish companies from the study and hence the search concentrated on smaller firms. Eventually, ten companies were contacted to request an interview and seven firms agreed to take part in the research. According to Eriksson and Kovalainen (2008), in terms of exploiting the extensive case study research, the number of cases should be limited to where the incremental contribution of additional cases is only marginal. Seven cases were regarded as enough to reach that situation. In fact, it has been argued that the in-depth understanding which is the goal of qualitative research can be gained as a result of discussions with a limited number of respondents (Ghauri & Gronhaug, 2005), and as stated by O'Leary (2004, 104), rich understanding "may come from the few, rather than the many".

3.2.2 Sample organizations

The sample organizations were chosen to represent a broad spectrum of companies which originate in Finland and are active in employing sponsorship in the form of sponsoring an international athlete, team, event, or something alike. The aim was to focus on manufacturing companies but one service firm was included in the study to find out if remarkable differences were detectable between manufacturing and service companies. In the following, the sample organizations are briefly introduced.

Junkkari Oy is a supplier of agricultural and forestry machines. It designs, markets, and manufactures machines for sowing, transportation, and forestry. The company has approximately 100 employees (Fonecta Finder, 2010b). Junkkari's turnover was about €12.1 million in 2010 (Junkkari, 2011b), a half of which came from exports. The firm has a sales office with four employees in Poland. Junkkari belongs to the group of companies called MSK Group whose combined turnover was €90.8 million in 2010 (ibid). MSK Group Oy is the parent company and Maaseudun Kone Oy, Junkkari Muovi Oy and Juncar Oy are the other group companies alongside Junkkari Oy (Junkkari, 2011a).

Kemppi Oy is the world-leading manufacturer of arc welding equipment and a provider of solutions for welding. In 2010, Kemppi's turnover was €95 million, of which about 90% came from foreign markets. Of the company's 530 employees 130 are located in its foreign units. Kemppi has own offices in 15 countries and regular exports to around 70 countries. Kemppi is a subsidiary of Kemppi Capital Oy. (Kemppi, 2011)

Ponsse Plc specializes in the sales, production, maintenance, and technology of cut-to-length forest machines. The company's shares are quoted on the Nasdaq OMX Nordic List. The company's turnover was €262 million in 2010 and it has close to 900 employees altogether. Ponsse is active in 38 countries around the world. The Ponsse Group consists of the parent company Ponsse Plc and the subsidiaries in Sweden, Norway, France, Great Britain, the USA (North America), Brazil (Latin America), Hong Kong (Asia Pacific), China, Uruguay, and Finland (Epec Oy). (Ponsse, 2011)

Ramirent Plc offers equipment rental solutions in 13 countries in Northern, Central, and Eastern Europe and is listed on the Nasdaq OMX Helsinki. It is the market leader in the Nordic countries, the second largest rental company in Europe, and the tenth largest worldwide. A major part of Ramirent's business is within the construction sector but customer base also includes installation companies, industrial plants, shipyard, national and local authorities, and private households. In total it serves more than 100,000 customers. It employs nearly 3050 people and in 2010, had a turnover of approximately €531.3 million. (Ramirent, 2011)

Oy Sinebrychoff Ab is a brewery manufacturing and marketing beers, ciders, long drinks, soft drinks, and energy drinks. It is nowadays part of the international Carlsberg Group. Sinebrychoff is the market leader in the Finnish brewery and soft drink industry. The company employs about 970 people and in 2009, it had a turnover of €376 million. **Battery** was launched in the beginning of 1997 as the first energy drink in the Finnish market, and is nowadays exported to around 40 countries on all inhabited continents. In addition, Battery is available through a web store *batterystore.com*. It is the leader in the energy drink market in the Nordic countries. (Battery, 2011; Sinebrychoff, 2011) (Throughout the report, the brand name Battery is employed instead of the company name as the focus is on the brand and the marketing communications related to it.)

Urho Viljanmaa Oy is a manufacturer of occupational and safety footwear under the brand name **Jalas** and belongs to the leading manufacturers of special footwear in the Nordic countries. Exports account for 60% of the production. The company's major marketing areas are the Nordic countries, Central Europe, the Baltic countries, and Russia. The company's turnover in 2010 was about €35 million (Fonecta Finder, 2010a) and it employs approximately 200 people. In 2008, Urho Viljanmaa Oy became part of the Swedish Ejendals Group. Ejendals AB is a family business and the largest supplier of occupational and safety footwear and gloves in the Nordic countries. The combined net sales of Ejendals and Urho Viljanmaa Oy amounted to nearly 100 million euro last year and there were more than 300 employees. (Jalas, 2011) (Throughout the report, the brand name Jalas is employed instead of the company name as the focus is on the brand and the marketing communications related to it.)

Valio Ltd is Finland's largest milk processor and the market leader in key dairy product groups. It is also a pioneer in the field of functional dairy products. Valio Ltd is owned by 18 dairy cooperatives with about 9200 milk farmers as members. In 2010, the company's turnover was €1822 million and it employs around 4200 people of whom approximately 3400 are located in Finland. Valio has subsidiaries in Russia, Sweden, the Baltic States, the USA, Belgium and China. There are 15 production plants in Finland, two in Estonia, one cheese packaging facility in Belgium, and a customer service center as well as production facilities in Russia. Valio's international operations cover 65 countries accounting for one third of the company's turnover. (Valio, 2011)

For the purpose of this study, the case firms can be grouped to different categories based on factors such as size (three categories), customers (consumers or other businesses), and level of internationalization (export, sales subsidiary/sales office, production). The different categories are presented in Table 1.

Table 1. Categorization of case companies

Company/ Brand	Size	Customers	Level of internationalization		
			Export	Sales subsidiary / Sales office	Production
Junkkari Oy	Small	B2B	Yes	Yes (sales office)	FIN
Kemppi Oy	Medium	B2B	Yes	Yes	FIN & abroad
Ponsse Plc	Medium	B2B	Yes	Yes	FIN
Ramirent Plc	Large	B2B/B2C	No	Yes	-
Oy Sinebrychoff Ab / Battery	Medium	B2C	Yes	No	FIN
Urho Viljanmaa Oy / Jalas	Small	B2C/B2B	Yes	No	FIN
Valio Ltd	Large	B2C	Yes	Yes	FIN & abroad

(Size categories: *Small* = less than 250 employees and turnover below €50 million; *Medium* = 250-1000 employees and turnover €50-1000 million; *Large* = over 1000 employees and/or turnover over €1000 million.)

One person was interviewed from each case organization. The interviewees were mainly senior level executives who were able to provide insights both on the fields of internationalization and sponsorship. The interviewees were first contacted through email in the form of an interview request, and in some cases, later contacted by telephone for scheduling the interview time. The interviewees can be found listed in Table 2.

Table 2. Interviewees

Company / Brand	Interviewee	Position
Junkkari	Pekka Himanka	Managing Director
Kemppi	Minna-Maija Jokisalo	Communications Manager
Ponsse	Juha Vidgrén	Chairman of the Board
Ramirent	Franciska Janzon	Corporate Communications Director
Battery (Sinebrychoff)	Mikko Tuovio	Marketing Manager
Jalas (Urho Viljanmaa)	Niina Taivalmäki	Marketing Manager
Valio	Teea Björklund	Vice President, Marketing

3.3 Data collection

Individual interviews and some supplementary texts comprised the data collection methods for this thesis. The two procedures are discussed next under their own headings.

3.3.1 Interviews

O’Leary (2004) defines interviews as a method of data collection which involves conversation consisting of the researcher asking questions from the respondent. The objective of interviews is to find out what someone, i.e. the interviewee, has in mind

(Eskola & Suoranta, 1998). In other words, qualitative interviews allow for the respondent to answer according to his/her own thinking (Ghauri & Gronhaug, 2005). According to Daymon (2002, 168), interviews should be exploited when the researcher hopes to “understand the constructs that interviewees use as a basis for their opinions and beliefs about a particular situation, product or issue”.

The benefits of the interview method are numerous. In terms of this study, the following advantages may be considered particularly relevant. Interviews are an efficient and flexible way of collecting information and are especially useful in situations where the researcher finds it difficult to forecast the interviewee’s responses in advance, i.e. in the case of unexplored subject matters. While interviews enable the study of people’s experiences from their personal points of view, they simultaneously allow for the positioning of the collected data into a wider context. In addition, during interviews it is possible to clarify and deepen the responses given by the interviewee. (Daymon, 2002; Eriksson & Kovalainen, 2008; Hirsjärvi & Hurme, 2000).

Based on the research question of the present study as well as the points presented above, semi-structured, thematic interviews were chosen as the most appropriate data collection method for this thesis. Eriksson and Kovalainen (2008) argue that semi-structured interviews are suitable for *how* research questions, which is employed in this study, and while the tone of interviews is quite informal and conversational, the collected material is rather comprehensive and systematic. A semi-structured, thematic interview comprises a prepared outline of topics, issues, or themes originating in the reviewed literature (Hirsjärvi & Hurme, 2000), but the wording, extent, and order of questions can vary from an interview to another, and the interviewee is allowed to use his/her own words to answer the questions. In other words, the interviewer has a list of themes to discuss in the interview but the questions are neither worded in advance, nor similar in all interviews. (Eriksson & Kovalainen, 2008; Eskola & Suoranta, 1998; Hirsjärvi & Hurme, 2000) Pre-determined themes incorporated into an interview guide ensure that the same topics are covered with all respondents and at the same time form a concrete framework to assist the data analysis (Eskola & Suoranta, 1998). However, through the use of semi-structured, thematic interviews it is possible for the respondent

to emphasize the themes and elaborate on the topics which he/she regards as the most important, which can be argued to generate a more reliable outcome representing the interviewee's real views (Eriksson & Kovalainen, 2008). As this thesis focuses on the relationship between the international operations of firms and sports sponsorship, which seems to be an area in which prior research is lacking, it is important to allow for new themes to arise from the interviews, without the interviewer producing all topics.

An interview guide consisting of the fundamental themes of this study was prepared on the basis of the preliminary literature review before the interviews took place. The guide, i.e. the themes, was compared to the research questions and research objectives to test the consistency between them as recommended by Ghauri and Gronhaug (2005). Like explicated above, developing the interview guide ascertains that similar types of data are collected from all the interviewees. The interview guide can be found in the appendices of this thesis (Appendix 1 includes the original interview guide in Finnish; Appendix 2 includes the English translation of the guide). In addition to the questions on the interview guide, more information on particularly interesting aspects was obtained by asking prompting supplementary questions. Prompting questions are useful for reducing ambiguity for both the interviewer and the respondent (Daymon, 2002).

The seven interviews were conducted between May 17th and June 28th, 2011. All interviews were personal, face-to-face conversations; of all interviews, the one-to-one interview composed of questions and answers is the most commonly used (Daymon, 2002). The length of the interviews varied from approximately 45 minutes to 60 minutes. The interviews took place in the locations suggested by the interviewees, i.e. the head offices of the companies. Four of these offices are located in the capital region of Finland or in its close proximity whereas two are in South Ostrobothnia and one in Pohjois-Savo.

The interviews were recorded with the approval of the interviewees. Recording enables the researcher to "preserve raw data for review at a later date" (O'Leary, 2004, 169) as well as to capture the precise words of the interviewee (Daymon, 2002). Therefore, recording the interviews ensures that no important details are forgotten. The interview tapes were transcribed word-for-word immediately after the interviews. According to

Daymon (2002), transcribing interviews verbatim results in the fullest and richest data. For the purpose of analysis, there was no need to do the transcription more accurately, i.e. fine pauses and such were not included in the transcriptions (see section 3.4).

All interviews were conducted in Finnish as that was the mother tongue of most interviewees and the shared language between them and the researcher. Therefore, choosing Finnish as the language of the interviews appeared natural to the researcher. Nevertheless, this resulted in some challenges in the post-interview stage. Translation of responses was required as the language of the interviews was different than the reporting language. This increases the possibility of some valuable data being lost in the process, thus decreasing the accuracy of responses (Marschan-Piekkari & Reis, 2004). However, having the interview transcriptions available throughout the data analysis was considered an effective way to reduce the risk of losing important data due to translation.

3.3.2 Textual material

In addition to the data gathered from the interviews, written material was also used as a complimentary source of information in order to add to the accuracy and credibility of the cases and the research as a whole. According to Hirsjärvi and Hurme (2000), by extending the sources of evidence, it is possible to reach wider perspectives and increase the reliability of the research. Data triangulation, which is employed in this thesis, signifies the use of multiple sources of information to study the same fact or phenomenon (Yin, 2003).

The textual material used in this thesis includes company websites and documentary material such as reports, customer magazines, and press releases provided by the case organizations (a useful categorization of secondary data can be found e.g. in Uusitalo, 1991, cited in Eskola & Suoranta, 1998, 118). In other words, the data sources mentioned above can be considered secondary data, for whose collection and handling fewer resources are required (Ghauri & Gronhaug, 2005), hence being useful for triangulation purposes. In addition, textual data are naturally occurring (Silverman,

2006), i.e. the documentation of daily activities is automatic, which offers a range of pertinent information.

3.4 Data analysis

Daymon (2002, 231) defines data analysis as “the process of bringing order, structure and meaning” to the mass of unstructured data. As the main purpose of qualitative research is to gain insights and comprehend (Ghauri & Gronhaug, 2005), raw data have to be transformed into meaningful understanding through analysis (O’Leary, 2004). Uncovering and discovering themes from the raw data and then interpreting the meaning of the themes in context of the particular research question leads to understanding. In this thesis, the process of analysis began already during the data collection phase, as suggested by many researchers (e.g. Daymon, 2002; Miles & Huberman, 1994). Miles and Huberman (1994) propose that data collection and data analysis form an interactive, cyclical process.

As the interview themes were based on the reviewed literature, also the collected empirical data were analyzed based on the literature. In other words, although the starting point for the analysis was the collected data, they were analyzed in an iterative process in interaction with the theory (Ghauri & Gronhaug, 2005; Hirsjärvi & Hurme, 2000).

The analysis of the qualitative data may be depicted as a process which began by the researcher familiarizing herself with the collected interview material. According to Hirsjärvi and Hurme (2000), all analysis of qualitative data should start with reading through the data multiple times and ‘presenting it questions’; no analysis is possible without this. Data analysis needs then to proceed in sequences; first from the whole to smaller parts through classification and categorization – trying to identify relevant themes, commonalities, and differences in the empirical material – and then from smaller parts back to the whole through the use synthesis and interpretation (*ibid*). Coding may be considered as the first step towards categorization; it is “a helpful way of narrowing down your data to something more manageable” (Daymon, 2002, 237).

Eskola and Suoranta (1998) define coding as the researcher attaching different codes and labels to the different text sequences within the data.

The use of thematizing as an analysis technique is advocated by the research problem and question of this thesis as well as by the employed research method (semi-structured, thematic interviews). Consequently, the data were analyzed with the help of thematizing, searching for the themes which were also the basis of the original interview questions (see Eskola & Suoranta, 1998). According to Hirsjärvi and Hurme (2000), thematizing is about highlighting such features in the material which are common in a number of interviews, and which as central issues shed light on the research problem (Eskola & Suoranta, 1998). In addition to the original themes used in the interviews, also novel themes – which are often more interesting than the original themes – usually arise through this method (Hirsjärvi & Hurme, 2008).

Once the data are categorized and coded through thematizing, it is vital to review the links and connections within the data. Considering the emerging issues in relation to each other is perhaps the most pertinent part of qualitative analysis; without it the analysis is not complete. Typifying is an analysis technique for determining patterns and relationships within the data and for grouping cases on the basis of certain characteristics they share. (Hirsjärvi & Hurme, 2008) This may be regarded as cross-case analysis which basically refers to comparing the cases in search for similarities, differences, and trends across them enabling new insights to emerge from the data (Daniels & Cannice, 2004; Eriksson & Kovalainen, 2008). After establishing types with shared characteristics, their relationship to the reviewed literature was explored, and conclusions and interpretations were made the research question in mind.

As written material is used as supplementary data and for triangulation purposes in this thesis with interviewing as the main method for data collection, no highly sophisticated and detailed textual analysis is used (see Eriksson & Kovalainen, 2008). Therefore, the methods explicated above in context of analyzing transcribed interview material were regarded as the most applicable methods for the analysis of textual material as well.

3.5 Reliability and validity

The quality of research is usually determined with the help of two concepts; validity and reliability. These concepts are based on the idea that it is possible for a researcher to find an objective reality and truth, and are traditionally used in context of measuring results. However, when interviews are used as the method of data collection, the quality of the research should be monitored throughout different stages, both during the data collection (e.g. using a good interview guide) and processing (e.g. transcribing interviews as soon as possible). The credibility of interview data is dependent on their quality. (Eriksson & Kovalainen, 2008; Hirsjärvi & Hurme, 2000)

Reliability of research refers to the replicability of the findings (Hirsjärvi & Hurme, 2000; Silverman, 2006; Yin, 2003). Consequently, repeatability concerns the question of consistency in research; if another researcher can reproduce the study with similar findings. To strengthen the reliability of the findings in this thesis, prior research on the same topic was carefully reviewed, and the interview guide was designed based on the literature (Hirsjärvi & Hurme, 2000). The central concepts used in the interviews were also aimed to be formulated in such way that all respondents would understand them similarly. In addition, each interview was recorded and transcribed directly after it. (Silverman, 2006) The interview data were analyzed systematically in interaction with the theory (Ghauri & Gronhaug, 2005), and textual data were used alongside with the interviews to check the fit between the two (Hirsjärvi & Hurme, 2000). Furthermore, the research procedures were documented along the process (Yin, 2003). Despite careful planning as well as thorough implementation, some limitations of the reliability of the findings of this study could be the following. Firstly, only one person from each sample organization was interviewed; secondly, not all Finnish firms were included in the present study which have international operations and utilize sports sponsorship as a marketing communications tool in that context; thirdly, the interviews were limited to top level executives in charge of internationalization and/or sponsorship decisions; and fourthly, the interviewees might have been inclined to provide responses which are considered satisfactory and acceptable, which can be considered a general risk of interviews.

Validity is defined as the accuracy of the research findings in terms of how they reflect and explain the social phenomenon under study (Silverman, 2006) as well as the accuracy of the used concepts in reflecting what they are intended to reflect (Hirsjärvi & Hurme, 2000). In qualitative research, validity is tied to structural aspects of the research; accordingly, the question is if the findings address the phenomenon they are supposed to address and are supported by evidence (Eriksson & Kovalainen, 2008; Hirsjärvi & Hurme, 2000). In this thesis, the validity of the research was increased through extensively reviewing the literature on relevant theories for the purpose of defining and interlinking the central concepts of the study as well as analyzing the data. In addition, the interview guide, its wording and central concepts were discussed and defined with a professional in the field of sponsorship before the interviews took place. Furthermore, the interview data were compared to some textual material to find out whether they support each other (Silverman, 2006). However, the facts that the research findings are based on the views of individual interviewees from sample organizations, and that the research was impacted by the researcher's own perceptions, pre-understandings, and the concepts she employed (De Geer *et al.*, 2004; Hirsjärvi & Hurme, 2000) may limit the validity of the findings of this study.

4 EMPIRICAL FINDINGS

This chapter outlines the findings of the present study collected from the interviews with the representatives of the case organizations and some textual material. The aim of the study was to find out how sports sponsorship is utilizable as a marketing communications tool for companies in context of their international operations. The findings are presented in such way that they eventually enable the fulfillment of the objectives of the research and answer the research question. The chapter is divided into two main parts. Firstly, the findings from each case are presented, i.e. each case company's sports sponsorship activities are shortly sketched out. Secondly, the case findings are combined and compared from multiple different perspectives.

4.1 Case companies' sponsorship activities

In this section, the seven cases are individually described and the sports sponsorship activities of each case company are outlined.

The major international sponsorship of the **Battery** brand was the sponsorship of the Formula One (F1) team Williams lasting two years towards the end of the first decade of the 21st century. The sponsorship deal was entered to market Battery products around the globe. Even if a consumer goods brand, Battery mainly exploited this sponsorship in the B2B side with the aim of gaining customer loyalty and positively influencing the international distribution of the brand. Some occasional exploitation for instance in the form of competitions was done also on the consumer side but the clear emphasis was on the international customers due to the significant investments which would be required to effectively employ this kind of major international sponsorship in the consumer side. Currently, Battery sponsors multiple individual athletes from whom many compete on the international level. Their sponsorship targets are grouped to different 'tribes' under the names of *Battery Unit* (snowboarders), *Battery Sisters* (female snowboarders), *B-Squad* (a variety of different kinds of lifestyle athletes), *B-Hydro* (endurance athletes), and *B-Moto* (motor sports). In addition, there are some events run by the headquarters whose idea is to 'be in the moment' with consumers as well as create relationships with them and provide them with experiences. As these sponsorship deals are extensively

presented and leveraged on the Internet, many of them have an international reach – even if they are not necessarily considered international deals as such. In terms of the future, the company is contemplating two matters; if it should reduce the number of sponsorship deals Battery is currently engaged in and focus on fewer deals because as described above, the targets of sponsorship are nowadays many, and if some major international sponsorship arrangement would in fact be necessary in context of export marketing. In other words, as to the second point, the question is if there should be an international sponsorship deal which could be credibly exploited in multiple countries and better than the current sponsorship activities which are quite small for the international arena. Consequently, the likely direction is towards fewer but larger sponsorship deals.

The distributors of Battery in overseas markets are active marketers, sponsorship being one of the employed tools, within the guidelines set by the headquarters and under their supervision. Distributors as independent businesses may choose freely on which instruments they want to put emphasis in their local marketing communications. As a consequence, some distributors are more active in employing sponsorship than others but there are multiple examples of local sport properties and events being sponsored by the Battery distributor in foreign markets. Local sponsorship ascertains that sponsorship remains meaningful to local audiences and basically enables event sponsorship as organizing events from the other side of the world would often be challenging, if not impossible, for the headquarters. However, the headquarters approve distributors' decisions related to sponsorship as well as other marketing communications to maintain control of the brand.

International sponsorship is considered the foundation stone for **Jalas'** success. The current awareness and recognition the Jalas brand enjoys largely stems from its sponsorship of top-ranked ski jumpers in the 1990s and the first decade of 21st century. During those years, the company was able to prove the quality of its products by providing ski jumping boots to well-known, international athletes like Matti Nykänen, Toni Nieminen, Janne Ahonen, Lasse Ottesen, Noriaki Kasai, and Andreas Goldberger as well as to the Finnish national ski jumping team. However, now that the firm has

ceased the manufacture of Jalas sports shoes, sponsorship is employed as a means to support the other marketing activities mainly taking place periodically in spring and fall and to stay visible to target groups continuously throughout the year, as well as to offer experiences and create a positive picture of the brand in the minds of the target audiences. Even though the cooperation with some Finnish ski jumpers continues still today, the main emphasis is currently on the sponsorship of Marcus Grönholm, a many-time rally world champion. One of the Jalas product lines is also manufactured and sold under his name and with rally credit. The company also has a history of sponsoring another Finnish rally driver, Kosti Katajamäki. At the moment, Jalas is looking for a new direction for its international sponsorship activity and is considering a large, international event with visibility and recognition in numerous countries as the possible target for its future sponsorship.

The local sponsorship activities in the overseas markets where the Jalas products are sold in have primarily been related to ski jumping. That has been the case in Germany, Austria, and Poland where local ski jumping teams have been sponsored and provided with jumping boots. These sponsorship deals have only been exploited in their respective countries by the partner in charge of the sales of the Jalas products in that market. This cooperation, however, has been relatively small in size. Sweden is an exception in terms of sponsorship target. As the country is not a home of many well-known ski jumpers, the local sponsorship activity there has concentrated on ice hockey and the Jalas brand has been visible locally in that context. The long-time Swedish partner of the firm (its current owner, in fact) has ice hockey strongly embedded in its corporate culture and it has taken charge of the sponsorship since its inception. The partner is located in Leksand and the target of the sponsorship is a local ice hockey team called Leksands IF.

Junkkari has been engaged in international sponsorship since the turn of the year 2011. In order to support its international endeavors and gain visibility outside Finland as well as gain credibility as a company and find new opportunities for hospitality and brand building, the company began to sponsor the National Ski Jumping Team of Finland. The first impulse for the sponsorship came from a strategy drafted a couple of years ago in

which the importance of further internationalization was highlighted. In addition, the owner of the company showed interest towards the act of international sponsorship, which is considered vital for decision-making in this family-owned business. The objective of the sponsorship has been to further strengthen the presence of the company in the foreign markets in which it is already present, and as ski jumping is a popular sport for instance in Norway, Japan, and Poland – Junkkari’s most important export markets – as well as in Finland, it has been chosen as the sports to sponsor. The idea behind the sponsorship was to try it out first for half a year until the end of the season, and now the sponsorship deal has been extended to cover the next two years.

As a reasonably small company, Junkkari’s sponsorship strategy is based on the focus on one major sponsorship activity with the goal of gaining visibility internationally; focusing has been the central tenet of the firm’s strategy, and the company does not even try to ‘be in too many places’ at once. Therefore, the sponsorship of the National Ski Jumping Team is concentrated on and the idea is to exploit the deal to the greatest possible extent in order to get the most out of it commercially. Junkkari’s international sponsorship activities and target selection is based on the principle that it is of no use to enter some mega deal for whose exploitation there are then not sufficiently resources. The second part of the company’s sponsorship strategy is to support local sports and some small events related to agriculture (e.g. a pull tractor competition); Junkkari is engaged in a limited number of local sponsorship activities in Finland. These local sponsorship arrangements rather fall under charity than business and are engaged in to support the youth as well as employees in their sports activities. Except for the exploitation of the National Ski Jumping Team sponsorship, Junkkari is not engaged in local sponsorship activities in its overseas markets.

Kemppi’s board of directors has defined motor sports as the sports within which international sponsorship deals are established whereas local sponsorship activities should be focused on youth sports. Throughout the years, the firm’s strategy has been to focus on a few main sponsorship deals and extensively exploit them to maximize the return on investment. At the moment, Kemppi’s main international sponsorship target is Valtteri Bottas, a racing driver who currently competes in the Formula GP3 Series and

is an official test driver for the Formula One (F1) team AT&T Williams. Kemppi has sponsored the young athlete for years now. Another international sponsorship of the company was a ten-year cooperation (1999-2009) with a F1 team. The team went through multiple changes of ownership during the years Kemppi was sponsoring it, hence the multiple names; Midland, Jordan, Spyker, and Force India. The F1 sponsorship was first initiated by the firm's British subsidiary but it was controlled by the headquarters. The F1 sponsorship has been especially beneficial in terms of international brand promotion due to the sport's popularity and visibility both in the developed markets of Europe and Australia and in many emerging markets such as China, India, and Brazil. During the last years of the F1 sponsorship, as the team was named Force India having an Indian owner and being considered a cause of national pride in the country, it was particularly highlighted in the Indian market as Kemppi was simultaneously opening a local subsidiary there and needed visibility in the country. For instance, a local website was designed where the cooperation with the F1 team was underlined.

Unlike the international sponsorship deals which are regarded as commercial investments and entered with the hopes of gaining visibility in new foreign markets and enhancing the image of the company, Kemppi's local sponsorship activities fall under charity and the desire to support local youth sports. In Finland, the firm sponsors Pelicans, a Lahti-based ice hockey team; cross-country skier Matti Heikkinen (whose father is a Kemppi dealer); ski jumping academy for young, local athletes by a former ski jumping champion Janne Ahonen; and some other youth sports. Abroad, the company's subsidiaries may have some very small, local sponsorship activities, but no significant deals, for example on the national level, exist. Sponsorship decisions are made centralized in the headquarters. The reason for the lack of major local sponsorship deals is that, as the benefits of sponsoring someone who is only known in a specific region are limited solely to that area, the return does not warrant the investment. However, there is a good example of Kemppi being engaged in a significant foreign local sponsorship from the 1990s. As the company's French subsidiary was only newly established and as the local awareness of the company as well as its brand was low, Kemppi was identified as a company of Italian origin in the country. This did not

however correspond to Kemppe's image of quality, and in order to highlight its Finnish origin, the company began to sponsor a Finnish rally driver Ari Vatanen who was a well-known person in France. In other words, at Kemppe, the utilization of sponsorship is considered the most useful when first internationalizing to new markets.

Ponsse's sponsorship activities are a combination of sponsoring top and young athletes, and strategic emphasis is put into establishing long-term cooperation relationships with the sponsored properties. At Ponsse, one of the main benefits of sponsorship is considered to be its ability to provide experiences to the different stakeholders of the company; other benefits being the potential visibility, enhanced image, increased awareness of the company and its industry, as well as better credibility as a company. The company's international sponsorship deals include the sponsorship of Tero Pitkämäki, a javelin thrower who won the World Championship in 2007, and Mikko Hirvonen, an internationally well-known rally driver. Hirvonen was first sponsored by Ponsse as he was a junior rally driver and later again when he entered the Rally World Championship, the sponsorship having roots in the business relationship between Ponsse and Hirvonen's father. These larger deals with international-level athletes have been made possible by the growth of the company. Nevertheless, in spite of the recognition Pitkämäki and Hirvonen have abroad as amongst the best athletes in their respective sports, these sponsorship deals are currently only exploited in Finland (with some exceptions in Hirvonen's case; some hospitality events for clients have been organized at the rally races he has competed in).

In Finland, Ponsse sponsors Kalpa, a Kuopio-based ice hockey club, as well as three young, national-level cross-country skiers (Iivo Niskanen, Kerttu Niskanen, and Marjaana Pitkänen). The sponsoring of the Niskanen siblings started years ago as their father is an employee of the company. In addition, Ponsse is a sponsor of Kuninkuusraitit, the most important trotting race in Finland. Before the recent recession, the company had a large number of small, local sponsorship activities spread all over Finland in context of different sports. However, at the beginning of the recession, the company changed its policy to only be involved in a limited number of main partnerships in order to get the maximum return on investment, and as a result,

currently, small local sponsorship deals do not exist in Finland anymore. In terms of Ponsse's foreign subsidiaries, there are no major sponsorship activities but only small deals here and there from which no real commercial benefit is expected but instead they are regarded as goodwill. However, there is an example of the Swedish subsidiary being the main sponsor of a large, national trotting race two years in a row in the early 2000s, but even if the event was considered successful, due to the long geographical distances in Sweden, it was difficult for customers all over the country to attend it and thus the cooperation was discontinued.

Ramirent's first, and so far the only, group-level sponsorship was the ice hockey World Championships in 2009. The rationale behind this major international sponsorship was that in the 13 Eastern, Northern, and Central European countries where the company has operations, ice hockey is a popular sport, in addition to which the national ice hockey teams of almost all the 13 countries took part in the competition. Consequently, the sponsorship was considered exploitable in all the countries Ramirent is present and hence simultaneously advantageous to operations of all their subsidiaries. The objective of the sponsorship was to increase awareness and recognition of the company on the European level as well as promote the firm as one of the major players in its industry. On the other hand, the IIHF World Championships provided the firm with a possibility to unify the organization under one brand, which has been the goal of the brand development work, began in 2008. Currently, Ramirent is only engaged in country-specific sponsorship activities through their foreign subsidiaries, which are oftentimes related to sports. However, the firm is presently looking for some international group-level sponsorship which would complement the local sponsorship arrangements of its subsidiaries.

On the local level, Ramirent's foreign subsidiaries have had considerable independence in designing and implementing sponsorship in their respective countries, thus entering their own deals. Due to the above-mentioned brand development work, however, sponsorship principles have now been unified across the group so that sponsorship will be employed in a similar manner in different subsidiaries in the future. The extent to which sponsorship is employed locally in different countries is dependent on the

activeness of the local subsidiary; generally, the bigger the marketing organization in a country, the more active it is in employing sponsorship. Of the different subsidiaries, it is Sweden which has been the most actively engaged in sponsorship, and the local subsidiary there has a sponsorship agreement for instance with Elitserien, the premier division of ice hockey in the country, and StafettVasan which is one of the races of the Vasaloppet ski competition. In addition, the subsidiary sponsors Rally Sweden. Particularly the sponsorship of Elitserien offers Ramirent quite a bit of national visibility in Sweden, and the sponsorship is also actively exploited and for instance customer events are organized around it; customer events are regarded as a good way to offer experiences to clients and provide meaningful content in a local setting.

Valio is engaged in three types of sports sponsorship; 1) sponsorship activities with a clear commercial purpose, i.e. the major sponsorship deals, 2) sales and marketing cooperation with events, which includes the sales of Valio products at the venue, and 3) charity and support sponsorship which takes place locally. In general, Valio is active in sponsoring sport because of its popularity amongst big crowds of people and the resulting wide visibility and the opportunities for brand building. On the other hand, sports sponsorship is a good means to portray company social responsibility. Kiira Korpi, a well-known Finnish figure skater is one of Valio's long-term sponsorship targets and is well connected to Valio in the public's view. As figure skating receives good visibility in Finland and as Korpi is attributed to a great personality, Valio considers the sponsorship extremely successful and the cooperation will continue also next year. Nonetheless, despite the recognition Korpi has abroad as one of the best figure skaters in Europe, this sponsorship is currently only exploited in Finland. Valio has a history of also sponsoring the Finnish Alpine Ski Team. The cooperation ended last year, though. Similarly to the sponsorship of Korpi, the exploitation of this deal also focused on Finland.

In 2012, Valio will be sponsoring the European Athletics Championships in Helsinki. This sponsorship can be categorized as sales and marketing cooperation. Athletics is among the top-three popular sports in Finland, in addition to which the competition will be televised to hundreds of millions of people across Europe, thus resulting in wide

visibility also in Valio's foreign subsidiary countries. Large investments will be made in the exploitation of the sponsorship; from the international perspective, it will include events organized for foreign customers and possibly some local exploitation in the foreign subsidiary countries if considered beneficial. Furthermore, Valio will sponsor Finland's largest orienteering event, Jukola, in 2012. The company has agreed on the title sponsorship; in other words, the event will be known as Valio-Jukola next year. The decision to sponsor the competition was solely based on the considerations related to the operations in the Finnish market, but if deemed appropriate and beneficial, the sponsorship might be exploited in some foreign subsidiary countries as well.

In Finland, Valio supports sports locally in different parts of the country. As the firm has production plants around Finland, supporting local sports fields and teams in the provinces is deemed important. The foreign subsidiaries are not active in sports sponsorship but have decided to allocate the resources to other instruments of marketing communications. Some subsidiaries may have sales and marketing cooperation with some events but no significant sponsorship deals exist abroad. Local sponsorship activities, both in Finland and abroad, are regarded more as patronage than commercial investments.

Table 3 is constructed based on the descriptions above and summarizes the most relevant sponsorship deals of the researched firms considering the scope of this thesis. All the case firms are involved in international sponsorship deals simultaneously visible and exploitable in many countries as well as in local deals which are utilized for communications purposes in individual markets. The sponsorship arrangements presented in the table are categorized based on the case material, namely interviews and textual material. In some cases, the distinction between international and local – either national or regional – is quite ambiguous; the categorization has been made based on the extent to which the interviewees regard the sponsorship deals as international as well as the way the deals are exploited (international sponsorship deals are exploited in a number of countries whereas local sponsorship deals are only directed to target audiences in individual markets).

Table 3. Case companies' sponsorship involvement

Company / Brand	International sponsorship	Local sponsorship
Junkkari	National Ski Jumping Team of Finland	FIN: Local sports clubs
Kemppi	Valtteri Bottas, <i>F1 team (Midland, Jordan, Spyker, Force India)</i>	FIN: Pelicans, Janne Ahonen Ski Jumping Academy, youth sports; some small sponsorship activities in subsidiary countries
Ponsse	Tero Pitkämäki, Mikko Hirvonen	FIN: Kalpa, youth sports, trotting races; SWE: <i>trotting races</i> ; some small sponsorship activities in subsidiary countries
Ramirent	<i>IIHF World Championships 2009</i>	FIN: <i>Hannu Manninen</i> ; SWE: Elitserien, Rally Sweden, StafettVasan; NOR&LAT: rally; some sponsorship activities in subsidiary countries
Battery	<i>F1 team (Williams), B-Unit, B-Squad, Battery Sisters, B-Moto, B-Hydro, events</i>	Some sponsorship activities in Finland and in export countries
Jalas	Marcus Grönholm, Janne Ahonen, <i>National Ski Jumping Team of Finland, Kosti Katajamäki</i>	SWE: Leksands IF/ice hockey; <i>national ski jumping teams of different countries</i>
Valio	Kiira Korpi, European Athletics Championships 2010, <i>Finnish Alpine Ski Team</i>	FIN: Valio-Jukola, local sports teams, sports arenas; some small sponsorship activities in subsidiary countries

(The sponsorship deals which are not in force anymore are marked in italics.)

4.2 Comparison of case companies' sponsorship activities

This second part of the chapter focuses on comparing the findings from the cases and is divided to five sections. The reasons and rationales behind the case organizations' sponsorship target selection are first outlined. Then, the role sports sponsorship plays in the companies' international communications mix is examined. Subsequently, the objective setting for international sports sponsorship by the case firms is discussed, followed by a section about the evaluation of the effects of their sponsorship activities.

Finally, the chapter is concluded with a presentation of the empirical findings concerning some factors affecting the target selection and outcome of international sports sponsorship.

4.2.1 Case companies' sponsorship targets

As presented above, all researched organizations are engaged – or used to be engaged – in international sponsorship deals, namely they sponsor such sports property which is simultaneously visible in a number of countries, i.e. an athlete or a team practicing sports on the international level or an event with participation and viewership from multiple countries. In addition, except for Junkkari, all case firms employ local sponsorship through their foreign subsidiaries or distributors in overseas markets, providing visibility in individual countries. In terms of most case organizations, their international operations form the strategic basis of their international sponsorship activities; the international deals have been entered to support firm internationalization. However, as opposed to other companies, Ponsse and Valio have chosen their sponsorship targets primarily from the Finnish perspective and due to the opportunities they provide in the domestic market; the opportunity to exploit sponsorship in foreign markets through these internationally visible and recognized targets (Pitkämäki & Hirvonen, Korpi & Finnish Alpine Ski Team) has rather been a result of a coincidence than explicit strategy, and the visibility the sponsored properties may provide in the international context is regarded as a bonus. As a result, even though the two companies realize the benefits they could potentially accrue from the exploitation of these sponsorship deals abroad, they have not up till now made use of the deals to their full potential in the overseas markets.

As opposed to Ponsse and Valio, the other case organizations consciously utilize sports sponsorship to support their international operations. International sponsorship deals are considered to result in visibility and awakening of positive feelings in many markets simultaneously and thus attractive. Somewhat differing strategic motives are identifiable behind the firms' engagement in international sponsorship deals, all relating to the objective of growing foreign operations, though. For Junkkari, the aim of the ski jumping sponsorship is to increase its brand recognition and grow its operations in the

foreign markets in which it is already present, whereas Jalas emphasized international sponsorship at the time its exports to foreign markets began at full speed. Kemppi, on the other hand, chose to sponsor F1 while expanding to the BRIC countries (Brazil, Russia, China, and India) with the goal of gaining visibility both in these newer and more traditional markets in which the company was already established. The sponsorship of F1 was a way for Battery to positively impact its international distribution channels whose building is regarded as the first step in the internationalization of the brand. Ramirent utilized the sponsorship of the IIHF World Championships to support the operations of its subsidiaries in multiple foreign markets and to simultaneously portray the organization uniformly under one brand.

Some differences can be identified between the case organizations in the emphasis they put on local sponsorship deals. Some companies, including Kemppi, Valio, Ponsse, and Junkkari, emphasize their international sponsorship arrangements and the deals local to Finland with only minor, non-significant sponsorship deals, if any, in their overseas markets. In these cases, the local deals the firms enter are mainly considered an act of patronage and seem to be of less strategic nature. Of course, some local deals result in national visibility – in Finland – and they have a clear commercial background (e.g. Valio-Jukola/Valio; Kalpa/Ponsse). However, probably due to the sizably larger investments required in the international and nationally visible local deals, the smaller local deals seem to be entered more easily without extensive strategic considerations and their objectives tend to be not as often predetermined as in the case of international deals. On the contrary, Ramirent considers both its international and local sponsorship deals essential, and international sponsorship is in fact regarded as a way to complement the local – often national – deals entered and managed by the company’s foreign subsidiaries.

4.2.2 Role of sponsorship in international marketing communications

Sponsorship plays its own role alongside other instruments in the marketing communications of the researched companies. How important sponsorship is compared to the other tools and how it is leveraged by them depends on the firm; however, all case companies regard sponsorship as a significant part of their marketing

communications and exploit it in a multitude of different ways. These two topics are examined in the following; the importance of sponsorship as a marketing communications instrument first and the leverage of sponsorship investments afterwards.

4.2.2.1 Importance of sponsorship

In general, the case organizations seem to have a very similar conception of sponsorship as a marketing communications tool. First, for all of them, instead of being about one-way giving or receiving, sponsorship is based on interaction and cooperation between the two parties. Second, the firms emphasize the fact that both sides of a sponsorship agreement should receive benefits from it; in other words, for a company it is a commercial investment which enables it to take advantage of the image of the sponsored property and from which commercial returns should be gained, and for the sponsorship target, it is a compensation for the 'image loan'. These two points are clearly identified in the following two quotations by Janzon (2011) and Jokisalo (2011), respectively;

...sponsorship, we see it as an investment...interaction...both should get something from it. ¹

...[sponsorship is] more or less interaction, meaning that we support someone and then that someone supports us...of course it is to a large extent this kind of image-related thing, affecting the image and brand of the company...due to that, it has of course a commercial foundation. ²

As an addition to the previous two points, Jalas, Kemppe, and Ponsse emphasize sponsorship as a long-term involvement which enables the development of a stable cooperation relationship between the parties of the sponsorship agreement. However, there are some other dimensions to sponsorship as well. As outlined in the previous

¹ Original quote in Finnish: "... sponsorointi, me nähdään, ett' se on investointi...vuorovaikutus... molemmat pitäis saada jotain siitä."

² Original quote in Finnish: "...[sponsorointi on] enemmän tai vähemmän semmosta niinkun vuorovaikutusta, elikkä että me tuetaan jotakin ja sitten se joku tukee meitä...tietysti se on paljon niin kun tällanen imagollinen, yrityksen imagoon ja brändiin vaikuttava, että...sitä kautta totta kai siellä on se kaupallinen lähtökohta."

section, most case companies are involved in some gratuitous activities by which they support some athlete, team, event, or something alike without expecting any commercial benefits. Moreover, sponsorship can also be practiced as a sales and marketing cooperation which allows the sponsoring company to sell and market its products at the sponsored event as identified by Battery and Valio.

In comparison to other marketing communications tools, all case organizations find sponsorship important, and the shared view is that if sponsorship is left unemployed, there is a communications channel missing. The companies have assigned a clear role for sponsorship within their marketing communications which often relates to brand building, image enhancement, and provision of experiences to target groups. As Janzon (2011) explicates;

It [sponsorship] is a very good channel because it allows the customer to experience the brand somehow, physically and as an experience, and not only so that they see it in some print magazine or something, but if an event is built around it and experiences are built for them, in that case it has strong potential.³

However, depending on the firm, more or less emphasis is put on sponsorship. To Jalas sponsorship is so important that if cuts were have to be made in marketing communications, it would be something else than sponsorship which would be eliminated. In the marketing of Battery, sponsorship and traditional mass advertising have their own roles to play both having their own objectives, and the question is about the division of resources; how the most optimal outcome is achieved of the combination of different instruments complementing each other. On the other hand, Valio regards sponsorship as an important element of its communications mix but as it is not among the most important instruments, the share of sponsorship of the firm's marketing budget is not significant. Similarly, sponsorship seems to play only a minor part of Kemppe's marketing communications when all costs are factored in even if the company's sponsorship budget is larger than its advertising budget. The other spectrum of a

³ Original quote in Finnish: "Se [sponsorointi] on erittäin hyvä väylä, koska sä voit sillon panostaa siihen, että asiakas voisi myöskin kokea sitä brändiä jollain tavalla, ihan fyysisesti ja kokemuksena eikä vaan, että ne näkee sen jossain printtilehdessä tai jotain mutta jos sen ympärille rakentaa jonkun tapahtuman ja heille rakentaa elämyksiä ja näin niin sillon sillä on vahva potentiaali."

continuum is played by Ramirent which despite its employment of sponsorship does not regard the instrument as a fundamental necessity of marketing communications but instead as something extra, at least currently. According to the interviewee at the company, in the recent recession when the amount of money available for marketing decreased considerably, spending on international sponsorship deals was among the first to be cut. It resulted from the fact that sponsorship is seen as bringing long-term image-related benefits instead of immediate return which was vital at the time, and because at times of substantial redundancy, spending money on widely visible international sponsorship was not considered the right thing to do.

In spite of some differences in the importance of sponsorship as a marketing communications tool, the following quotation from Janzon (2011) depicts well the case companies' general attitude towards sponsorship;

In my view, sponsorship belongs to all marketing activity but if you don't have time to plan it the right way, how to tie it [to other marketing]...it is not worth going into. Because in that case, it is only about throwing away money.⁴

4.2.2.2 Leveraging sponsorship by other communications

As portrayed by the quotation above, the researched firms underscore the central role of exploitation in the success of international sponsorship. The general belief among the firms seems to be that the investment in the sponsorship deal is only the starting point of sponsorship and for it to result in any commercial benefits, the sponsorship deal should be creatively exploited. The sole logo visibility is not considered beneficial but if the sponsorship deal is supported by additional means of marketing in such way that it stands out from the mass, it may result in considerable benefits. Consequently, the case companies seem to have a tendency to focus on a limited number of sponsorship deals which are then made use of; Junkkari, Jalas, Kemppe, Valio, and Ponsse report of this kind of behavior, whereas Battery has plans to possibly reduce the number of its

⁴ Original quote in Finnish: "Kyl mä nään, että se kuuluu jokaiseen markkinointitoimintaan, että on mukana myöskin sponsoroinnissa mutta jos ei oo aikaa suunnitella sitä oikeella tavalla, miten sitoo sen...niin sillon ei kannattais mennä siihen. Kun sillon se on vaan rahan...poisheittämistä."

sponsorship deals in the future. However, despite this shared sentiment, the exploitation of sponsorship is amongst the areas in which most differences are detectable between the case companies; some companies exploit their international sponsorship deals extensively in multiple fronts – the best examples being Kemppi and Valio – whereas some firms only seem to use a limited range of methods to leverage their sponsorship deals.

Even if the leveraging of sponsorship is considered vital, the case companies do not seem very specific about how much money relative to the sponsorship deal should be used for its exploitation. Only Kemppi seems to have guidelines on how much to spend on the leverage of sponsorship – which can be up to three times the initial investment – whereas most firms do not include the money used for exploitation in their sponsorship budgets. Two companies, Ramirent and Ponsse, admit that the exploitation of their international sponsorship deals has not been extensive enough, the main reasons for that being the lack of resources and the willingness to rather allocate resources to other means of communications. Nevertheless, the need to continuously create new, creative ways to leverage sponsorship and hence maximize return on investment is highlighted. According to the interviewees at Kemppi and Jalas, the companies' intention is to keep the money invested in the sponsorship deals on the previous level but direct more resources to exploitation in the future. Himanka (2011) expresses this in the following way;

...we are now designing a two-year development and exploitation plan; it would be good if we were able to get this [the sponsorship] growing slowly in the course of time and always find something new to it...⁵

The most popular ways of the case organizations to leverage their sponsorship deals can be categorized into different groups which are listed and shortly explicated below. Even though additional marketing communications instruments are important, other methods of exploitation are used by the firms as well.

⁵ Original quote in Finnish: "...nyt jo mietitään sit kaksvuotista kehittämis- ja hyödyntämissuunnitelmaa, että sehän olis hyvä sillai, ett' sen sais vähän niinkun kasvamaan tämän homman pikkuhiljaa ajan myötä ja löytämään siihen sopivasti sillai aina jotain uutta..."

Advertising: Sponsorship can be made use of in various ways in context of advertising, from which some researched B2C companies of different sizes are good examples. Valio has had Kiira Korpi and the Finnish Alpine Ski Team featuring its TV commercials many times, in addition to which they have been used in other advertising material. Similarly, Jalas has had a TV commercial as well as print advertising which Marcus Grönholm has featured. However, both these companies have only employed TV advertising featuring the sponsored properties in Finland and not in their overseas markets. In terms of B2B companies, oftentimes their advertising is targeted at narrow segments and therefore it is focused on trade magazines. Kemppi, Ponsse, and Jalas (which also sells to business customers) report exploiting the sports properties they sponsor in trade journal advertising.

The Internet: A look at the case organizations' websites shows that all companies present their major sponsorship activities on their websites, some in more detail than others. In most cases, the sponsorship related content consists of biographies of the sponsored sports properties, their pictures, and regular updates or even material (e.g. videos) on their performance. In addition, Battery has the Twitter accounts of some of the athletes it sponsors linked to its website so that their Twitter updates are also visible there. In fact, for Battery the Internet is the only channel used to leverage some of their sponsorship deals; for instance the *B-Hydro* sponsorship is currently only presented on the brand's website. Valio used to operate a fan website for Kiira Korpi in context of a product campaign, which allowed for the interaction between the public and Korpi. Furthermore, Battery, Ramirent, and Valio are actively present in Facebook which potentially provides numerous ways for the companies to support their sponsorship efforts. The sentiment seems to be shared between the case companies that the Internet provides a controllable channel and allows for reaching a large audience cost-effectively and interactively as well as enables for instance different kinds of creative campaigns and competitions. In context of international sponsorship, the Internet seems to be considered to provide a unique means to simultaneously reach target audiences around the world. As Tuovio (2011) puts it, the Internet is a

very cost-effective way to exploit sponsorship in export marketing. The way it works in practice is that when a sponsorship target does something

somewhere, we get film material to the headquarters which we then upload on Facebook, YouTube, or batterydrink.com, and it is afterwards visible to loyal consumers in all our export markets. It is an easy way to reach consumers practically all over the world and very cost-effective because it doesn't cost practically anything.⁶

Customer and employee magazine: Stories on the sponsored sports teams and athletes and their interviews can be found in the customer and employee magazines of some of the case companies. Compared to other case firms, all issues of Ponsse and Kemppi's magazines feature a sponsorship-related story. Sometimes the articles derive from the sponsorship without the sponsored property explicitly being the topic; for example, instructions on how to weld a racing were presented in Kemppi's customer magazine. Often, the magazines are translated to multiple languages thus catering for the needs of international audiences, but the circulation is often only within the companies' closest stakeholders.

Print material: Only Jalas and Kemppi were found to use the pictures of their sponsorship targets, Marcus Grönholm and a F1 car, respectively, in their international product catalogues and brochures. Kemppi and Valio have posters on which a clear parallel is made between their product offering and the property they sponsor. In addition, Ramirent had the IIHF World Championships logo on all company printed material including envelopes and notepapers during the year the event took place.

Sales and end user promotions: Four companies give examples of how they have exploited their international sponsorship deals through promotions and campaigns. Kemppi has organized numerous international sales campaigns themed around its F1 sponsorship. For instance, a competition was aimed at the end users of welding equipment in which people were challenged to construct a race car in the colors of the sponsored F1 team. The first prize was a trip to a F1 race. Similarly, even though its F1 sponsorship was primarily directed to the customer side, Battery ran international

⁶ Original quote in Finnish: "...[internet] on kovin kustannustehokas tapa hyödyntää vientimarkkinoinnissa tätä sponsorointia. Ett' se käytännössä toimii niin, ett' [sponsorointikohde tekee jotain] tuolla, sielt tulee filmimateriaalia...meidän [henkilökunta] lataa sen sinne Facebookiin tai Youtubeen tai batterydrink.comille. Sen jälkeen se on meidän kaikkien vientimarkkinoiden lojaalien...kuluttajien nähtävillä se materiaali. Eli helppo tapa tavoittaa kuluttajia ympäri maailmaa käytännössä ja tosi kustannustehokasta, ett' se ei maksa lähes mitään."

consumer promotions which exploited the sponsorship. For example, a F1 related competition was presented on the brand's website and included an opportunity for the winners to test drive a F1 car. Additionally, Jalas and Valio have organized consumer competitions on the Internet relating to their sponsorship activities. In the case of Jalas, the competition winners got an opportunity to spend a day with Marcus Grönholm, eat in his restaurant, and drive a rally car under his instruction. The Valio competition was named 'Cook with Kiira' and the winner got to cook together with Kiira Korpi under the supervision of a professional chef. In comparison to the other competitions, the consumer competitions organized by Jalas and Valio were only targeted at the Finnish audience.

Stakeholder events: All case organizations exploit their international sponsorship arrangements extensively through the means of events. Jalas, Valio, Kemppe, and Junkkari report to often invite the athletes they sponsor to attend the trade or consumer fairs they participate in. Furthermore, all case companies organize different kinds of hospitality events for their customers in context of the sponsored sporting event or a competition which the sponsored athlete or team takes part in. These events are considered a trade-off between width and depth; they only affect a small number of people but for the people who participate, they are unique experiences with long-term effects. On the other hand, Ponsse and Kemppe have the international-level athletes they sponsor – Tero Pitkämäki and Mikko Hirvonen in the case of Ponsse, and Valtteri Bottas in the case of Kemppe – visiting employee events (only at headquarters, though), namely summer and Christmas parties, which enables the companies' employees to be in contact with the sponsored athletes in an informal setting.

Miscellaneous methods of exploitation: Some additional ways to exploit the international sponsorship deals can be identified. The interviewees at Junkkari and Battery mention the use of public relations as a method to leverage their sponsorship deals. Additionally, Junkkari has creatively utilized the natural visibility provided by ski jumping; the logo of the company is printed on the flag the coach waves when he sends off the jumper. Obviously, the logos of the firms are visible on the sponsored properties in the cases of other companies too, on the sponsorship target's clothes or equipment.

Valio is an exception in terms of logo visibility; the company does not consider having its logo visible on the outfits of Kiira Korpi necessary anymore due to its long-term involvement with Korpi and the fact that she is closely connected to the company in the public's mind. Furthermore, relating to its sponsorship of the F1 team, Kemppi placed tags on some of the company's welding machines at points-of-sale disclosing that the model in question is used by the sponsored F1 team. Moreover, Kemppi and Ponsse have physical displays of their international sponsorship deals in their headquarters. Both companies have a showcase in their main entrance hall in which there are pictures of the sponsored athletes with autographs with Ponsse also having trophies which Mikko Hirvonen has won. In addition, Kemppi has a 'sports wall' in the cafeteria which presents some articles related to the sponsorship activities of the firm. There are, among many other things, a picture and a rear wing of a F1 car, a picture of Valtteri Bottas, as well as some pictures and gear related to the company's sponsorship activities local to Finland.

In terms of the exploitation of international sponsorship deals locally in different markets by subsidiaries or other local actors, even though the opportunities international deals offer for local exploitation are widely appreciated, some differences are detectable between the researched organizations. For instance, according to the interviewee at Ponsse, the company has not actively and with a clear plan exploited its international sponsorship deals in its foreign subsidiary countries, and there are only some examples of ad hoc hospitality events organized for customers in context of the World Rally Championship tour circulating from country to country in which Mikko Hirvonen competes. Similarly, Valio has made use of its internationally visible sponsorship targets – Kiira Korpi and the Finnish Alpine Ski Team – solely in Finland although it is recognized that the deals could possibly be of use also in the firm's overseas markets. On the contrary, as previously mentioned, Kemppi sometimes organizes dealer meetings around the motor sports theme in its international markets, in addition to which the company's local customers have been invited to F1 events in which the team the firm has sponsored has competed. Another example of active local exploitation of an international sponsorship deal is provided by Battery whose distributor in Chile

organized a consumer competition whose first prize was a trip to a snowboarding event in Finland in which many of the snowboarders the brand sponsors partook.

In general, all researched companies seem open to ideas from the local actors concerning the exploitation of international sponsorship deals locally in the overseas markets, and free hands seem to be given to them under the supervision of the headquarters. It is believed that if the exploitation is designed locally, it is in many ways relevant in the overseas market in terms of the operational environment; for instance the local laws, regulations, and ways of action are taken into account. Nevertheless, all firms also state that if the initiative is not taken by the headquarters to suggest something to the local actor, the sponsorship would often be left unexploited.

4.2.3 Sponsorship objectives

The case companies set a variety of objectives for their international sports sponsorship activities. The firms seem to agree that it is important to know why to employ sponsorship and what to expect from it. Nonetheless, setting exact quantitative goals for a sponsorship deal is generally considered difficult, and only Valio reports having them although other case firms clearly do set objectives as well.

Next, sponsorship objectives are discussed as identified by the case organizations. Instead of dividing them to marketing and corporate communications objectives as proposed in the theoretical framework, they may be grouped to two categories; on the one hand, objectives for major international sponsorship deals, and on the other hand, objectives for local sponsorship arrangements.

4.2.3.1 International objectives

On the basis of the interviews, four broad groups of objectives set for the international sports sponsorship deals can be identified. These categories include; 1) commercial objectives, 2) visibility and awareness objectives, 3) image and credibility objectives, and 4) stakeholder objectives. These different groupings are outlined below.

The *commercial benefits* that sponsorship may offer constitute the objective which is in the background of all international sponsorship activity of the interviewed companies.

As stated previously, the firms across the board regard sponsorship as an investment on which certain expectations of measurable return fall. However, for reasons discussed later, setting exact goals in terms of sales increases and increased revenue as the objective of sponsorship is considered extremely difficult by all case organizations. Despite this difficulty, the shared sentiment is that the size of the investment in international sponsorship deals is so substantial that a positive commercial outcome must be realized from the investment.

Visibility and awareness objectives seem to be central in context of international sponsorship. All case organizations regard sports sponsorship as a way to gain visibility in foreign markets; in case of international deals, visibility is simultaneously gained in multiple countries. According to the companies, sports sponsorship enables them to receive exposure in a positive environment, which leads to increased awareness and recognition of the company or its brand. On the other hand, Junkkari and Ponsse, two B2B firms operating in narrow business segments not visible to the public, consider sports sponsorship a good means to raise the initial interest in the company and give the first impulse to find out more about the firm for instance on the Internet. At the same time, Jalas which mainly runs specific marketing and product launch campaigns in spring and autumn regards sponsorship as a way to gain brand visibility throughout the year.

Image and credibility objectives which closely relate to brand building are also put significant emphasis on by all case organizations. The following quotation from Himanka (2011) explicates the importance of image objectives;

Technology and machines are often on a pretty similar level, and then what just happens to feel the nicest is often chosen; competition starts to be that much fierce in almost every business that there are...no big technical or other differences so all these kinds of matters related to appearance and image start to have a larger influence.⁷

⁷ Original quote in Finnish: ”Tekniikka ja koneet on monesti aika samalla tasolla ja sitten, mikä nyt tuntuu mukavimmalta niin se nyt valitaan monesti, että kilpailu rupeaa olemaan vähän joka alalla sen verran kovaa, että oikeen suuria...ei teknisiä eroja tai muita oo niin tämmöset kaikenlaiset niinkun ulkonäköasiat ja mielikuvajutut alkavat enempi ja enempi vaikuttamaan.”

In other words, the case companies consider sports sponsorship providing them with an opportunity to enhance and strengthen their company or brand image. According to the interviewee at Ramirent, setting image related objectives for international sponsorship deals is more important than for local deals as international deals are visible in a number of countries and can thus have a greater influence on a firm's image than local deals. The companies appreciate the fact that through the means of sponsorship they can associate their company or brand values with the image of the sponsored property and hopefully transfer associations from the property. As portrayed by Ramirent, the association to the IIHF World Championships – a sports event which is big in size and eminent in nature in terms of presenting the best-in-class athletes and teams – enabled the company to communicate its vision to be number one in Europe in its industry. On the other hand, for Valio the objective of sponsoring large sporting events, for example the European Athletics Championships whose one goal is to positively influence the enthusiasm of children and the youth towards sports, is to widely portray the firm as a socially responsible company.

At the same time, some case organizations aim to increase their credibility as a company through their association with world-class sports properties. This objective seems to be equally important for small and large case companies regardless of the level of their international involvement. Himanka (2011) explains it in the following way;

... should be able to create credibility abroad as a small Finnish company; to show that we can be trusted and we are big enough a firm which is able to provide all after-sales activities, and products are available, and services and other things function.⁸

Case companies believe that sponsoring top athletes, teams, and events provides them with a possibility to prove their size; according to the respondent at Junkkari, not the smallest companies are able to be involved in sponsorship on the international level. Moreover, as explained by the interviewee at Ramirent, the sponsorship of the IIHF World Championships was a way to differentiate from competitors who are primarily

⁸ Original quote in Finnish: "...pitäis pystyä pienenä suomalaisena yrityksenä vähän niinkun luomaan semmosta uskottavuutta tuolla maailmalla, että voi luottaa ja on kuitenkin riittävän iso firma, joka pystyy tarjoamaan sitten kaikki myynninjälkeisetkin toiminnot ett' tavaraa on saatavilla ja huollot ja muut toimii."

local actors. The interviewee at Ponsse explicates that through the sponsorship of the best athletes in their respective sports (Pitkämäki and Hirvonen), the firm wishes to communicate its professionalism and that it is the best in its industry. In addition to the company credibility discussed above, gaining credibility for their products has been an objective of international sponsorship for Jalas, Battery, and Kemppi. As international sports properties use the companies' products in their sports performance, it is easy to prove to consumers that the product works and is of good quality. Even if the production of Jalas sports shoes has ceased, the credibility the brand has gained through sports sponsorship has shifted to other models sold under the same brand name.

The final category of objectives, namely *stakeholder objectives*, are noteworthy mainly in context of B2B companies, no matter their size or level of international involvement – Junkkari, Kemppi, Ponsse, and Ramirent highlight them – but also Battery emphasizes their importance. International sponsorship is regarded as an excellent means to provide experiences to customers, dealers, and distributors, and create relations with them. This is often done by organizing hospitality happenings at sponsored events or at events where the sponsored athletes or teams compete. The international F1 sponsorship of Battery was mainly directed to the distributors of the brand in overseas markets with the underlying goal of serving their loyalty and creating relationships, hence improving the brand's international distribution. Junkkari whose international operations also comprise exports through distributors report having similar goals; becoming dealers' preferred brand is important for international sales. Additionally, for Junkkari, Ponsse, and Kemppi one objective of international sponsorship has been to provide experiences also to employees and create excitement and feelings of pride toward the company among them.

4.2.3.2 Local objectives

In addition to the objectives case firms set for their international sponsorship arrangements, they have some particular objectives for their local sponsorship activity. These are examined in the paragraphs below.

Kemppi, Ponsse, and Junkkari state the enhancement of *employer image* as a central objective of their local sports sponsorship. However, even if Kemppi and Ponsse have subsidiaries – Kemppi even a production facility – abroad, they all name the strengthening of employer image as an objective of their local sponsorship only in Finland where the headquarters are located and almost all manufacturing takes place. As the image of metal and forest industries in which they operate is nowadays not as attractive as the image of many other industries (Vidgrén, 2011) and as they are well-known only in their near surroundings, the companies regard sports sponsorship as a way to create interest towards their industries, as well as make people, especially the youth as possible future employees, aware of their existence.

Another reason for the case organizations to engage in local sports sponsorship, either in Finland or abroad, can be described as *social or ethical*. This point was explicitly mentioned by the interviewees at Junkkari, Kemppi, Ponsse, and Valio. By sponsoring sports locally, the companies wish to support that particular sport, the young athletes practicing it, or their employees whose hobby it is, and to communicate their social responsibility. Even if this kind of local sponsorship is not based on commercial goals, it is realized that it may positively influence the company image in the area among the public.

It is also noteworthy that some of the different categories of objectives the companies set for their international sponsorship activities discussed in the previous section are likely in the background of most sponsorship activity. Consequently, they also play a role in the local sponsorship activities the case companies are involved in both in Finland and overseas markets, even though their relative importance is different. For instance, Battery sets a clear product-related objective in terms of sales increases for its sponsorship activity in general. As explained by Tuovio (2011);

...if the so called media advertising is directed to awareness and trial, then with sponsorship we look to strengthen the loyal so that they would be

more loyal and would thus use less of competitors' products and more of our products.⁹

On the other hand, Ramirent's foreign subsidiaries are involved in their own local sponsorship activities in their respective markets and they have a clear objective of gaining either local or national visibility as well as brand recognition through their sponsorship investments. Furthermore, in terms of stakeholder objectives, the interviewee at Ramirent argues that it is in fact easier to provide experiences to customers and strengthen the relationship with them through local than international sponsorship deals as local sponsorship activities are more relevant and closer to the customer (e.g. a customer can be easily invited to attend a sponsored ice hockey game in his/her own city).

4.2.4 Sponsorship evaluation

Similarly to the objectives the case companies set for their international sports sponsorship involvement, the reasons for the evaluation of the success of the sponsorship activities are clear and rather self-explanatory. The rationales behind sponsorship evaluation are also fundamentally alike between companies no matter their size or customer segment. Sponsorship investments – especially the international deals – are nowadays so large and involve such considerable sums of money that in most cases they seem not to be made without following up on them in terms of the received return. Particularly the recent economic downturn seems to have had an impact on this line of thinking as the interviewees at Ramirent and Jalas made an explicit remark about how no marketing investments are currently made without first justifying them and then closely monitoring them. Moreover, evaluation of sponsorship seems to be required to simply find out whether the expectations set for it are met or not, and also to determine the future of the sponsorship agreement.

Even though the case organizations consider the evaluation of their sponsorship activities important and evaluation seems to be on the interviewees' mind, none of the

⁹ Original quote in Finnish: "...jos niin sanottu mediamainonta on suunnattu sinne tunnettuuden ja kokeilun suuntaan, niin sponsoroinnilla me haetaan sitten taas vahvistusta sinne niihin lojaaleihin, ett' he olis entistä lojaalimpeja ja sen myötä sitten vähemmän käyttäisivät kilpailijoiden tuotteita ja sen myötä enemmän käyttäisivät meidän tuotteita."

companies systematically and comprehensively measures the effectiveness and success of its sponsorship deals. This applies to large and often expensive international agreements as well as local sponsorship activities both in Finland and overseas markets. Nonetheless, Valio has a history of employing somewhat active measuring in the form of brand studies, sales data, and research conducted by external agencies and in fact, it is currently developing new measures to evaluate its sponsorship activities. In addition, some other interviewees report having employed some measures on occasional basis, mainly in terms of the international sponsorship deals. Ramirent and Jalas have experience of measuring general sponsor visibility and detailed logo visibility on TV and other media. Ramirent used this measure in context of its sponsorship of the IIHF World Championships and purchased the statistics from an external actor who converted the sponsor visibility to a euro amount and also provided estimates of the number of people who were exposed to the sponsorship. This information was then compared to the sponsorship investment to determine the effectiveness of the sponsorship. Jalas, on the contrary, monitors in-house its sponsor visibility as well as the popularity of the sports it sponsors. The interviewee at Junkkari reports that the firm has considered purchasing data on media visibility from an external agency but has decided against it, for reasons discussed later. Brand research is another instrument to measure the effectiveness of sponsorship which Kemppi has tried. However, the research was not considered to portray any real results relevant to sponsorship.

Several case firms evaluate the success of their sponsorship activities with the help of the feedback they get from their target groups. Kemppi, Junkkari, and Jalas belong to these companies. In addition, Valio is planning to put more emphasis on the monitoring of and collecting feedback from event participants in the future. Asking customers how they experience the sponsorship as well as finding out from the representatives in overseas markets if the sponsorship has brought them business benefits are considered to be among the most interesting information on the sponsorship success. Also, according to the interviewee at Jalas, monitoring people's behavior at fairs where the sponsored athletes are present reveals a lot about the success of sponsorship. In addition, Junkkari and Ramirent have conducted customer satisfaction surveys in their overseas markets which are expected to provide information useful for the evaluation of

the success of both international sponsorship deals and local sponsorship activities in different markets.

In terms of sponsorship activities conducted locally in different markets, the way they are measured varies in activity level and method between countries. According to the interviewee at Battery, the evaluation of local sponsorship activities which their distributors are engaged in is entirely up to the local actor. By the same token, the multiple subsidiaries of Ramirent measure the effects of their local sponsorship deals each in their own way, which has made group-level comparisons difficult. Therefore, Ramirent is moving towards standardized, more detailed guidelines on how the impact of sponsorship should be measured in a consistent manner throughout the organization.

The reasons for the previously mentioned lack of systematic evaluation of sponsorship effects are many. In general, measuring the outcomes of sponsorship is considered very difficult; this view is shared by all respondents, except for the interviewee at Valio. As Taivalmäki (2011) states;

...I think it is easy to say whether we have succeeded or not but...if I then had to say how well we succeeded on a scale from four to ten...it is very easy to say if we have succeeded not well at all or succeeded really well but...it is very difficult to measure it more accurately.¹⁰

As became apparent in the previous section, the researched companies set a variety of objectives for their international sponsorship activity, amongst the most important being image enhancement, growth of brand recognition, and commercial benefits. Nevertheless, the case organizations of all kinds identify problems in precisely determining what the impact of sponsorship is on these aspects due to the indirect nature of sponsorship. First, according to most companies, it is difficult to get relevant information on the true impact of sponsorship for example on image, awareness, and recall; for instance, the interviewee at Battery claims that the effects of sponsorship on

¹⁰ Original quote in Finnish: "...helppo mun mielestäni sanoa, että ollaanko onnistuttu vai ei mutta...jos pitäis sitten sanoa asteikolla neljästä kymmeneen, että kuinka onnistuneita ollaan niin...hyvin helppo siellä on sanoa, että ollaanko tosi vähän onnistuneita tai tosi paljon onnistuneita mutta...kyllä sitä hyvin hankala on niinkun mitata tarkemmin."

recall cannot be measured. Second, the value of quantitative data on brand visibility is questioned. Information on media coverage reveals the extent of the exposure the brand receives but it does not disclose the effectiveness of the sponsorship deal as, according to the interviewee at Junkkari, the mere exposure does not guarantee that the message reaches the target group and gets across. Third, the case companies find it difficult to determine the impact of sponsorship on sales. As expressed by the interviewees at Junkkari and Jalas, the act of buying is a result of many elements, and hence, sales increases cannot be pinpointed explicitly to any sponsorship activity. On the other hand, the respondents at Valio, Battery, and Junkkari also recognize the difficulty in isolating the effects of sponsorship from other marketing activities. In other words, as companies engage in a range of marketing activities simultaneously with sponsorship in context of their international operations, its effects on sales are considered difficult to differentiate from the effects of other activities – particularly in the case of international, extensive sponsorship deals. This is the best described by the following quotation by Himanka (2011);

...if you measured sales increase, how would you know what one thing [caused it]; many different things are done in a company and sponsorship is one thing, and company image is of course constantly tried to be developed by other marketing and other things, so of which all parts is the build-up of sales eventually a sum of...¹¹

However, if sales take place at the sponsored event, or if for instance a product launch is built around the sponsored property, or the sponsorship target is extensively displayed in advertising, the direct sales effects can be obvious as identified by the interviewees at Valio and Jalas.

In addition, measuring the outcomes of sponsorship requires a lot of time, work and money, and thus it takes up resources. Especially the firms which are small or medium in size – Junkkari, Battery, and Kemppi – state that as their sponsorship investments are comparatively small, it is not worth to measure the effects closer because the money

¹¹ Original quote in Finnish: "...jos mittais jotain myynnin lisäämistä niin mistä sen tietää, että minkä yksittäisen asian [seuraus se on]; yrityksessä tehdään paljon eri asioita ja sponsorointi on yks asia ja kaikella muulla omalla markkinoinnilla ja muulla yritetään tietysti koko ajan sitä yrityskuvaa kehittää, niin minkä kaikkien niinkun osa-alueitten summa se sit lopuksi on joku myynnin kehittyminen...".

used for that would be disproportionately large compared to the investment in the deal. According to the respondent at Junkkari, the firm first considered the ski jumping sponsorship – its first international sponsorship arrangement – as an experiment to see how the target group would react to it, and therefore did not feel pressured to measure the activity in much detail.

Other reasons given for the lack of rigorous evaluation of the success of international sports sponsorship relate to the ‘character’ of sponsorship as a marketing activity and the sponsoring brand. As Tuovio (2011) states;

...part of marketing is very technical and mechanic and in that case these well-measurable media are talked about, but then part is something that is done with feeling and sponsorship is what is done with feeling.¹²

On the other hand, a detailed evaluation of sponsorship could even go against the image of a brand. As expressed by the interviewee at Battery, the image of the brand does not fundamentally incorporate analytic measuring but it rather includes an element of fun and should not be taken too seriously.

To a great extent, all case companies seem to rely on their own experience, feeling, and common sense when evaluating the effectiveness of their international sponsorship activities, and the limited use of more ‘sophisticated’ evaluation methods seems not to bother them. A quotation from Tuovio (2011) summarizes it well;

We do it [sponsorship] but we don’t know what it means...what we get from the sponsorship...we feel it is important and it is just done with own confidence and vision.¹³

4.2.5 Factors impacting effectiveness of international sponsorship

Even if there is no hard-fact evidence about their impact or the accrued benefits as portrayed in the previous section, the firms across the board report that their

¹² Original quote in Finnish: “...osa markkinointia on hirveen teknistä ja tämmöstä mekaanista ja silloin puhutaan näistä hyvin mitattavista medioista mutta sitten osa on tällasta mitä tehdään fiiliksellä ja sponsorointi on sitä mitä tehään fiiliksellä.”

¹³ Original quote in Finnish: ”Sitä me tehdään mut me ei tiedetä mitä se tarkoittaa... mitä me saadaan siitä sponsoroinnista...meistä tuntuu, ett’ se on tärkeätä, ett’ sitä vaan tehään sit omalla luottamuksella ja näkemyksellä.”

international sponsorship activities have been profitable investments resulting in positive effects particularly on the recognition and image of the companies abroad. It seems that the benefits firms gain from sponsorship cannot be simply assigned a monetary value. Some interviewees state that the feeling that the sponsorship is successful has its roots in a well-functioning collaboration with the sponsored property (Taivalmäki, 2011; Vidgrén, 2011); some say it derives from the positive feedback from the target audience (Himanka, 2011; Jokisalo, 2011). Additionally, the better than expected international success of the sponsored athlete as well as his/her character and personality seem to have a positive impact on how effective the sponsorship is felt to be as expressed by the interviewee at Ponsse. Kemppi and Jalas also emphasize the importance of the length of the sponsorship deal; the longer the cooperation has been, the more effective is the sponsorship deemed to be. By the same token, Ramirent which sponsored the annually organized IIHF World Championships but only once consider the involvement having been too short for the sponsorship to result in immense effectiveness.

As can be detected from the previous paragraph, numerous factors may have an effect on the sponsorship target selection and eventually on the perceived effectiveness of sponsorship. These factors are discussed in more detail below.

4.2.5.1 Interests of target audience

When selecting the sponsorship target, the interests of their target groups are taken into consideration by all case firms, and such property is chosen to be sponsored which creates natural interest within target groups and is meaningful to them. All case companies primarily target their international sponsorship at their customers – either consumers or other end users of their products, or intermediaries. According to four interviewees, their companies' sponsorship activities have more than one customer target group. Valio directs its sponsorship activities mainly to consumers but tries to influence its customers too, whereas in terms of its F1 sponsorship, the opposite was true for Battery; the F1 sponsorship was primarily directed to Battery's international distributors while its local sponsorship activity is designed to target consumers. Kemppi and Junkkari target both the end users of their products as well as their dealer networks.

Kemppi also tries to impact the persons making purchasing decisions in key customer organizations by utilizing sponsorship. Another target audience of sponsorship for the case companies is the company employees as identified by the interviewees at Junkkari, Kemppi, and Ponsse.

The interviewees at Jalas, Kemppi, and Ramirent describe their industries as traditionally male-dominant and cite it as the main factor behind their decision to sponsor either different kinds of motor sports or ice hockey. The companies have come to the conclusion that these sports are among the most interesting to this target group, and if not all, at least the majority of people belonging to the target group follow them. On the other hand, Ponsse explains its decision to be involved in motor sports and athletics by the background of its customers of whom the absolute majority lives in the countryside and are interested in traditional sports. Likewise, Valio, which has children and the youth as its main target group, sponsors athletes like Kiira Korpi and events such as the European Athletics Championships which are of interest to this particular audience and which they follow and take part in. Battery sponsors sports properties its target audience can directly identify with and feel fellowship with, for instance snowboarders.

4.2.5.2 Fit between company or brand and sponsorship target

In general, it can be concluded that the interviewed companies consider a clear link between the firm and sponsored property an important determinant of the effectiveness of the sponsorship activity and the benefits gained from it. Establishing the link seems to be particularly important in context of major international sponsorship arrangements whose fundamental objective is to reap commercial benefits. As a result, all case companies seem to put quite a bit of time and effort into planning of the type and depth of the congruence that should be found between the sponsorship target and the organization. For instance, Jalas and Ramirent which are currently designing their new international sponsorship programs clearly communicate the importance of finding such sponsorship targets which can be regarded as congruent with them. On the other hand, only a few examples can be found of the explicit communication of the existing link between the company and sponsored property to target audience; the widespread

sentiment seems to be that the link is so evident that the target audience comprehends it without additional clarification. As for the examples, Kemppi and Valio have printed posters which clearly portray the commonalities between the sponsorship targets and their businesses (F1/Kemppi; Kiira Korpi/Valio). In addition, as previously mentioned, Kemppi placed promotional tags on those welding machines at points-of-sale which were used by the F1 team it sponsored.

At times, the link between the two parties of the sponsorship arrangement can stem from the natural relationship the two share, namely the product of the company is utilized by the sponsorship target. The interviewees at Battery, Jalas, and Kemppi made an explicit remark about this direct link between their products and the targets of their sponsorship. According to them, the fact that the sponsorship target uses the product of the company not only makes the product credible in the eyes of the end user but it also makes the selection of whom to sponsor easier than if there was no such link between the two.

Nevertheless, in most cases such functional link described above is not present between the sponsoring firm and sponsorship target but the congruence should be found in the attributes the sponsored athlete, team, or alike is associated with in the minds of the target audience and their congruence with the sponsoring firm or its brand. Even though all case companies put effort into establishing this image related link, some firms seem to do it more extensively than others. A good example is provided by Kemppi which has explicitly built its sponsorship of motor sports around the inherent characteristics shared by its product offering and the sport – handwork, construction, high-tech, digitality, as well as continuous improvement and development. As explained in the customer magazine of the company (Kemppi, 2007, 10);

It just seems that welding and motor sports go naturally hand in hand. ... Both require raw strength but also surgical precision. In both, even small miscalculations can cause total failure. In both, unskillfulness or an equipment error can lead to serious danger. Maybe that is why motor sport sponsorship is very fitting for a welding equipment manufacturer.

In addition, in order to increase the congruence, Kemppi chose to sponsor such F1 team which has orange as its main color similarly to the firm. Ramirent, on the other hand,

has specified certain sponsorship attributes for its brand in its new group-wide sponsorship policy which derive from its brand values and principles thus stemming from the corporate strategy. These attributes should direct the selection of sponsorship targets both on the group-level as well as in each foreign subsidiary in terms of each sponsorship target having to fit these attributes. For instance, team spirit is an important characteristic of the firm and accordingly, Ramirent prefers team sports to individual athletes as the sponsorship target. Similarly, Battery has established clear brand characteristics including technology, power, and effectiveness, and such sponsorship target is looked for which reflects similar characteristics, hence strengthening the image and profile of the brand.

4.2.5.3 Success of sponsorship target

A yet another factor having an influence on the selection of the sponsorship target is the level of visibility the sponsored property attracts for instance in the media. Accomplishments often lead to more visibility and therefore, according to the interviewees at Junkkari and Ponsse, the success of the sponsored property is a factor in deciding who or what to sponsor. It is obvious that especially in the international context where competition is fierce both in terms of sports and business, the sponsored property is required to achieve some success for the sponsorship and the sponsoring firm to gain visibility.

According to the interviewee at Junkkari, success is a fundamental part of sports, and if their favorite athlete or team has no success, or if the sporting event is of poor quality, people's excitement fades and they are not interested to actively follow the sport anymore. On the contrary, the sports in which success is achieved become more interesting in the eyes of the public. Moreover, as Himanka (2011) expresses; "...how much publicity you get always ultimately depends on the sports performance and success"¹⁴. For example, oftentimes only the best performing athletes or teams are shown in the broadcasts of international competitions and as a result, the visibility the

¹⁴ Original quote in Finnish: "...aina riippuu tietysti viime kädessä sitten siitä urheilumenestyksestä ja muusta, ett' kuin paljon sitä julkisuutta tulee."

sponsor receives is directly dependent on the success of the sponsored property. Hence, according to the interviewee at Ponsse, on the international level it is important to sponsor sports properties which have a chance of success. Nevertheless, as both the interviewees state, as the final success of the sponsored property is always one of the mysteries of sports sponsorship, the sponsor should exploit the sponsorship deal in other contexts and make it visible to the target audience through other means (e.g. supportive marketing communications).

4.2.5.4 International operational environment

All case organizations identify some challenges related to the practice of sponsorship in the international environment. The selection of the sponsored property is considered challenging in the international setting – maybe more so than in the domestic context. The case firms of all kinds find it problematic to exactly identify what the optimal sport to sponsor internationally is as, according to the interviewee at Valio, there are differences in the popularity of certain sports between countries and sport often involves some level of nationalism. In fact, “it is of course impossible to find such sport which would be popular in all places”¹⁵, as Jokisalo (2011) expresses. In point of fact, the reason why Valio has not fully exploited its internationally visible sponsorship targets, namely Kiira Korpi and the Finnish Alpine Ski Team, is the concern that these sponsorship targets would not be relevant in other markets outside Finland. Consequently, according to Ponsse and Junkkari, in order for the sponsorship to be interesting and provide experiences for the target group abroad, it needs to be decided carefully what to sponsor. If the sport is not known or followed by the target audience, the sponsorship washes over them even if it is highlighted for instance in the company’s other marketing communications.

On the other hand, the interviewee at Ponsse underlines the importance of the market being ready for sponsorship before engaging in any major local sponsorship, and thus each market should be assessed separately if sponsorship is the correct instrument to use. As Ponsse employs sponsorship to communicate its commitment to deliver quality

¹⁵ Original quote in Finnish: ”Että semmosta lajia ei tietenkään voikaan löytää, mikä ois ihan joka paikassa [suosittu].”

products best in the industry, credibility is vital in everything the company does, and therefore the basics (e.g. quality product, service, spare parts, employees) should be well-established before any significant sponsorship takes place. Thus, careful consideration is required in the overseas markets to determine if the return from the sponsorship is worth the investment in terms of the size of the market and customers, or if it would be more realistic and beneficial to invest the money in something else. The interviewee at Valio expresses similar sentiments by stating that the size of the subsidiary and the market situation may have an impact on the willingness of the subsidiary to allocate resources to sponsorship; some subsidiaries may consider other methods of marketing more important and more effective than sponsorship due to local market conditions. Similarly, according to the respondent at Jalas, the number of competitors may have an influence on the success of sponsorship in overseas markets. If the marketplace is crowded, it is more difficult to differentiate from competitors through the means of sponsorship.

In case of both international and local deals, the interviewed persons emphasize the vital role of the local actor in the final success of the sponsorship. The shared sentiment is that no matter if the local actor is a subsidiary, sales office, or distributor, the local activity level is dependent on the excitement and engagement of the people in charge of the business there; some things can be initiated at headquarters but all implementation, including the activation and engagement of the local dealer network, can only be done by the local representative. Therefore, the exploitation of international sponsorship deals requires the commitment of the local actor. According to the interviewees at Junkkari, Kemppe, and Ramirent, campaign material can be prepared at headquarters but the execution depends on the local player, also because controlling sponsorship abroad from the headquarters is difficult as expressed by the respondents at Jalas and Battery. Hence, engaging the local representatives is of utmost importance to the success of international sponsorship deals. Nevertheless, as reported by the interviewees at Ramirent and Valio, sometimes the lack of resources in terms of money, time, and know-how in the foreign subsidiary, as well as the structure of the organization and level of cooperation between the headquarters and subsidiaries may prove problematic and result in the international sponsorship deal not being exploited to the maximum.

Moreover, the high prices paid for international sponsorship deals are something the case organizations have to deal with. As the signs of the recent recession are still visible, Ramirent is currently more active in local, country-level sponsorship activities than international sponsorship deals because of the smaller investments they require. On the other hand, Battery decided to select its distributors and not consumers as the main target audience of its F1 sponsorship because, as Tuovio (2011) explains,

...our investments are not big enough to gain concrete visibility in Formula One; you have to have a vastly bigger product to afford to invest in it because sponsorship in that sport in a visible way costs enormous amounts of money. And in order to exploit it in such way that you get something more out of it than just visibility in context of the competition, it would require double the money.¹⁶

On the other hand, the large investments involved in international sponsorship deals may be problematic also from another point of view as portrayed by the interviewee at Kemppe. According to Jokisalo (2011), being visibly involved in an international sport like the F1 may result in negative side effects as some consider the activity to be extremely expensive and criticize that so much money is spent on it. Therefore, finding the balance between the investment in international sponsorship activities and the 'acceptable' level of visibility may be a challenge of international sponsorship for companies.

4.2.5.5 Risks related to sponsoring sports

Risks related to sponsoring sports are identified by the case companies as potentially having an influence on the effectiveness of sports sponsorship. It is realized that anything can happen quickly in the field of sports and that risks are inherent in all sports; nevertheless, the firms do not seem overly apprehensive about the risks. The general sentiment among the firms is that sports sponsorship always involves risk and if

¹⁶ Original quote in Finnish: "...meiän panokset ei riitä formula ykkösessä sellaseen konkreettiseen näkyvyyteen, että siinä pitää olla niinkun huimasti isompi tuote, ett' olis varaa panostaa siihen, koska se pelkästään...sponsorointi siihen lajiin niin, ett' se näkyy ne summat on huimia. Ja jotta sitä sitten saadaan hyödynnettyä niin, ett' siitä on jotain muutakin hyötyä kuin ett' se vaan näkyy niissä kisoissa ja siinä yhteydessä niin se vaatis toisen mokoman rahaa."

sponsorship is not done with careful consideration, it might result in negative consequences. As Björklund (2011) explains;

It is in one sense similar to any other business; you need to assess the risks, when I do an investment like this what the risks are, and what if they realize, what will be done then, and if this is worth taking the risk...¹⁷

However, as stated by the interviewees at Valio, Battery, Kemppi, and Junkkari, by carefully selecting the sponsorship target, it is possible to minimize risk.

According to the interviewees, among possible threats to sports sponsorship are injuries which may lead to an abrupt end of an athlete's career (Janzon, 2011; Jokisalo, 2011); scandals to which the sponsored property is connected to in the press (Björklund, 2011; Jokisalo, 2011); mistakes done in free time (Taivalmäki, 2011; Tuovio, 2011); the use of prohibited substances (Björklund, 2011; Himanka, 2011; Tuovio, 2011; Vidgrén, 2011); and the lack of success (Himanka, 2011; Jokisalo, 2011) – on the other hand, as identified by Jokisalo (2011) and Vidgrén (2011), success may also be better than expected. The realization of these risks may have some consequences as identified by the respondents at Valio and Ramirent based on the experiences of their companies; a firm may withdraw from sponsoring top-athletes, temporarily or for good, or it may choose to put emphasis on the sponsorship of team sports instead of individual athletes.

¹⁷ “Sehän on niinkun tavallaan missä muussakin tahansa liiketoiminnassa, että sun pitää arvioida riskit, kun mä teen tällasen investoinnin, mitkä on ne riskit ja mitä jos ne realisoituu, miten sitten toimitaan ja onko tämä sen riskinottamisen arvoista...”

5 DISCUSSION AND ANALYSIS

This chapter discusses the main findings of this research and links them to the reviewed literature. The purpose of this study was to examine how sports sponsorship is effectively utilizable as a marketing communications tool in context of companies' international operations. The literature review presented an overview of the different factors international sports sponsorship can be considered to be made up of, and based on the literature review, a theoretical framework was proposed. In this chapter, then, the findings of the multiple case study presented in the preceding chapter are examined in relation to the reviewed literature and proposed theoretical framework. This chapter is structured as follows. The basis on which international sports sponsorship is built as well as its strategic status are first discussed. Then, the international sports sponsorship process is looked into, particularly from the point of view of objective setting, sponsorship exploitation, and sponsorship evaluation. Finally, the factors affecting the target selection and outcome of sponsorship are covered.

5.1 Starting point of international sports sponsorship

All case organizations utilize international sports sponsorship. Based on the prevalent discussion on standardization vs. adaptation of marketing communications (Cavusgil & Zou, 1994; Levitt, 1983; Van Raaij, 1997) as explicated in the literature review and proposed in the theoretical framework, the practice of international sponsorship can be regarded as translating to two types of sponsorship activities; international sponsorship deals which entail sponsoring such sports properties which offer simultaneous visibility in various countries, and local sponsorship deals which are restricted to individual overseas markets in terms of the visibility they provide. This theoretical proposition seems to have value in practice as well, as the case companies' international sponsorship activity is structured around international deals, which all firms have, as well as local deals in which the firms are engaged through their foreign subsidiaries or distributors except for Junkkari which only has local sponsorship activities in the domestic market. This finding suggests that sports sponsorship is utilizable internationally by different kinds of companies which diverge in terms of their size, level of international involvement, and customer segments. Nevertheless, the fact that

finding small firms active in international sponsorship proved difficult in the early phases of the empirical research may partly support the arguments made by Mack (1999) and Webb and Carter (2001) about companies of smaller size mainly being engaged in local sponsorship in their near surroundings.

The literature suggests that for the sponsorship activity to succeed – particularly in the long-term – it should derive from the corporate and marketing strategies of a company (Fahy *et al.*, 2004; Papadimitriou *et al.*, 2008; Valanko, 2009). This seems to be the case in context of the case firms. The empirical findings propose that a variety of strategic goals relating to international operations may be aimed to be achieved through the employment of sports sponsorship. First, the organizations whose international operations comprise exports (Jalas, Junkkari, Battery) were found to employ sponsorship to support and add momentum to their exports; more specifically, for Battery the goal of the F1 sponsorship was to strengthen the international distribution network of the brand, and similarly, Junkkari aims to become its dealers' preferred brand in the markets where it is already established with the help of the current ski jumping sponsorship and the opportunities it provides for creating relations with the dealers. Second, the operations of subsidiaries in different foreign markets may be supported by the use of international sponsorship as portrayed by Ramirent. Third, sponsorship may be used to unify the organization under one brand as Ramirent aimed to do through the sponsorship of the IIHF World Championships; as the company has internationalized through acquisitions in addition to organic growth, there has been a need to create uniformity between the different parts of the organization. Fourth, Kemppi was found to having benefited from sponsorship particularly when expanding to new markets. The last point is similar to extant literature according to which sponsorship may be employed as an element of a company's expansion strategy to new markets (Pickton & Broderick, 2001).

The case companies, except for Battery and Ramirent, regardless of their size and level of international involvement, seem to emphasize their major international and nationally visible sponsorship activities instead of local deals. Across the board, international sponsorship deals are considered interaction and cooperation with the sponsored

properties, which should result in benefits for both parties – of commercial nature for the firm. This view can be considered analogous with the definitions given for sponsorship in the literature (e.g. Abratt & Grobler, 1989; Alaja & Forssell, 2004; Meenaghan, 1983). In contrast, small local deals are often considered a sign of goodwill with no expectations of commercial return as reported by Junkkari, Kemppe, Ponsse, and Valio. The emphasis put on international sponsorship deals is probably at least partly a result of the large investments they require and the resulting need to focus due to resource constraints of these relatively small case companies (Gardner & Shuman, 1988; Webb & Carter, 2001). One reason for the importance of local sponsorship activities in Ramirent's foreign subsidiary markets could be the fact that the current subsidiaries (some of them obtained through acquisitions) active in sponsorship might have a history of allocating money to sponsorship resulting in know-how as well as willingness to invest in it. On the other hand, Battery's foreign distributors are individual businesses allowed to make marketing communications investments independently resulting in commercially important sponsorship activities locally as well. However, Ramirent has sponsorship principles and Battery a brand manual in use, which ensures consistency between markets. In general, the focus on main partnerships as reported by case companies of all sizes (Junkkari, Jalas, Kemppe, Ponsse, Valio) is congruent with the literature which suggests that nowadays companies are moving towards forming in-depth relationships with a limited number of sponsorship targets based on their own needs (Meenaghan, 1998b; Valanko, 2009), and implies that from the company's point of view, the best outcome of the sponsorship activity is achievable when the main deals are concentrated on instead of dividing the resources to too many directions.

The fact that the researched organizations have an apparently strategic basis for their international sponsorship deals – the larger organizations even have written sponsorship guidelines (Battery, Valio, Ramirent) or a board decision about sponsorship targets (Kemppe) – seems to somewhat contradict the claim made by Valanko (2009), according to whom most Finnish companies do not regard sponsorship as a strategic investment. This divergence may be partly explainable by the considerably larger resource commitments required for internationally visible sponsorship deals compared

to domestic sponsorship activities and the resulting need to plan and execute them more carefully to ensure return on investment. When it comes to local sponsorship activities in Finland or abroad, strategic importance is seemingly mainly attached to national-level sponsorship activities and not to more local deals which often fall under patronage as explained above. Therefore, Valanko's (2009) argument about the lack of strategic planning behind the sponsorship activity of Finnish companies cannot be completely overlooked.

5.2 International sports sponsorship process

According to the literature, setting objectives is among the first steps to a successful sponsorship activity. Predetermined objectives enable the selection of most appropriate sponsorship targets, the exploitation of the sponsorship, as well as the evaluation of its outcomes (Apostolopoulou & Papadimitriou, 2004; Marshall & Cook, 1992). The case companies seem to strongly agree with the literature on the importance of setting objectives in the success of the sponsorship activity. Nevertheless, setting precise quantitative goals is generally not done – only Valio as a relatively large company reported having them – even in the case of major international sponsorship deals; this is reported to be the case in most sponsorship activity (Javalgi *et al.*, 1994). However, less quantitative goals and objectives for major international and national deals are proactively considered by all case companies whereas smaller local sponsorship activities do not always seem to have predetermined objectives.

As suggested in the literature and found out in the empirical research, sponsorship is utilizable to reach a range of objectives, both marketing and corporate communications objectives (e.g. Apostolopoulou & Papadimitriou, 2004; Cornwell & Maignan, 1998; De Pelsmacker *et al.*, 2007). The objectives the case companies set for their international sponsorship activities, as identified on the basis of the empirical research, are partly identical to the objectives presented in the literature – but some differences are also evident. Most importantly, making such clear distinction between marketing and corporate objectives found in the literature is not practical in context of the present study; the objectives the case organizations set for their international sponsorship activities seem to be more clearly dividable to objectives set for international deals

visible across markets and local deals relevant to individual countries – which may be rather self-explanatory due to the scope of the present study. It seems that international sponsorship deals are entered to achieve both marketing and corporate communications objectives whereas locally the goal is more often to satisfy corporate communications objectives. One potential explanation for this may be the larger investments made in international sponsorship deals resulting in more stringent requirements of return on investment, i.e. the achievement of marketing communications goals. Interestingly, numerous case companies put emphasis on one such set of objectives which are not highlighted in the literature, namely the credibility related objectives. Entering sponsorship arrangements simultaneously visible in numerous countries as a rather small company originating in a small North European country is considered to portray the company as a significant player in its own industry and lead to benefits in context of international operations. Ramirent, Ponsse, and Junkkari – all B2B firms but of different sizes and with different levels of international involvement – have the gaining of credibility as a goal for their international sponsorship activities. Additionally, both B2C and B2B companies may seek credibility for their products through the employment of sponsorship; Jalas and Battery as B2C firms and Kemppe as a B2B company report having that as one of their objectives of sponsorship. Also, on the contrary to the literature where a shift from awareness related objectives to commercial sales related objectives has been reported (Crompton, 2004), even if in the background of all case organizations' major international sponsorship deals, setting quantitative goals – and particularly measuring the outcome – in terms of sales increases is identified difficult by each firm.

In line with the literature (e.g. Cornwell & Maignan, 1998), the empirical findings imply that the extent of the exploitation of international sponsorship deals is the decisive factor in their final success. All case companies deem sole logo visibility not effective but focusing on the main sponsorship deals – as discussed above – and exploiting them to the maximum is considered beneficial. This finding could reflect the quite small size of the researched firms compared to large multinationals and thus possible resource constraints and also the increasingly strategic role that sponsorship plays in the companies' marketing. Multiple methods are recognized in the literature as

possible ways to leverage the sponsorship activities, among the most popular nowadays being traditional advertising, internal communications, and hospitality (Weeks *et al.*, 2008). Nonetheless, as found out in the empirical research, instead of traditional advertising which B2C companies Valio and Jalas and B2B firms Ponsse and Kemppi only employ domestically to leverage their sponsorship investments, the Internet is more extensively made use of as a way to internationally exploit sponsorship deals. As it provides opportunities for cost-effectively reaching people around the world, the Internet is a channel which Battery already now extensively uses to support its sponsorship deals, with other companies also having sponsorship related presence on the Internet. It is obvious that the Internet may be a more important channel for consumer goods brands than for B2B companies because of its ability to reach a wide audience; Valio is also looking into the possibility of the Internet playing a larger role in the leverage of sponsorship in the future. However, to support their sponsorship deals, also B2B firms may utilize the Internet; for instance Ponsse has plans to potentially invest more in its use. Hospitality events organized for customers are also highlighted by all researched companies as a viable means to make use of international sponsorship deals, and internal communications at least in terms of stories in customer and employee magazines are used in some organizations. In addition to these rather traditional methods of leveraging sponsorship, the importance of continuously creating new, imaginative ways of exploiting sponsorship in order to receive maximum benefit from it is recognized. Particularly Junkkari, the smallest of the case companies, emphasizes its importance. This may at least partly derive from the small size of the company; having only limited resources to invest in marketing results in the need to develop creative ways of actions to differentiate from competition.

As identified in the literature, in order to effectively utilize international sponsorship and to determine its ultimate impact, its outcomes should be evaluated (Aaker & Joachimsthaler, 2000). Crompton (2004) argues that sponsors are becoming increasingly interested in evaluating and measuring the effectiveness of their sponsorship activities; more thorough evaluation processes are implemented and more strict returns on investment are required. This claim seems to find partial support from the empirical findings of this study which suggest that both small and large companies

consider the justification and monitoring of their sponsorship investments – especially the large, international ones – important, but at the same time none of the case firms currently employs systematic and comprehensive methods to evaluate the outcomes of their sponsorship activities. Earlier studies report of similar findings (e.g. Crompton, 2004; McDonald, 1991). It seems apparent that there is still a lack of extensive measuring of the outcomes of sponsorship. However, Valio and Ramirent report putting emphasis on more detailed measuring of sponsorship results in the near future. Both of these firms are large in size which may depict the facts that evaluating the outcomes of sponsorship requires resources and that bigger companies have adopted a more formalized way of employing sponsorship as an instrument of marketing communications, which is hardly unexpected. In general, the reasons for the case organizations not to carry out comprehensive evaluation correspond to large extent to the reasons presented in the literature (e.g. Amis *et al.*, 1999; Stotlar, 2004; Walliser, 2003). Evaluating the outcomes is considered difficult and it often requires complex processes. For instance, all companies identify difficulties in the detailed measuring of sponsorship effects on awareness, image, and sales. Also, as mentioned above, measuring takes up resources and sometimes produces indefinite results.

The literature suggests that various measures should be employed in combination to comprehensively evaluate the effectiveness of sponsorship (Tripodi *et al.*, 2003; Valanko, 2009) and four potential measures are documented in the reviewed literature; media exposure measures, communications effects measures, sales and market share measures, and collection of feedback (Cornwell & Maignan, 1998; De Pelsmacker *et al.*, 2007). Of these methods, the case companies mostly make use of the feedback collected from the target audiences of their sponsorship activities; Junkkari, Kemppi, Ramirent, Jalas, and Valio request feedback, either written or oral, or in the form of a customer satisfaction survey (Ramirent) or both (Junkkari). As customers and employees belong to the audiences the case firms mostly target their sponsorship at, the feedback method is warranted (Stotlar, 2004). On the other hand, the importance of feedback in evaluating the success of sponsorship and the lack of more ‘sophisticated’ measures may stem from the facts that the case organizations are relatively small, especially in comparison to large multinationals, and only have a limited amount of

resources at their disposal; the feedback method is relatively easy as sponsorship is widely exploited through stakeholder events; and sponsorship is not rated as the most important element of the case firms' international marketing communications as clearly indicated by all companies except for Jalas, thus resulting in the willingness to allocate more resources to the use of other marketing communications instruments. Furthermore, much of the evaluation of the outcomes of sponsorship is done through experience, feeling, and common sense, especially by the companies of small and medium-size. In particular, when evaluating those effects of sponsorship which are indirect and tacit and hence extremely difficult to measure, the importance of previous experience and gut feeling seems to increase. In a way, this might be problematic as the investments made in international sports sponsorship are substantial and to receive an adequate return on those investments is important; therefore, relying extensively on experience or feeling, as important as they are, may entail unnecessary risk.

Even without comprehensively measuring their actual impacts, all case firms are satisfied with their international sports sponsorship activities. In the literature, it is suggested that sponsorship is effective when its outcomes meet the objectives set for it (Stotlar, 2004). The empirical findings imply that this theoretical argument may be valid in practice as well; all case companies report having reaped benefits from their involvement in international sports sponsorship and the objectives they have set for the activity seem to be fulfilled.

5.3 Factors impacting target selection and outcome of international sports sponsorship

Similarly to the literature, the empirical research suggests that some factors should be taken into consideration when selecting the target of international sports sponsorship; how well these factors are accommodated to may have an influence on the outcome of sponsorship. First, all case firms highlight the importance of sponsoring such sports properties which are meaningful to the companies' target groups and create interest among them. In other words, this finding seems to suggest that for international sponsorship to provide experiences to target audiences and thus lead to positive outcomes, such sponsorship targets should be selected which are of interest to target

groups. This is also put emphasis on in the literature (Gardner & Shuman, 1988; Sneath *et al.*, 2005). As to the target groups of international sponsorship, the case organizations tend to adapt quite a limited perspective compared to the view proposed in the literature. All case companies target their international sponsorship activities at their customers – end users or intermediaries – and additionally, Ponsse, Kemppi, and Junkkari – all somewhat unfamiliar industrial firms to the general public having nearly all their manufacturing taking place in Finland – highlight their current and future employees as a target group. Nevertheless, in the literature multiple other potential target audiences for international sponsorship are identified as well, including local people and decision-makers when establishing operations in a new overseas market (Crowley, 1991; Tuori, 1995; Valanko, 2009). A possible reason for the exploitation of sponsorship amongst a limited number of target groups may be scarce resources or even a rather narrow view on the opportunities sponsorship may provide in terms influencing stakeholders.

Second, as identified in the literature and shown in the empirical research, for the sponsorship to be effective and for the response gotten to the sponsorship from the target audience to be positive, such property should be chosen to be sponsored which is congruent with the sponsoring company or its brand (e.g. Crimmins & Horn, 1996; Johar & Pham, 1999; Speed & Thompson, 2000). In line with the literature, it seems the fit between the two parties can either be functional or image related (Gwinner, 1997); the products of Jalas, Battery, and Kemppi are utilized by the sponsored property forming a natural relationship between the parties, and in other cases the fit is based on the image of the parties. Even if all case organizations put quite a bit of effort into finding such sports properties to sponsor with whom the target audience would find the company congruent, the explicit communication of this link – which according to the literature may further strengthen the effects of sponsorship (e.g. Dardis, 2009) – seems not to be emphasized aside for a few examples provided by Valio and Kemppi.

Third, in the literature it is suggested that the utilization of sports sponsorship entails some risks which should be taken into account (Valanko, 2009). This claim gains support from the empirical research as all case organizations identify multiple risks related to the sponsorship of sports. However, it seems that by carefully assessing the

characteristics of possible sponsorship targets and by choosing such property to sponsor which is deemed low in risk, it is possible to reduce risk. This is emphasized by Battery, Valio, Kemppe, and Junkkari – companies of different sizes and with different levels of international involvement and customer segments. It is noteworthy, nevertheless, that sometimes risk may realize potentially having an effect on the outcome of the sponsorship activity (Valanko, 2009), which both Ramirent and Valio have experienced in context of their previous international sponsorship activities.

Fourth, the needs and operational environments of local markets are also identified in the literature as factors to consider when planning international sports sponsorship; basically, the question is if sponsorship should be employed as a marketing communications tool in all foreign markets the company is active in (Walliser, 2003) and how it should be used (Gwinner, 1997; Valanko, 2009). Both these considerations seem relevant judged on the basis of the empirical research. On the one hand, as identified by Junkkari, Kemppe, Ponsse, and Valio, it may require consideration to find such sport to sponsor which would be interesting, meaningful, and able to offer experiences to target groups in a number of countries and thus bring benefits to operations in multiple markets. In other words, the claim made in the literature about sports being a universal language (O'Sullivan & Murphy, 1998) with a potential to transcend cultural, lingual, and geographic boundaries (e.g. Meenaghan, 1998b; Miyazaki & Morgan, 2001) seems not to be fully supported by the empirical findings of this study. On the other hand, the relative effectiveness of sponsorship compared to other marketing communications instruments should be considered; as identified by Valio and Ponsse, in some markets the return from the employment of other tools may be larger due to local market conditions and the state of local operations for example in terms of the size of the subsidiary and the level of its development.

In terms of the major international sponsorship deals aimed at target groups in a variety of countries, the literature advocates the adaptation of the sponsorship exploitation, i.e. the methods used to leverage sponsorship, to local markets in order to better respond to local demands due to differing environments and needs (Valanko, 2009; Van Raaij, 1997). This view is supported by the empirical findings provided by Junkkari, Kemppe,

and Ramirent, which suggest that the locally designed exploitation of the sponsorship deal by foreign distributors or subsidiaries is considered more relevant in overseas markets as it better takes into account the local conditions, hence being relevant to local audiences and resulting in more positive outcomes. Additionally, as expressed by the consumer brands Jalas and Battery which are engaged in exports, the implementation of the different means to leverage sponsorship in overseas markets is difficult from the headquarters and local exploitation is thus required. Consequently, combined with the importance of exploitation in the outcome of a sponsorship activity as previously discussed, it seems that it is the local exploitation which may ultimately determine the success of an international sponsorship deal. However, as identified by Junkkari, Jalas, Kemppi, and Ramirent, often the initiative of the local representative to make use of the international sponsorship deal is lacking, thus requiring activation, engagement, and supportive actions from the headquarters. Additionally, the exploitation of international sponsorship also requires resources as identified in the literature (e.g. Meenaghan, 2001a), the lack of which Ramirent identifies as one reason for the sometimes limited exploitation of sponsorship in some of its overseas markets.

Fifth, in line with the literature which suggests a positive relationship between (Amis *et al.*, 1997; d'Astous & Bitz, 1995) the length of the sponsorship activity and its effectiveness, the empirical findings promote a long-term association with the sponsored property. Jalas, Kemppi, and Ponsse attribute the success of their sponsorship activities to the long-term collaboration they have had with the sponsored sports properties, whereas Ramirent considers its one-time involvement with the international sporting event it sponsored too short for any significant effects to take place.

An additional factor which may have an impact on the selection of the international sponsorship target as well as on the outcome of an international sponsorship activity is the performance of the sponsored property as identified by Ponsse and Junkkari. Even though not emphasized in the literature, this consideration seems quite obvious due to the companies' desire to gain wide visibility and raise awareness of their existence and the industries in which they operate through their international sponsorship deals; often the success of the sponsored sports property has a rather large influence on the amount

of visibility it gains for instance in terms of media coverage, hence implying that a successful sports property should be sponsored in the international context.

6 CONCLUSIONS

This chapter concludes the thesis and is organized as follows. First, the research is briefly summarized and the main findings are presented. Then, the theoretical contribution is discussed followed by an examination of the practical implications of the study for managers. Finally, the limitations of the study are outlined and some suggestions for further research endeavors are given.

6.1 Main findings

The aim of this research was to examine the utilization of sports sponsorship in context of companies' international operations. The purpose of this study was influenced by two claims made by multiple researchers; 1) sponsorship is a cost-effective and efficient promotional tool (Erdogan & Kitchen, 1998; Gardner & Shuman, 1988; Valanko, 2009) and 2) sports sponsorship has the potential to transcend cultural, lingual, and geographic boundaries (Meenaghan, 1991a; Meenaghan, 1998b; Miyazaki & Morgan, 2001; Quester & Thompson, 2001). However, research on the international aspect of sponsorship is limited, and for instance Cornwell (2008) and Walliser (2003) advocate the further study of the practice of sponsorship in the international context. To respond to this call, this research embarked to examine *how sports sponsorship is utilizable as a marketing communications tool in an effective manner in context of companies' international operations*. This research question was further divided into two supportive sub-questions; *what are the characteristics of sports sponsorship as a marketing communications tool* and *how is sponsorship utilizable in the international context?* The originality of this research can be examined from two perspectives; first, the focus of this research was on smaller firms instead of multinational corporations as opposed to the identified previous literature on somehow touching the topic of international sponsorship (Apostolopoulou & Papadimitriou, 2004; Miyazaki & Morgan, 2001) and second, in the Finnish context research seems to be lacking which would study the utilization of international sports sponsorship by Finnish firms.

The research questions were first addressed by conducting an extensive literature review to isolate the characteristics of effective international sports sponsorship. Then, in the

empirical part of the study, the characteristics were assessed through qualitative research applying a multiple case study design. Data from seven cases were included in the research. Within the cases, data collection was done through two separate but interlinked methods, namely semi-structured interviews with representatives of the case organizations and the collection of textual material. Textual data such as company websites, customer magazines, reports, and press releases were primarily used to triangulate the interview findings but also to learn more about the international sponsorship activities of the case companies, for example about their sponsorship targets, possible sponsorship principles, and the ways they leverage their sponsorship deals. The data were analyzed through qualitative data analysis methods. In the following, the main findings of this research are outlined.

Sports sponsorship was found to be utilizable as an effective instrument of international marketing communications by different kinds of companies varying in terms of their size, customer segment, level of international involvement, and offering (product/service). Additionally, companies of different kinds were found to employ international sports sponsorship in quite similar ways. Some noteworthy differences between types of firms may, however, be identified; for instance, the firms of large size seem somewhat more formalized in the way the effects of international sports sponsorship are measured, whereas the companies targeting their sponsorship activities also at their employees are all B2B firms with large manufacturing facilities.

As to the means, international sports sponsorship was found to be utilized in two ways; international sponsorship deals enable the gaining of simultaneous visibility across countries, and local sponsorship deals are employable in individual overseas markets. Sports sponsorship may assist the achievement of strategic objectives related to the fortifying of companies' international operations, either when internationalizing to new markets or strengthening presence in already established markets. For example, the findings suggest that exporting companies may use sports sponsorship to support the international distribution of their products – as Battery and Junkkari show – and a firm with foreign subsidiaries may employ it to create uniformity in the organization and simultaneously support the operations in all its markets as portrayed by Ramirent.

Focusing on the main partnerships and exploiting them to the maximum seems to be a way of utilizing international sports sponsorship deemed effective by many case companies of different sizes. Perhaps due to this fact, then, the same firms regard local sponsorship activities as support and patronage; nevertheless, as shown by the case of Ramirent, local sponsorship deals in foreign markets may be significant in size as well and international sponsorship may be employed to complement them.

International sports sponsorship may be utilized to achieve numerous objectives even though the setting of precise quantitative objectives seems to be difficult. The empirical findings imply that it is expedient to categorize the objectives into two groups; 1) objectives for major international sponsorship deals and 2) objectives for minor local sponsorship deals. International deals were found to be entered with the aim of achieving commercial objectives (Apostolopoulou & Papadimitriou, 2004), visibility and awareness objectives (Apostolopoulou & Papadimitriou, 2004; De Pelsmacker *et al.*, 2007), image and credibility objectives (Crompton, 2004), and stakeholder objectives (Cornwell & Maignan, 1998). Of these, objectives related to credibility are not emphasized in the extant literature focusing on larger companies, suggesting that sports sponsorship may provide particularly smaller firms with the opportunity to gain credibility internationally. Local objectives often seem to have a stronger focus on corporate than marketing communications objectives, including enhancing employer image in the domestic market and portraying social responsibility.

The empirical evidence suggests that it is possible to leverage international sports sponsorship investments in a multitude of ways and they are exploitable in multiple fronts. In fact, the sufficient exploitation of an international sports sponsorship deal is considered the central requirement for its success by all case companies. It seems that amongst the central factors restricting effective exploitation of a sponsorship deal are the creativity of the company and the willingness to allocate resources to it, not the size of the company or the customer segment it serves. The Internet and stakeholder events are identified as belonging to the most often employed methods of leveraging sponsorship; particularly from the international perspective, the Internet is considered to offer opportunities to reach people cost-effectively.

In order to utilize international sports sponsorship effectively, the literature advocates the view that the investment should be justified and its effects should be comprehensively measured. However, the empirical findings suggests that sponsorship can be deemed effective even if its outcomes are not rigorously measured but mainly evaluated based on experience, common sense, and gut feeling; all case companies consider their international sponsorship activities successful despite the lack of systematic measuring of their effects. Only the large companies, Ramirent and Valio, are moving towards formalized ways of measuring sponsorship results; Ramirent internationally across the group and Valio locally in Finland. A range of reasons are given for the lack of evaluation, many of which correspond to the explanations presented in previous research (e.g. Marshall & Cook, 1992; McDonald, 1991; Stotlar, 2004). Currently, it seems that of the methods identified in the literature to evaluate the outcomes of international sponsorship, collecting feedback from the target audience of the sponsorship is used the most often. As mentioned above, companies of all kinds seem content with the benefits they have reaped from their investments in international sponsorship activities relative to the objectives they have set for them. Particularly, awareness and image effects are cited.

To utilize international sports sponsorship effectively, some factors are to be taken into consideration when planning and implementing the sponsorship. These factors relate to the selection of the sponsorship target and outcome of the sponsorship activity, and are outlined in the following.

First, sponsorship may be utilized to provide the target group of the company with experiences and create relations with them; however, only such sponsorship is considered effective which the target group finds meaningful, and therefore the interests of the audience should be taken into account when selecting the sponsorship target (Gardner & Shuman, 1988). The empirical findings show that international sports sponsorship may be successfully targeted at least at the customers and employees of a company. The literature, however, portrays numerous other target groups of sponsorship as well (Alaja & Forssell, 2004). Nonetheless, it is noteworthy that international sponsorship might be chosen to be targeted at a different audience than local

sponsorship as shown by the case of Battery; due to the considerable resource requirements which the exploitation of the brand's international F1 sponsorship would have required in the consumer market, the sponsorship was directed to business customers.

Second, the case companies seem to put considerable effort into establishing a clear link with the international sports properties they sponsor. This suggests that the outcome of sponsorship is considered more positive if the sponsored property is congruent with the company or its brand in the minds of the target audience (e.g. Crimmins & Horn, 1996; Erdogan & Kitchen, 1998). In most cases, this fit is image-related but it may also be functional as portrayed by three case companies, including both B2C and B2B firms (Gwinner, 1997).

Third, the target selection should accommodate the risks related to sponsoring sports (Meenaghan, 1998a; Valanko, 2009). The empirical evidence suggests that if risks realize, they may potentially negatively impact the outcome of international sponsorship as well as cause some long-term effects on the entire sponsorship activity within the company as identified by the cases of Valio and Ramirent.

Fourth, the factors related to operating in the international context seem important as well. It should be considered what the right sport to sponsor is so that the sponsorship would be meaningful to target groups in different markets; all case companies put emphasis on the importance of providing their target groups with experiences through the means of sponsorship. Also, it seems important to consider if sponsorship is in the first place the marketing communications instrument which results in the best return on investment considering the local market conditions or if resources should be allocated to alternative tools. Additionally, the empirical findings imply that international sports sponsorship deals are effectively utilizable when their leverage and exploitation are designed locally in different overseas markets taking into account the local conditions, thus making them more relevant to local environments as well as more easily controllable (Valanko, 2009). Consequently, the local actors should be engaged in the activity and encouraged to take an active role in making use of the international sponsorship deals in the overseas markets.

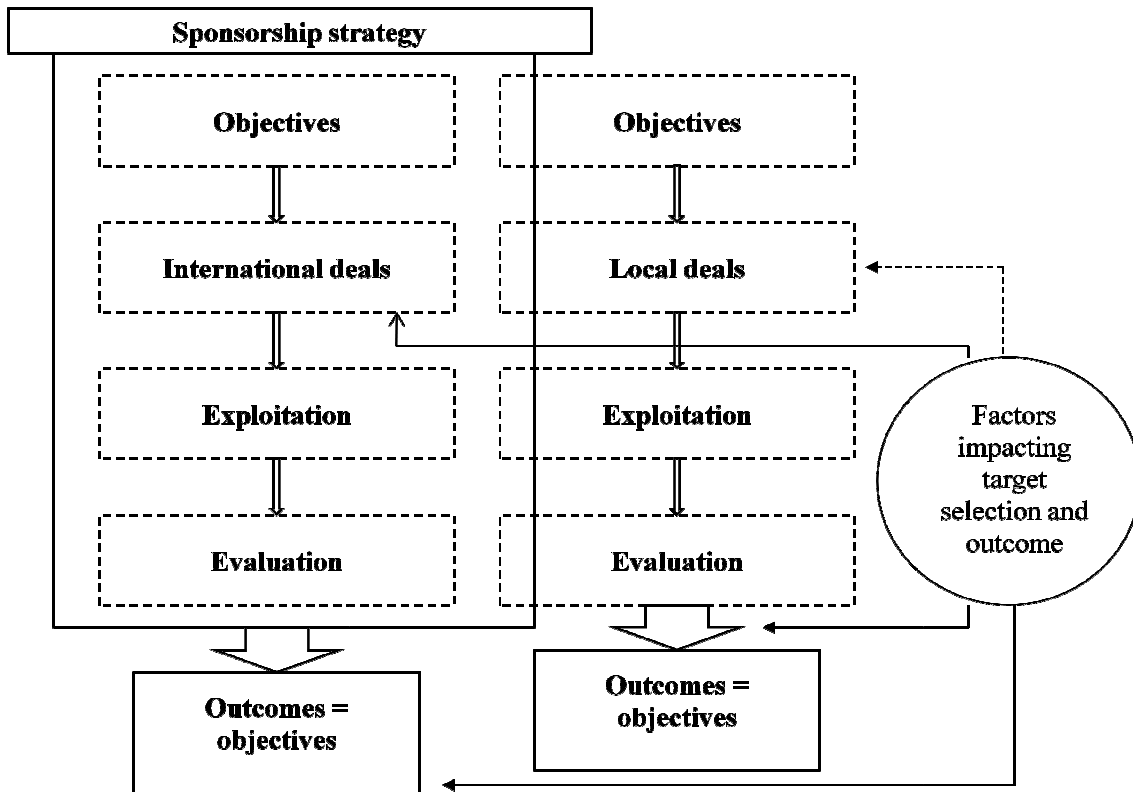
Fifth, the findings suggest that the length of the sponsorship involvement is a factor influencing the effectiveness of sponsorship. The findings imply that the longer the association with the sponsored property, the more successful the perceived outcome of the sponsorship activity (Amis *et al.*, 1997; d'Astous & Bitz, 1995).

Sixth, the empirical findings imply that the performance and level of success of the sponsored property in its respective sport may be an additional factor to take into consideration when selecting the sponsorship target; the success of the property is considered to result in more visibility for the sponsor in terms of media coverage, hence having a positive effect on the outcome of sponsorship. This factor is not highlighted in the literature.

6.2 Theoretical contribution

In this section, the theoretical framework proposed in section 2.3 is revisited. In the following, the revised theoretical framework is presented and the findings of the present study are discussed in relation to the theoretical discourse in sponsorship and marketing communications literature.

Figure 7. Revised framework of sports sponsorship as an international marketing communications tool



As Figure 7 depicts, the modifications made to the theoretical framework proposed in section 2.3 relate to the role of local sponsorship deals in the employment of sports sponsorship as a marketing communications tool in context of companies' international operations. Even though the empirical findings support the assumption made based on the literature about a company having two options when engaging in international sports sponsorship – 1) international sponsorship deals providing visibility simultaneously in a number of countries and 2) separate sponsorship deals locally in foreign markets – the strategic role of local sponsorship suggested in the theoretical framework (Fahy *et al.*, 2004) is not fully supported by the empirical evidence. As Figure 7 depicts, local sponsorship activities seem to derive from strategy and have commercial goals less often than international sponsorship deals; thus the position only partly under *sponsorship strategy* in Figure 7. It seems that for international sports sponsorship to be effective, focusing on the main strategic partnerships and exploiting them to the fullest (Meenaghan, 1998b) may be important, resulting in local sponsorship often being only

about patronage and the support of local sports. In terms of international sponsorship deals, the findings seem to support the argument about the central role of sponsorship deriving from the corporate and marketing strategies of a company in its effectiveness (Fahy *et al.*, 2004; Valanko, 2009).

The empirical findings imply that the sponsorship activities of different levels, namely international and local, are assigned somewhat differing objectives, hence the separate boxes in Figure 7. The argument that the objectives should be set before the sponsorship activity takes place for it to result in beneficial outcomes (Apostolopoulou & Papadimitriou, 2004) was found support in the empirical study when it comes to major international sponsorship deals. Nonetheless, the objectives of local sponsorship seem not to be always predetermined, which may depict its non-strategic nature. Also, the claim made in the literature for example by Cornwell and Maignan (1998) about the important role the exploitation of the sponsorship deal plays in its final outcome was found support in the empirical research.

The empirical evidence suggests that international sports sponsorship may be deemed effective when its outcomes meet the objectives a company sets for it – as identified also in the literature (Stotlar, 2004). Nonetheless, instead of the quantitative methods to measure the outcomes of sponsorship advocated in the literature (e.g. Tripodi *et al.*, 2003), in practice, the effectiveness of sponsorship seems to be often successfully assessed based on gut feeling and experience due to the difficulties in measuring the often tacit and indirect effects of sponsorship.

The literature is supported by the empirical findings when it comes to the factors influencing the target selection and outcomes of sports sponsorship. The intended target audience of the sponsorship and its interests (Gardner & Shuman, 1988) seem to impact target selection as an important consideration; the congruence between the sponsor and sponsored is looked for either from functionality or image (e.g. Gwinner, 1997); potential sponsorship targets are often assessed based on the likelihood of risk realization they present (Valanko, 2009); the differences in market conditions, needs, and preferences (e.g. Walliser, 2003) are considered when planning which sports to sponsor, designing the leverage of the sponsorship, and supporting the local actor in

sponsorship exploitation; and the length of the sponsorship activity seems to positively affect its perceived effectiveness (Amis *et al.*, 1997). Additionally, the empirical findings suggest that adding the success of the sponsored sports property as the sixth factor may be appropriate as the better the sponsorship targets succeeds, the better is the visibility the sponsor gains in terms of media coverage, thus implying that a certain level of success is required for the sponsorship to result in visibility for the sponsor. The dotted line from the factors to local sponsorship in Figure 7 depicts the fact that local sponsorship activities often seem not to be based on predetermined objectives and considerations but, as expressed above, are rather engaged in to support local sports. In these cases, the factors discussed above are not necessarily incorporated into the decision-making about what to sponsor.

6.3 Managerial implications

The findings of this study provide some practical implications for businesses. They can be considered to include the following.

This research suggests that sports sponsorship is a feasible as well as effective international communications tool also for smaller companies. In other words, sports sponsorship also provides companies which are smaller in size with commercial benefits in the international context and not only locally as implied by some previous research (e.g. Mack, 1999; Webb & Carter, 2001). However, the findings also imply that for international sports sponsorship to bring benefits to smaller companies, it is essential for the firms to focus on a limited number of strategically designed international sponsorship arrangements and exploit them to the maximum.

The findings of this thesis suggest that it is the exploitation of the international sponsorship deal that eventually determines its success and final outcomes. In general, it may be concluded that the more creative and versatile the exploitation of the sponsorship is in terms of the methods used to leverage it, the more benefits it brings in the end. As a consequence, enough resources should be reserved in the sponsorship budget for the exploitation of the sponsorship deal, in addition to which creativity should be used when designing the exploitation plan. The companies should estimate

their resources correctly so that too large sports sponsorship deals are not entered for whose exploitation the firm does not have enough resources.

Furthermore, this research suggests that the Internet may provide companies with interesting opportunities for the exploitation of sports sponsorship in the international environment. As a channel which is recognized as cost-effective and capable of reaching people basically the world over, it may offer tremendous possibilities particularly for international sponsorship arrangements whose aim is to reach target groups in various markets. In addition, the Internet enables the interaction with the target audience, thus making sponsorship more meaningful to them; in this study, the meaningfulness of sponsorship to its target group was identified as an important determinant of its effectiveness.

According to the findings, the effectiveness of international sponsorship – either major international sponsorship deals or local sponsorship deals in individual countries – seems to be considerably influenced by the activity level of the local representative, be it a subsidiary or distributor. It is apparent that without the activeness, excitement, and engagement of the local actor neither any local sponsorship activity in the overseas market takes place, nor international sponsorship deals are exploited to their fullest as for instance the organization of stakeholder events from the headquarters tends to be complex. Therefore, considerable effort in terms of time and other resources should be put by the headquarters into encouraging, supporting, and exciting local representatives to make use of the existing international sponsorship deals.

6.4 Limitations and recommendations for further research

The present study contains some limitations which have to be kept in mind when interpreting its results. These limitations can be identified as follows.

To start, the research framework was created on the author's own consideration. To date, studies explicitly focusing on sponsorship in the international setting are quite scarce; no such existing models or frameworks were identified which would combine sponsorship as a marketing communications instrument and the international operations of companies. Therefore, a framework was created on which the empirical research was

based. Even if current academic research in the fields of marketing and international business was used as the foundation for the framework, the rigor of the research may be influenced by the fact that some assumptions had to be made concerning the framework.

Furthermore, some limitations can be identified in relation to the research method employed in this thesis. First, the number of cases from which the findings were obtained was limited to only seven due to the fact that within the time frame available for this study the inclusion of more cases in the research was not feasible. However, the contributions any additional cases would have given were considered to be only marginal. Also, the conducted cases were a balanced combination of companies of different sizes operating in a range of industries resulting in versatile data. Second, the fact that all cases were structured around single interviews supported by textual material can be regarded as a limitation. In order to create a more comprehensive understanding of the international sponsorship practices of the case organizations, more extensive data collection methods could have been employed, including interviewing more persons per organization from different departments. Nevertheless, as a result of the time constraints mentioned above that was not feasible.

As previously outlined, research on sports sponsorship in the international context is rather limited resulting in several potential research opportunities of which four are identified in the following. First, as the primary perspective adopted in the present study to examine international sponsorship was the one of marketing communications, other viewpoints on sponsorship could provide interesting foundations for the study of sponsorship in context of companies' international operations. For instance, the concepts deriving from interaction and network approach could offer a solid basis on which sponsorship in the international environment could be examined. As that perspective concentrates on the development of sponsorship relations and networks (Olkkonen *et al.*, 2000) while being also highly applicable in context of international business (e.g. Ghoshal & Bartlett, 1990), it could offer fruitful insights into the study of international sponsorship.

Second, the findings of the present study show that international sports sponsorship may be an effective marketing communications instrument for companies of different kinds

and companies may reap benefits from it. In order to allocate the resources required to exploit international sponsorship more efficiently, however, a better knowledge on the potential differences in the impact of sports sponsorship on different variables in different overseas markets would be required. Therefore, research on the level of acceptance of sports sponsorship in different countries could offer useful insights for companies engaged in international sports sponsorship.

Third, conducting research similar to the present study in context of other countries could be of interest as more research on sponsorship in the international setting has been called for (Walliser, 2003). For instance, Sweden and the question of how Swedish firms utilize sports sponsorship in context of their international operations could offer a prolific setting for further research as it has been identified that the share of sponsorship of the overall marketing communications spending is considerably larger in Sweden than it is in Finland (Mainonnan Neuvottelukunta, 2010).

Fourth, replacing sports as the sponsorship target with for instance arts or an environmental issue could provide an additional prospect of further research on international sponsorship. It could be of interest to study if the sponsorship of arts, for example, is as effectively utilizable as a marketing communications tool by companies in the international context as sports sponsorship and whether the findings would be comparable to the findings of this study. The interest in some forms of arts such as popular music is, similarly to some sports, shared between people around the world and thus it might be possible that art provides similar opportunities for international sponsorship than sports do.

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Interviews

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Himanka, P. (2011) Interview with the author on May 31 (Ylihärmä).

Janzon, F. (2011) Interview with the author on May 18 (Vantaa).

Jokisalo, M. (2011) Interview with the author on May 17 (Lahti).

Taivalmäki, N. (2011) Interview with the author on May 31 (Jokipii).

Tuovio, M. (2011) Interview with the author on May 30 (Kerava).

Vidgrén, J. (2011) Interview with the author on June 10 (Vieremä).

APPENDICES

Appendix 1. Original interview guide (in Finnish)

Miten yrityksenne määrittelee sponsoroinnin? Mitä sponsorointi tarkoittaa yrityksellenne velvollisuuksien ja oikeuksien näkökulmasta?

Mitä tai ketä yrityksenne sponsoroi?

- Miksi sponsoroitte urheilua ja kyseisiä lajeja?
- Miksi sponsoroitte juuri kyseisiä kohteita? Millä kriteereillä valitsette kohteen?
- Sponsoroitteko kansainvälisen tason kohdetta vai keskityttekö paikallisiin kohteisiin? Miksi? Jos sponsoroitte paikallisia kohteita, sponsoroitteko esimerkiksi samaa lajia joka maassa vai eri maissa eri lajeja?
- Miten kansallinen kulttuuri, mahdolliset kansalliset rajoitukset, olosuhteet yms. otetaan huomioon kansainvälisessä sponsoroinnissa?
- Onko yrityksellänne riittävästi tietoa ja taitoa tehdä hyviä sponsorointipäätöksiä?

Millainen on yrityksenne sponsorointistrategia?

- Miksi sponsorointi on osana (paikallista ja kansainvälistä) markkinointistrategiaanne? Onko sponsoroinnin rooli ja asema erilainen kansainvälisessä kuin kansallisessa markkinointiviestinnässä?
- Missä kansainvälistymisen vaiheessa olette erityisesti hyödyntäneet sponsorointia markkinointiviestinnän keinona?

Miten hyödynnätte sponsorointia? Miten sponsorointia tuetaan yrityksenne muulla markkinointiviestinnällä? Kuinka ”tukitoiminnot” vaihtelevat eri maissa?

- Kuinka tärkeää sponsorointi on verrattuna muihin viestintäkeinoihin (paikallista ja kansainvälisesti)?
- Kuinka paljon sponsoroinnin hyödyntämiseen käytetään varoja (suhteessa sponsorointisopimukseen käytettävästä rahasta) (paikallisesti ja kansainvälisesti)?
- Kuka/ketkä yrityksestänne tekevät (kansainväliset) sponsorointipäätökset? Miksi? Tehdäänkö sponsorointipäätökset keskitetysti konsernin pääkonttorissa vai itsenäisesti kansainvälisten tytäryhtiöiden/muiden paikallisten toimijoiden taholta?
- Mikä on sponsorointinne kohderyhmä? Miksi? Vaihtelevatko kohderyhmät maittain?
- Onko yrityksellänne käytössä sponsorointibudjetti?

Miksi yrityksenne hyödyntää sponsorointia? Mitä yrityksenne haluaa saavuttaa/viestittää sponsoroinnin avulla?

- Mitkä ovat sponsorointinne keskeiset tavoitteet?
- Eroavatko kansalliselle ja kansainväliselle sponsoroinnille asetetut tavoitteet toisistaan? Eroavatko tavoitteet markkinoittain?

- Ovatko tavoitteet ennalta määritellyjä? Kuinka proaktiivista sponsorointinne on?

Miten varmistatte sponsoroinnin onnistumisen ja tavoitteiden saavuttamisen?

- Arvioitteko/mittaatteko sponsorointitoiminnan vaikutuksia/onnistumista/tehokkuutta? Miksi/miksi ei?
- Jos sponsorointitoimintaa mitataan, millä tavoin se tehdään? Tapahtuuko mittaaminen standardisoidusti kaikilla markkinoilla?

Miten hyödylliseksi koette sponsoroinnin markkinointiviestinnän keinona?

- Mitä hyötyjä olette erityisesti havainneet?
- Onko sponsoroinnin hyödyllisyydessä/tehokkuudessa eroja eri maissa?
- Miten arvioitte sponsoroinnin hyödyt verrattuna panoksiin (kansainvälisestä näkökulmasta erityisesti)?

Millaisia ongelmia/uhkia/vaikeuksia näette...

- yleisesti urheilusponsorointiin liittyen?
- sponsoroinnilla olevan kansainvälisenä markkinointikeinona?

Aiotteko jatkaa urheilusponsorointia (suuremmin/samoin/pienemmin panoksin)?

- Jos aiotte, sponsoroitteko samaa kohdetta vai suunnitteletteko kohteen vaihtamista? Miksi?
- Yrityksenne kansainvälistyessä uusille markkinoille, aiotteko hyödyntää urheilusponsorointia myös näillä markkinoilla?

Appendix 2. Interview guide translated to English

How do you define sponsorship? What does sponsorship mean to your company in terms of responsibilities and rights?

What or who do you sponsor?

- Why do you sponsor sports in general and this particular sport specifically?
- Why do you sponsor the targets in question? On the basis of which criteria do you choose your sponsorship target?
- Do you sponsor a target on the international level or do you focus on local targets in different countries? Why? If you sponsor local targets, do you sponsor the same sports in each country or different sports in different countries?
- How do you take the national culture, possible local restrictions, regulations, conditions, etc. into consideration in international sponsorship?
- Do you have enough know-how within the company to make good sponsorship decisions?

What is your sponsorship strategy like?

- Why is sponsorship a part of (local and international) marketing strategy? Is the role of sponsorship different in international than local marketing communications?
- On which stage of internationalization have you especially made use of sponsorship as an instrument of marketing communications?

How do you exploit sponsorship? How is sponsorship supported by other marketing communications? Are there differences between countries?

- How important is sponsorship compared to other marketing communications tools (locally and internationally)?
- How much is spent on the exploitation of sponsorship (compared to the investment in the sponsorship deal) (locally and internationally)?
- Who makes the (international) sponsorship decisions in your company? Why? Are sponsorship decisions made centralized in the headquarters or independently in the foreign subsidiaries/by other local actors?
- What is the target group of your sponsorship? Why? Do the target groups differ between countries?

Why do you make use of sponsorship? What do you want to gain/communicate through sponsorship?

- What are the central objectives you have set for sponsorship?
- Do the objectives set for local and international sponsorship differ from each other? Do the objectives differ between countries?
- Are the objectives predetermined? How proactive is your sponsorship?

How do you ensure the success of your sponsorship and the attainment of objectives? Do you evaluate/measure the effects/success/effectiveness of sponsorship? Why/why not?

- If you measure sponsorship, how do you do it? Is the measuring done standardized in all markets?

How beneficial do you consider sponsorship as a marketing communications tool?

- Which benefits have you especially noticed?
- Are there differences in the usefulness/effectiveness of sponsorship between countries?
- How do you judge the benefits of sponsorship in comparison to the investment (specifically from the international point of view)?

What kinds of problems/threats/difficulties do you see...

- in sports sponsorship in general?
- in sponsorship as an international marketing communications instrument?

Do you plan to continue to invest in sports sponsorship (larger/similar/smaller investment)?

- If yes, will you sponsor the same target or are you planning to change the target? Why?
- As you internationalize to new markets, do you plan to make use of sponsorship in those markets as well?