



# UNIVERSITY OF GOTHENBURG

## SCHOOL OF BUSINESS, ECONOMICS AND LAW

### **The Impact of Internal Values on the Sports Sponsorship Market**

A qualitative study of how large companies work on their internal values and motivate their sponsorship programs.

Bachelor thesis in Business Marketing

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## **Preface:**

This study has been written in the institution for marketing at the Gothenburg School of Business, Economics and Law during autumn 2017.

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## **Abstract**

Sponsorship is one of the major marketing strategies in the marketing mix. Where traditional adds have seen a downturn in effectiveness, sponsorship is seen as a profitable way of marketing and investments in sponsorship are rising. Sports associations and sports events receiving sponsorship are getting more dependent on sponsorship to make the balance sheet positive. Research shows that although the main focus of sponsorship is to create external values, there is a further potential that can be drawn from sports sponsorship, internal values. According to recent studies this is somewhat under researched and the area may not be fully understood. This study aims to improve this.

The study investigates how and if companies and associations have knowledge about, and work with internal values. The study is conducted through case studies of three Business-to-Business companies in Sweden, Skanska, Stena and Schenker Sweden. The aim is to see if there are unused values in sponsorship agreements and if companies have realized and work with these values. The study shows that there is some awareness and knowledge about these values in companies but they do not seem to work with them actively to a further extent. For sports associations there is potential for focusing more on internal values in the sales process towards sponsors, where a potential competition advantage is identified in using internal values, everything else equal.

**Keywords:** Internal values, sports sponsorship, internal motives, high brand awareness, organisational identification, perceived external prestige.

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## 1.0 Introduction

*Scoring goals, running fast and jumping high is what a sports team does, but the similarity to the operation in a company is not that far away. A company is a team in many ways, you might not run fast or jump high but you do score goals for the team. In this paper, we will investigate how sponsorship as a marketing tool can help companies create a better work environment for the employees.*

Sponsorship has emerged as one of the most important methods in the marketing and communication mix during recent years. The definition of sponsorship is;

*“provision of assistance, either financial or in kind, to an activity by a commercial organization for the purpose of achieving commercial objectives”*

(Meenaghan, 1983 p, 34).

This means that both involved parties in a sponsorship program need to have an aspiration to earn from their agreement. In a market environment where the competition is tougher and the difficulty to reach out to customers is high - sponsorship offers a good opportunity for companies to differentiate themselves and engage customers to a further extent (Meenaghan, 1991).

As researchers, we find it important to explain how the core of this study emerged. The focus of the research was concluded through an examination of the sponsors to a sailing event in Sweden, called Match Cup Sweden. This event has become characterized by business encounters and company activities throughout the event week. Through the observation, two brands was found (Schenker AB and Stena AB) with a similar character of brand awareness and a Business-to-Business operation. They were both involved in other sports sponsorship (sailing, hockey, and football) and we started to examine what companies, in general, can gain from these commitments and we found, two types of values - external and internal. The aim of this paper is to investigate the latter more closely. To give the study better credibility a decision was made to compare the two companies mentioned to Skanska AB who recently

started to decrease their traditional sponsorship engagements. With a comparison between these two different marketing strategies the aim with the paper became to make a dichotomy - and to see the differences and similarities in internal motives for sponsorship among the companies in focus.

There are several types of sponsorship; culture, sports and social sponsorship. The focus of this study is sports sponsorship. The benefits of sports sponsorship are often focused on the external benefits such as reaching out to consumers and creating economical benefits. Sponsorship is a major form of finance for sports clubs and securing sponsorship deals can be difficult for associations, so it is important to show all the benefits. In the top division in Swedish football, Allsvenskan, sponsorship deals and advertising constitute 27% of the total turnover of the league, compared to 22% from ticket sales, it is apparent that sponsorship is a major form of finance for the clubs (EY, 2017).

Recent research shows that there is an internal aspect of sponsorship that is often overlooked (Farely & Greyser, 2012). The internal benefits concerns values such as team spirit, belonging, pride etc. amongst the employees. This is similar to the concepts of employer branding and internal marketing. Therefore sponsorship could be a part of bigger internal marketing projects as well as giving external benefits.

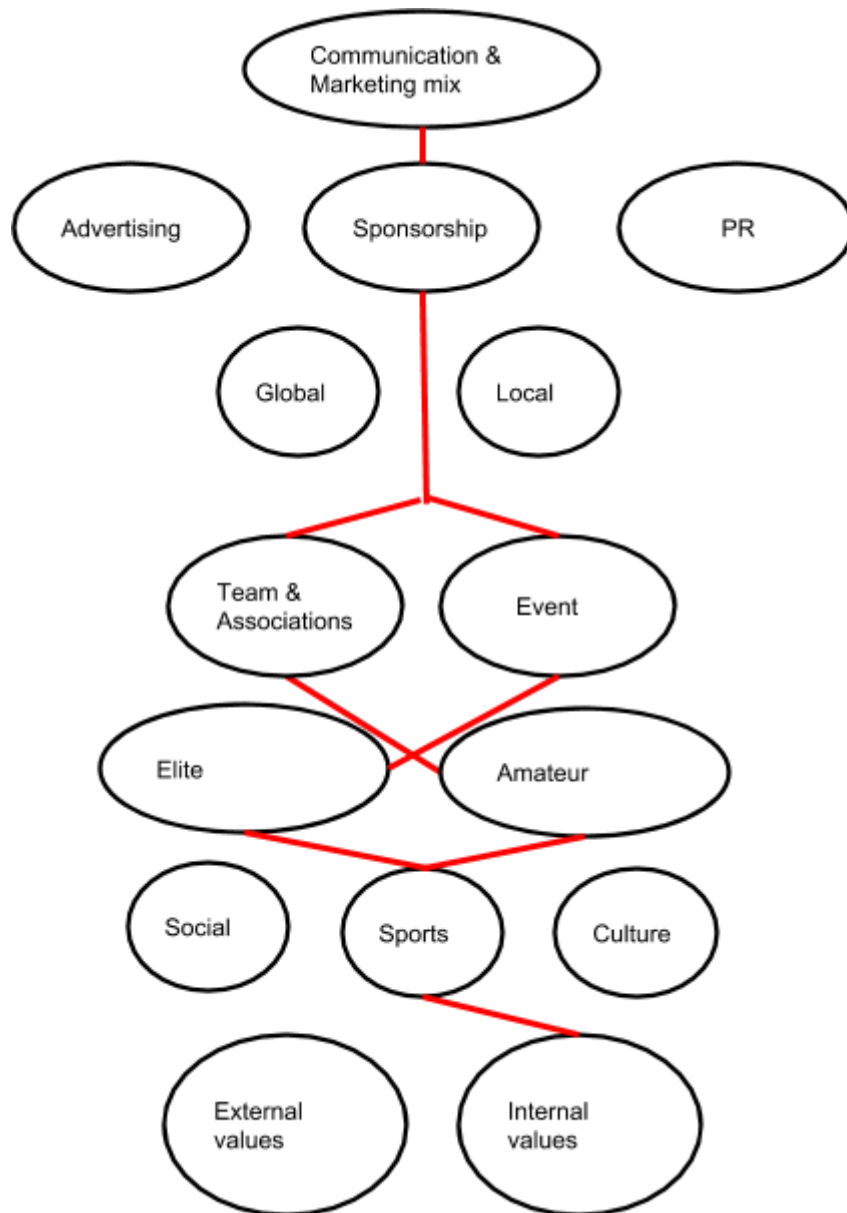
The aim of the study is to investigate further into how companies are considering the internal values when using sports sponsorship. With this as a foundation, a model of how the focus of the study was created was made. The model can be seen on the following page and here follows information about the model;

- Starting out from the communication and marketing mix, sponsorship became the platform for the study. The model only shows two alternatives to make it easier to understand.
- The next dimension is if the engagement is local or global, a distinction is not made between the two.
- A sponsorship program can be divided into long-term engagements to a specific team and association or the alternative to sponsoring an time specific

event. As the first selection of companies sponsored both, we decided to include both commitments in the thesis.

- Events and teams can have either a professional or an amateur approach, they are both taken into account.
- In the different types of sponsorship we choose sports sponsorship, because it is the largest type. In Sweden, 70 % of the total 7 billion in sponsorship goes to sports (Irm-media, 2017).
- The two different values a company can gain from sponsorship is, as mentioned, internal and external values. We choose internal values.





*Figure 1 - Research outline.*

*The model shows the path chosen for the study where the communication and marketing mix leads us to sponsorship. From the different engagements, the focus is on sports sponsorship. Not specifically global or local and sponsor engagements for both professional and amateur teams or events. Finally the internal effects of sports sponsorship which is the main focus of the study. The red lines illustrate the chosen path.*

## **1.1 Common Commitments of the Respondents Explained**

Because the foundation of the study was based on two companies who both were sponsors of the same sailing event the interviews were characterized by terms in this area. Below the terminology is explained.

1994 was the first year the sailing event Match Cup Sweden (further described as Match Cup) was held on the Swedish island Marstrand by the yacht club Gothenburg Royal Yacht Club, (from here on mentioned as GKSS) since then it is been held during one week every year but 2006. The type of sailing is called match racing where two boats are competing against each other during every race, compared to fleet racing where there are several boats racing. The event has become popular in Sweden, with up to 140 000 visitors during the week (Bäckman, 2017). The competition grew and became a stop on the World Match Racing Tour in 2000 with Swedish Match as a tour sponsor. Around the event, there has been a big development during the years and today it is also a popular spot for having meetings and doing business. Recently there was a change in the World Match Racing Tour where the type of boat was changed to a new class called M32.

Team GKSS consists of the different sponsors to GKSS in Sweden, they can sponsor with financial support or other services. In return they get a chance to have a connection to the members and to other partners to the club.

## **1.2 Laws Applied to Sponsorship Commitments in Sweden**

Although the expected return from the company can vary there are several regulations on what is legal when it comes to sponsorship. In Sweden, a company who use sponsorship as a marketing tool has the right to deduct taxes from that investment along with marketing expenses, which makes the potential return of sponsorship relevant and important (Påhlson, 2008). The financing has to be reasonable in sense of market value and to make the company go surplus or to behold a value for the same sum. This definition was less strict when sponsorship was a new way of marketing in Sweden, which made it possible for companies to

use this as a way of giving charity or gifts and still use tax reductions, now there is more focus on the return for the sponsor. There also needs to be a connection between the company and their sponsorship investment, it has to be thoroughly motivated and stated in an agreement according to Ekonomistyrningsverket in Sweden (Carlberg, 2002). During recent years Corporate Social Responsibility has taken more room in the discussion which makes these questions harder to address.

### **1.3 Identified Problem**

The knowledge on how extensive the effects from sponsorships are on companies is somewhat diffuse -it is therefore, an interesting subject, Shank (2009) even states that

*“The primary motivation for an organization participating in sports sponsorships is still unclear”.*

There are values to gain for companies in both external and internal marketing.

Internal marketing is used by companies to keep up the team spirit among employees, creating a sense of belonging to the organization will result in a higher motivation amongst employees (Doyle, 2011). Sponsorship has the potential to be a useful instrument to make a company's structure more effective. Because of the nature of these values, it is difficult to track and to determine that these specific effects came from sponsorship. The main objective to contribute as a sponsor is to contain and build relationships outwards and to build brand awareness - which means the investments are made from a customer's perspective (Slåtten et al., 2016), this study aims to have a different angle and focus on what impact the sponsorship has inside the company. The knowledge of internal objectives is rather narrow (Slåtten et al., 2016). If the gap of knowledge was filled there is a possibility for sports associations to find more income from sponsorship and perhaps new arguments towards sponsors, which shall be proven.

## 1.4 Purpose

With this study, the primary purpose is to examine the importance of internal values regarding sponsorship of sports events and teams from a sponsors perspective. The secondary purpose is to investigate if the internal values from sponsorship are used as a selling point towards companies.

## 1.5 Research Questions

Based on the identified problems and the purpose a research questions was developed. The questions are developed to facilitate possibilities to answer them in a trustworthy way based on the purpose and scope of the study. As stated in the description of the problem, the internal aspects of sports sponsorship are not fully investigated, therefore the study will focus on this. Furthermore, the aim is to investigate the hypothesis that this area is not fully understood and used by mainly association but also to some extent by companies as well. The study aims to give associations further arguments for attracting sponsors, taking the perspective of the sponsor to investigate this.

- *How extensive is the knowledge regarding the potential value of internal effects from sports sponsorship?*  
→ In the research it will be shown to what extent the companies in question are aware of the internal effects from sports sponsorship.
  
- *To what extent is internal values used as a selling point by sports associations?*  
→ The study will show if the companies in question have encountered internal effects as arguments from sports associations.
  
- *To what extent is the internal values gained from sports sponsorship followed up?*  
→ It will be investigated if internal effects are measured and valued in the companies and how the communication between the sponsee and sponsor is.

- *How important are the internal values for a corporation with high brand awareness when engaging in sports sponsorship?*

→ The focus of the study will be on companies with high visibility from their daily operations, their motives for sponsorship will be discussed.

## **1.6 Demarcations**

*The initial description of the problem and the literature review gave us a number of possible aspects to investigate. This study does not aspire to fully answer or solve the problem.*

*Therefore demarcations are stated below, which are meant to give the reader an understanding of what was identified as interesting aspect but not investigated in this study, it also gives an explanation for some of the choices made.*

The focus on sports sponsorship and events is because the information about internal values is rather new in this field and there can be unused potentials, which will be proven (Slåtten, 2016). This relates back to the purpose of the paper where the aim is to see what effects this can give the associations and events that are mostly financed through sponsoring. The internal effects discussed are a part of the bigger internal marketing area, but the focus is solely on the internal effects from sponsorship as this is what can be used to an advantage in sponsorship sales for the sponsees.

This research will focus on the sponsor's perspective on sponsorship. This as it gives an understanding of their decision-making process in terms of sponsorship and also provides a bigger picture of how associations work with sponsors. This as the companies sponsor more than one association and therefore can refer to how different associations work with this. This results in not needing to conduct as many interviews to get a broad picture, interviewing sponsees would not give the wanted results. The scope is limited to Sweden and Swedish companies and associations. This as the study does only take into account Swedish law applying to sponsorship activities, different laws between countries can create different circumstances regarding how sponsorship is practiced. The study will investigate three large companies who mainly works with Business-to-Business marketing, with operations based in Gothenburg, Sweden. Due to relationship marketing, Business-to-Business companies are

working more closely with an activity connected to the sponsorship program which makes it more related to the internal values.

## **2.0 Literature Review**

*In this chapter concepts of sponsorship and internal values will be defined. A list of definitions of internal values along with a literature review in the area of study is provided.*

Marketing communication is the means by which the organization is communicating through. These channels are used to inform, introduce, and influence consumers about the brand and the products sold. A communication strategy can be made up of many different forms of marketing. You can communicate through the fields of arts, sports, interactive advertising, sponsorships and so on. There are also a number of different channels you can use to send the message including; TV, Social Media, print etc. Communication for organizations is often diverse and consists of many forms and ways of communicating, it is not enough to just communicate through one channel or one area. As consumers are diverse, so does the communication portfolio need to be (Kevin Lane Keller, 2001). There are therefore a number of potential areas to research and investigate and these areas do not exist alone. This study investigates the communication form of sponsorship more closely. It is important to remember that sponsorship is only one of the many communication forms used by organizations. Internal values can be communicated and achieved through other communication forms as well. As mentioned earlier in the introduction, sponsorship is defined as;

*“provision of assistance, either financial or in kind, to an activity by a commercial organization for the purpose of achieving commercial objectives”*

(Meenaghan, 1983 p, 34).

Many similar definitions of sponsorship exist, taken from different types of literature it can be seen that they mostly mention some kind of support, financial or other resources to achieve goodwill, branding or higher sales. The definitions and descriptions focus mostly on

external values (Slåtten, et al., 2016) and relate them to the marketing mix where they determine how to communicate their brand values and how to sell more products. It is a way of communication, both on the local and global level. The internal values are not as widely discussed in comparison to what a company gains in more sales, brand recognition etc. An agreement is settled where both parties are gaining to their interest, in exchange for a contribution to the association, the sponsor will be connected to the sponsees purpose, values, and activities. The sponsorship contribution can be of two different sorts, financial or in kind which is an input of equipment or services that are used to be able to execute the events or activities. Depending on what the sponsor is providing, the expectations from the company side can vary with the engagement, for example, if the sponsor wants to give smaller donations to an association it is also counted as sponsorship but then there may be less of demand on any commercial return from the company. A discussed problem with sponsorship programs is that the effect is hard to measure and quantify, the evaluation part is described as the hardest section of sponsorship (Slåtten et al., 2016). The return on investment (ROI) is difficult to quantify because it is complex to define what actions are referable to the sponsorship. It is therefore hard to value how much it is worth for a company to sponsor an association or event.

Sponsorship in itself is a wide concept as it can be applied to a number of areas, sizes, timeframes and so on. Areas range from education, media, arts, and sports. In these areas, there are dimensions as well, elite or amateur level, global, and local, occasional events or long-term commitments and so forth. These dimensions give different results and what to sponsor is based on the organization's strategy. Within these areas, there is a perceived hierarchy where arts are perceived to be less lucrative, and sports seen as one of the most effective ways of sponsoring (Dolphin, Richard R, 2003). Sponsorship as a concept can, therefore take place in many ways. There is also a great variety in size, ranging from small local engagements to global events such as the Olympic games. However, both big and small sponsorship programs can give great impact, size does not necessarily matter. Sponsorship is also versatile in ways of communication and can be used to fulfill many different objectives. It differs from other forms of advertising because the communicating body and the message are not in total control of the company (Dolphin, Richard R, 2003).

Sports sponsorship can be performed through different forms of programs, mainly by sponsoring an association or an event. The continued engagement to an association leads to more of a long-term commitment whereas an event commitment typically is not longer than the event itself, although sponsoring of an event can be recurrent. What and how to sponsor varies with the strategy within the sponsor. Sponsoring an association or a local event has a greater impact on the local level, sponsoring a global event has a wider impact but more limited to increase sales and brand awareness (Dolphin, Richard R, 2003). Furthermore, research shows that sponsoring a specific association or club gives a higher identification from the fans. Supporting a global event does not have the same recognition levels as there are often several sponsors, and not limited to one. There are levels of this as well, being a title sponsor naturally has a higher impact than a smaller engagement in the same event or association. So, what the main focus depends on what the sponsor's main wishes to achieve are, and a versatile strategy should include both event and association sponsorship with an emphasis on the one that is perceived as most relevant for the aim of the strategy, using one main direction whether it is associations or events and the other as an ad-hoc marketing tool. There is a consensus among researchers that sponsorship can be beneficial for companies. It does not necessarily provide this on its own, for it to be effective it needs to be a part of a bigger marketing mix, with supporting activities that strengthen the sponsorship (Dolphin, Richard R, 2003).

Research shows that sponsorship is affecting both internal and external parts of the sponsor's communication, dividing it into two classes. It is a good mix of these that generates a beneficial partnership between the sponsor and the sponsee (Slåtten et al., 2016). Sponsorship as an internal marketing tool can be used in different ways depending on what type of relation the sponsor's product has to the sponsee and if the two cooperating organizations are in the same market or business. There are several studies regarding what the external winnings are from sponsoring sports, these reviews are about in what aspects you are attracting customers to a bigger constraint or not. Still, there is limited research performed on what the internal effects are, although there are some important findings that show that there is much to gain inside a company regarding structure, motivation among employees, and how the organization can work as a team (Khan & Stanton, 2010).



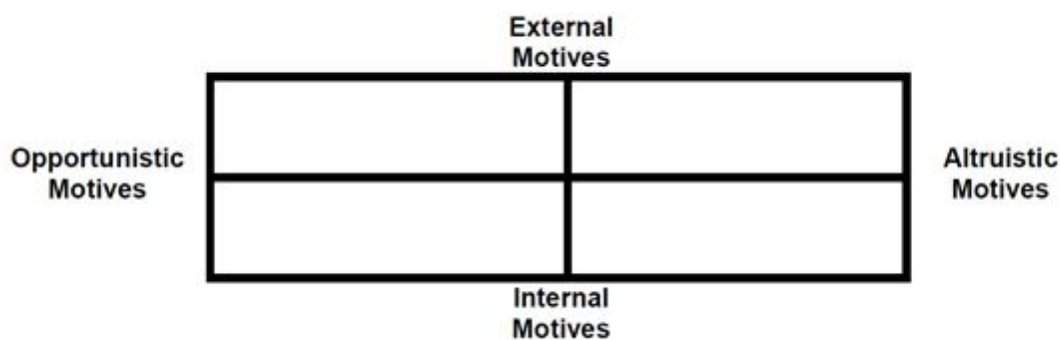
## **2.1 Sports Sponsorship**

Corporations involvement in sports is the largest type of sponsorship spending (Slåtten et al., 2016). This is closely related to the great loyalty from fan groups which can be an effective way of creating an emotional value to the sponsor (Pruitt et al., 2004). It is also easier to connect to a team, where consumers can see role models compared to what a company can offer on a general basis, it is a proven fact that consumers are easier to reach and make an impression on during a sports event because of the uprising emotional feelings (Biscaia, Correia, Rosado, Maroco, & Ross, 2012). The most significant reason why sports sponsorship is such a big part of the spending is because of the reach, the numbers of interested has been rising the latest decades (Grimes & Meenaghan, 1998) along with easier access to streaming online gives the reach an exponential growth compared to traditional media (Burroughs & Rugg, 2014).

## **2.2 Sponsorship Motive Matrix**

The underlying motives for why organizations decide to commit to a sponsorship engagement has been discussed by Slåtten et al. (2016), they identify two pairs of motives, internal/external and opportunistic/altruistic. From the literature regarding sponsorship motives there seems to be a strong emphasis on external motives, they regard stakeholders and goals outside the organization, for a majority of sponsors the customers are the main audience. Internal motives are not the focus in general if it is considered it is often not the main goal or seen as benefits besides the main goal of achieving external objectives (Slåtten et al., 2016). Although external motives are the main decider in sponsorship engagements, internal aspects can have influence over what type of organization or event is sponsored. Internal motives often regard efforts to build a culture within the organization. Pride, motivation, and commitment are some factors that may be improved (Slåtten et al., 2016). Aspects like these are seen as potential parts of internal marketing efforts, marketing goals as these might be motives for sponsorship engagements, but they are rarely the main reason. Both external and internal motives represent where the sponsor aims to achieve the main benefit of a sponsorship.

Slåtten (et al., 2016) identifies a distinction between who is perceived to benefit from the sponsorship, actors outside the firm or inside the firm. Focusing on the internal is perceived as the rational motives for sponsorship were the purpose is to create value in some form within the company. The motives stem from self-interest and egoism, these are labeled as opportunistic motives. On the opposite side Slåtten et al., (2016) put the altruistic motives, these stem from goals that entail more than the enrichment of the corporation from a market perspective, they are unselfish and socially responsible. There is little or no focus on getting a return on investment. Based on this a sponsorship matrix is developed to be able to determine the underlying motives for committing to a sponsorship engagement. In the Sponsorship Motive Matrix, these four (external/internal and opportunistic/altruistic) are used to categorize the reasons for sponsorship. The external/internal entail the position or market area where the commitments take place. The opportunistic/altruistic regards the receiver of the benefits, for who or for what (Slåtten et al., 2016). The four cells represent four different types of motive areas. The reality is not this clear cut, but the model offers an explanatory view.



*Figure 2, Sponsorship motive matrix.*

## **2.3 Internal Marketing**

Internal marketing is defined as the use of communication to inform, motivate, lead and change employee behaviour. From an internal marketing perspective, the employees are the most important asset in a company and are the main communication sources for consumers in terms of the consumer experience. Studies have shown a connection between motivated and satisfied employees and pleased consumers (Doyle, 2011). Furthermore, the process and implementation of internal marketing are very similar to that of external marketing with the difference that the staff is the main audience instead of the consumers. Objectives for the internal marketing direction is set and then suitable tactics are developed and implemented, finally, an evaluation is conducted to determine the results of the internal marketing campaign. Internal marketing is often used to unify staff and create a more integrated workforce (Doyle, 2011). The internal values from sports sponsorship investigated in this study are a part of internal marketing, the internal values mentioned in the study are what internal marketing usually aspires to create or achieve.

### 2.3.1 Internal Motives in Sponsorship

There are several concepts that are sought after, the main concepts from the literature will be stated and explained. They are closely related and often sponsorship can provide them simultaneously. The internal values are often problematic to measure as they are regarded as “soft values”, it is difficult to connect these values to specific numbers and to determine precisely where the value is created. Research shows that the internal values give a positive effect on organizational performance and employee satisfaction, through the means of symbols and language that the sports sponsorship gives access to (Grimes & Meenaghan 1998 & Slåtten et al., 2016). In general the commitments in sports sponsorship are activating these feelings and soft values throughout a company’s organization (Farely & Greyser, 2012).

- *Organizational Citizenship Behaviour (hereafter OCB)*
  - A concept of the potential organizational gains of sponsorship. It concerns individual behaviours that are not recognized on the individual level but on an organizational level enhances the efficiency. Individual treats included in this concept are; altruism, conscientiousness, sportsmanship, civic virtue, and courtesy. These treats have been identified to improve teamwork, inclusion, tolerance, and commitment to individual and organizational levels (Khan, 2013).
- *Belonging*
  - The sense of belonging amongst employees can improve the achievement of common organizational goals. If the employees feel satisfied with the company it is likely that strong bonds are to be created between the firm and the employee (Slåtten, Svensson, Connolley, Bexrud & Lægroid, 2016). Belonging is an important aspect of the Organizational Identification of individuals, closely related to values such as loyalty and attachment to the organization (Zepf, 2008).

- *Pride*
  - When the employee sees the company brand in sports sponsorship this can create a sense of pride of being a member of the company (Slåtten et al., 2016, Pichot, Tribou & O'Reilly 2008, Farrelly & Greyser 2012).
  
- *Teamwork*
  - Using sports metaphors can strengthen this trait, instilling values from the world of team sports (Farrelly & Greyser 2012, Pichot, Tribou & O'Reilly, 2008)
  
- *Motivation*
  - Sports sponsorship can increase the motivation of employees, drawing on inspiration from successful sports stories (Cunningham & Cornwell 2009, Farrelly & Greyser, 2012). A part of the traits included in the OCB.
  
- *Engagement*
  - Refers to the increase in organizational engagement of individuals in terms of culture, teamwork, and commitment, driven by sports sponsorship (Farrelly & Greyser, 2012).
  
- *Perceptions of the external prestige (hereafter PEP)*
  - Perception of the external prestige refers to how the employees perceive the surrounding opinions about the organization. This is something that sports sponsorship has been shown to be able to improve (Khan et al., 2013, Khan & Stanton, 2010).
  
- *Organizational identification (hereafter OI)*
  - Concerns the way in which individuals perceive themselves as being members of an organization. The external image of the organization can affect the degree to which employees associate with the company, with positive image giving higher OI. Employee attitudes towards sponsorship engagements by the firm affect this concept as well, with a positive attitude enhancing the OI (Khan & Stanton, 2010).

- *Internal values and internal motives*

→ These concepts are used as synonyms throughout the text and are referring to the concepts explained above.

## **2.4 External Motives in Sponsorship**

A business market mix uses sponsorship as one of the main ways of reaching out to their customers to communicate their message and values, it is considered an important tool for marketing (Cornwell, Roy & Steinard, 2001). Consumers are influenced by many different sources which have led to the growth of sponsorship in general. According to a study made in Norway, sponsorship has the third largest budget in communications for corporations (Thjømøe, 2010). The main goal is in general, to increase profits through higher rates of sales which Reiser, Breuer, and Wicker (2012) made a study on where they investigated the effect of an announcement of sports sponsorships. They found that these announcements of sponsorships made a significant difference in the share prices because this generally is a profitable investment (Reiser, Becker & Wicker, 2012). The brand can also be more recognized along with better goodwill, brand loyalty, and intentions from customers to buy their product (Sirgy et al., 2008).

## **2.5 Motivation**

Creating motivation and engagement among employees provides a challenge for company leaders. The goal of the leadership is to make the employees feel that they are a part of the company and that they are working for something in common, like a sports team. This can be partly achieved through correct management of the internal gains from sponsorship - to do this it is important that the employees can stand for what the company has sponsored. A typical mistake would be to sponsor a sports team that none of the employees supports, maybe a team from another town as an example. If they instead make the right choice the organization has a motivational tool for internal marketing (Quester & Kelly, 1999), this could be through offering them to get involved in a nonprofit event (Khan, 2010). It is of high priority from the employer to get the employees involved. This subsequently leads to a better recognition between the individual and company which gives a higher OI, this will lead to

increased performance and attitude towards other employees, but also towards external communications because of the attachment they have to the firm.

A central part of Khan & Stanton's (2010) hypothesis is that if the employees are aware of their employer's sponsorship program it will lead to a change in either the PEP or OI, if this improves those values it will in, the long run, improve their service quality. The authors also argue for the importance of the general attitude to sponsorship, if the employees have a good attitude they will have a better attitude towards the firm's sponsorship programme, and vice versa. From the research and the testing of their hypothesis, they formed a model where they trace how the employees' attitude towards the firms' sponsorship has an effect on the corporate profits. The model illustrates how the employee attitude is affected, partly by the signal from the corporation which the sponsorship shows and also by the employees' preexisting attitudes toward sponsorship as a concept. This, in turn, affects how the sponsorship affects the internal values of the firm, such as PEP and OI.

### **2.5.1 Commercial Sponsorship Effect on the Internal Corporate Audience**

One of the first studies done in the area was done by Grimes & Meenaghan (1998), they examined The Bank of Ireland's major sponsorships at the time, the Gaelic Football Championship which started in 1994. The main objective of this sponsorship programme was to reach out on a national level in a sport that is popular and has a great value for many Irish, they wanted to reinforce their "Irishness" in the country. After the programme ended they had an opportunity to investigate how it affected its own staff. From their surveys they could see that the employees perceived the bank as a large scale, modern bank - they also expressed that they felt more Irish working for the bank, which aligned with the main external reason of why they sponsored the event. Regarding the bank as an employer, the staff felt that they were proud to be part of an organization who sponsored such a national covering event. They summarized their findings stating that sponsorship is an effective way of communicating with employees on a national reach, it can be used to express a companies' brand values. Pichot, Tribou & O'Reilly (2008) is also stressing the importance of having good communications with the staff so the sponsorship can reflect what the employees believe in. Only then will the relation between the two parts create pride and joy when the sponsored team succeeds, which will bring the team inside an organization closer together through using the emotions from

sports. The communication towards an external audience will then be more positive because of a greater OI.

### **2.5.2 Sports Language**

A common discussion in the literature regards the access to sports language or metaphors that a sports sponsorship can give to the sponsor. This type of language is identified as a tool for creating a stronger corporate identity and evoking a higher sense of team spirit (Farrelly & Greyser 2012, Pichot, Tribou & O'Reilly, 2008). Communication through a sports context has been identified as an important tool for communicating the link between the firm's internal and external identity and to express concepts about organizational and individual performance that might otherwise not be so easily understood (Farrelly & Greyser, S 2012). On an organizational level, this leads to a higher cohesion within the organization, creating a stronger sense of organizational citizenship (Khan, 2013). On the individual level, sports metaphors can increase identification and coherence with corporate goals and values. The strengthening of these values and the strengthening of organizational belongingness that can potentially result in economic benefits for the organization. Improvements in employee efficiency, retention and productivity are identified as potential benefits, these internal developments can result in cost savings and profit gains for the organization (Farrelly & Greyser, 2012). This has the potential of enhancing the efficiency of an organization (Khan, 2013).

These improvements in employee behaviour and attitudes are linked to a long-term perspective on sponsorship as these changes do not occur instantly but rather it takes some time before the change and the effects can be seen. Traditionally organizations focus more on short-term goals such as publicity or using sponsorship activities as incentives for sales team etc. Adopting sports metaphors to facilitate employer and commitment change, means adopting a long-term perspective to what organizations want to benefit from sponsorship engagements (Farrelly & Greyser, 2012).



### **2.5.3 Sponsorship Linked Internal Marketing (SLIM)**

A central part regarding internal motives is the work done by Farelly & Greyser (2012), who built a framework on how to get the most out of a sponsorship internally in an organization. The author created a concept called SLIM - Sponsorship Linked Internal Marketing where they are connecting how the sports meanings are affecting the OI, further relating the stronger connection to the company to staff engagement and behaviour towards clients and other external parts, they also stress the fact that the potential is not realized by companies. The authors also found evidence for using sponsorship with the aim to strengthen staff performance and create an organizational identity. Although they realized one obstacle is to make the sponsorship programme long-term, otherwise, it would not give the wanted effect, which makes sense because it takes time to reform a company culture (Farelly & Greyser, 2012). Linking the external and internal goals is an interesting finding, where respondents said that it makes sense to combine them because they have a common objective. They also realized the potential gains from doing this to a higher extent where there is much to lose if the internal representation is not aligned with how the company is perceived by outsiders. As an example using stories from the sponsee both towards customers but also inside the organization.

Another example was an internal team-oriented challenge which was inspired by the leadership of the sponsored team and the way they did strategic decisions. Furthermore, some respondents saw the meaning in synchronizing the internal and external branding using sports sponsorship. From their in-depth interviews, Farelly & Greyser (2012) examined closely organizations who spent significant time and money to organize workshops and other development programs, where the ambition was anything from developing strategic plans to reward programs where sales staff got tickets to sports events if they had reached a certain goal. The results from their research led to a useful strategic framework for sponsors in how to line the objectives from both internal and external in the same programme, which shows how to use the sponsorship within the firm. They are using three levels where they can get engagement inside the firm, cultural, team, and individual, in these areas they have four methods to make an impact on the structure.

### **2.5.3.1 Corporate Social Responsibility**

Connected to the SLIM models' altruistic motives, it is crucial to mention Corporate Social Responsibility (CSR). In recent years the public and the UN has been demanding that companies respect human rights, principles for labor and environmental issues to take their responsibility for the society seriously (Svenskt Näringsliv, n.d.). Many companies have taken this seriously, not only because they have to but also because they will, in the long run, maximize their return if they work sustainable (Moon, 2007). Larger corporations who are the focus of this study are forced to present a plan on how they are taking their responsibility (Svenskt Näringsliv n.d.).

## **2.6 Conclusion Literature Review**

In conclusion, despite the majority of studies claiming that the area of internal values from sponsorship is quite under-researched. There is a common understanding of what the internal values are and what they can contribute to the internal audience of companies. The different concepts and models mainly discuss the same main values that can be drawn internally from a sponsorship engagement. What seems to be an apparent gap in research is the application of these theories and models in a practical case. How companies actually work with these values, and how important they are perceived to be, is still somewhat undeveloped and the majority of the studies point to this area for further research.

### **3.0 Method**

*In this section, the research method that will be used is developed and the implementation in practice is presented. The strength of the method used and possible pitfalls are identified and solutions presented.*

The study is based on interviews with three firms that sponsor associations engaged in sports to investigate their views on internal values and how associations work with sponsorship. The study takes the view of the sponsor as this seems to be the best way to evaluate how and in what ways associations work with internal values of sponsorship. By interviewing firms a bigger picture of the problem is shown, as these companies sponsor more than one association and therefore have experiences of how several associations work with their sponsorship engagements. This gives the study a higher reliability than if associations would be the investigated subject. The respondents were selected based on sponsorship engagements and diversity in the field of operations to avoid a possible distortion of originating the study in only one branch.

The basis of this study consists of a qualitative strategy and an inductive theory generation. The inductive perception is applied through a formation of the problem area and research question partly during the implementation of the study. Initial research questions were constructed, then clarified and modified during the course of the study. The inductive perception is suitable when the aim is to create an understanding of complex processes (Bryman & Bell, 2013). The studies implementation of case studies further explains the choice of an inductive perception.

#### **3.1 Collection of Information**

This study has both primary and secondary data. The literature review is solely based on secondary data, this section is constructed to set a framework for the study and to explore and investigate what is known and what has been researched on the subject before. The secondary data gives access to high-quality research as the literature used has been audited by several scientists (Bryman & Bell, 2013). From the secondary data key concepts are identified and explained, furthermore it is used to create relevant research questions. The collection of

primary data is designed and performed exclusively for this study and the method of collection is made to accommodate the information need of the study itself.

### **3.1.1 Collection Literature**

The literature review was performed by the authors studying previous research and articles in the sponsorship literature area. After building a basic knowledge of the field, the focus was shifted towards to study internal values from sponsorship in specific. This as the primary focus of the study is the internal values. The research of internal values was then complemented with studies concerning internal marketing, CSR and external values to complement the information. The research on internal values of sports sponsorship was then categorized and the most important findings presented along with relevant models for the area and the study. The most important concepts of internal values were identified and explained in an easy to survey list, this to give the reader a clear view of the definitions used throughout the study.

### **3.1.2 Semi-structured Interview**

Implementing this research a qualitative study based on semi-structured interviews was performed. Based on the information needed, with concern taken to the demarcations, this was deemed as the best option for achieving generality in the results. Using semi-structured interviews gives the respondent possibilities to elaborate their responses more thoroughly and in ways that might not be expected from the interviewer. This is favorably when the respondents perspective is the main interest (Bryman & Bell, 2013). As the subject of internal values is ambiguous in nature, it is possible that the respondent has a different perspective than the interviewer, therefore it is reasonable to allow the respondent to elaborate and discuss without regard to a certain framework. The respondent should be able to express things that are not foreseen by the interviewer (Bryman & Bell, 2011).

The purpose with executing the interviews with the selected companies was, as mentioned above, to collect in-depth analysis regarding their perceived gained value considering the internal objectives of their investments in sponsorship, specifically in large companies with a high number of employees. Another objective was to see how highly the employees' opinions were taken into regard in their choice of sponsee. To achieve these desired results,

semi-structured interviews with managers who are working or has been working towards these missions were conducted. As Bryman & Bell (2013) proposes, the interviews were recorded and later transcribed in an undisturbed environment. The interviews were held in Swedish but the used quotations are translated into English in the empiric part.

Two of the interviews were performed face to face at the respective respondents' office on their proposition. The third interview with Maria Rydberg at Skanska was conducted through telephone to accommodate the respondents' tight schedule. The interviews took approximately 45 minutes to conduct. The respondents were as follows:

- *Lena Alvling, General manager marketing and Corporate events, Stena Bulk AB, interviewed 28/11 14:00*  
→ Stena is a group of companies divided in different areas of business in Sweden, from ferry and transport, recycling and offshore drilling to managing real estate. The sphere is divided into three major groups with parent companies in each group, Stena AB, Stena Metall AB and Stena Sessan AB. It all started with Sten A. Olsson starting off within the steel business back in 1939, the company quickly grew and they started with their known ferries between Sweden and Denmark in 1962. The company sphere has more than 16 000 employees and during 2016 they had a turnover of 34,8 billion SEK and a profits 2,3 billion SEK (Stena, 2016).
- *Mikael Eisner, CEO, (previously head of marketing) Schenker Logistics Sverige AB, interviewed 28/11 15:30*  
→ DB Schenker Sweden is a group of companies where Schenker Logistics AB is one of the market leaders in the Swedish logistics market, it is a subsidiary of the DB Schenker AG company. DB Schenker is a division of the German railway company Deutsche Bahn AG. The original firm, Schenker was founded 1872 in Germany and became a part of DB in 2003. The company consists of many branches and subsidiaries around the world, operating both locally and globally. The company operates in the logistics market on a global scale, offering transport solutions by train, air, and ocean. It is one of the global market leaders in their field of operations.

Schenker AB has 2106 employees and had a turnover of 11,5 billion SEK with a profit of 279 million in 2016 (Allabolag, 2017).

- *Maria Rydberg, Market Coordinator Skanska AB, interviewed 5/12 15:30*  
→ Skanska Sverige AB is a subsidiary of the multinational construction firm Skanska AB, with headquarters in Stockholm. The company was founded in 1887 in Skåne under the name Skånska Cementgjuteriet and focused on the manufacturing of cement products. Skanska's main markets are Scandinavia, Europe, USA and some parts of South America, the business in South America is being liquidated. The Swedish part of Skanska had a turnover of 36,5 billion SEK and 158 million SEK in profit with 9000 employees in 2016 (Allabolag, 2017).

### **3.1.2 Interview Guide Format**

We wanted to obtain information highlighting differences between how sponsored associations work with their products towards the companies in question. The interviews were characterized by the interview guide which was used as a foundation to conduct the dialogues. The questions were composed using the research questions as a base, and with several backup questions to be able to receive all the information that was wanted in case the interview did not progress as smooth as a conversation. The purpose of the guide is to use it more like a checklist, so the needed information for the research and analysis were covered; in short, it was not used as a script. This gave a flexibility during the interviews so the interviewees could give their perspective on the subject (Bryman & Bell, 2013).

The aim was to achieve this through opening up with background information on our study, and through asking for some facts about the relevant companies and the interviewees in question. Furthermore, we wished to discuss what their sponsoring objectives and strategies are in general and if they have changed it recently. Progressing to the offer from the associations, asking if they can see any characteristics in smaller versus larger associations and questions regarding their way of measuring their results from sponsoring.

### **3.1.3 Selection of Companies to Interview**

The focus is on large companies because of the number of employees and their high brand awareness. The choice of larger companies also gives the study a higher sample of experiences and relations with associations, as larger companies often are engaged in more sponsorship engagements than smaller ones. The companies selected were mainly operating with Business-to-Business products, this to investigate how a certain type of companies operate with regard to sports sponsorship. The inclusion of Skanska in the study, although the fact that they no longer are as active in sponsorship, is made to allow for a comparison between the companies and explore the different perspectives that may be at hand. Skanska provides a interesting point of view in both why one might stop sponsorship and what other activities might replace it. This provides with relevant insights for both companies and associations to consider in relation to sponsorship.

## **3.2 Credibility**

In a qualitative study, it is not possible to use the same terms to assure the quality of the study, reliability, and validity is not applicable when the volume of data is small, instead, the measurement is credibility (Bryman & Bell, 2013). This refers to how trustable the researchers are when collecting their sources of information, in this case from the interviews – if the research is following the set of rules that are set up. For example, how informed are the respondents about the research beforehand. Also, how knowledgeable are the researchers, considering that everyone has an individual perception of the social reality. In the implementation of our research, a literature review was performed where sponsorship and specifically the internal values from it was investigated. Later, the interviewees were informed both thorough a phone call and an email conversation where they received information about the subject of the interview beforehand. We were also aware of the risk that they had not read what was sent to them (one respondent even mentioned it before the interview). To prevent them from being uninformed the purpose of the research was presented at the beginning of each interview. Furthermore, to ensure that the empirical part is valid and not angled an email with the result was sent to the respondents so they had a chance to comment. An important aspect to have in mind is that the study is only taking into account

what the interviewees has stated and it is interpreted it as the companies views. There is a possibility that result would be different if more interviews had been hold.

### **3.3 Transferability**

A study, based on interviews needs to consider how referable the results are to other areas beyond the focus of the research, this is called transferability. In the study, companies who are in different areas of business was chosen to prevent a too narrow focus. If all the respondents were in the same business this would limit the transferability. Still, the demarcations give motives to focus on companies with a high visibility from their daily operations and therefore a high brand awareness. The research is transferable to companies with a similar character who are considering sports sponsorship as a way of communicate their brand, especially in terms of what internal values there is to gain from sports sponsorship engagements. The study shows to what extent this is taken into account and how firms with a high brand awareness can use this as a way of communicating their OI.

### **3.4 Reflections on Method**

The method is limited to qualitative in-depth interviews, this method was chosen to achieve the highest reliability and in coherence with the demarcations, giving us an understanding of the underlying strategies and the decision making process on a deeper level. As mentioned before, the size of the companies interviewed gives us a high reliability as they have many experiences from working with different associations and sponsorship engagements.

The interviewees were provided with the questions in beforehand to give them a possibility to prepare themselves, but it has the backside that it can change the dependability of the answers collected. However, it is emphasized that the risk for this is rather low and that it is more important with well-informed respondents. Companies like Stena and Schenker are divided into several branches. Interviewing one respondent for each of the companies might not cover all aspects of the different branches, although a limitation of this has been made by selecting interviewees with experiences from several parts and positions within these companies. The interviewee Mikael Eisner from Schenker stands out from the respondents from Skanska and Stena because Eisner is the CEO in the company and may have a different point of view.

Perspective matters, especially during the discussion regarding how rooted the motives for sponsorship are from the employees' opinions. This can question his objectivity in the matter,



although the authors are of the opinion that it is crucial to have different perspectives on the matter.

## 4.0 Empirical Data

*The results from the semi-structured interviews are presented in this part of the paper. Sponsorship commitments are presented along with the respondents' views on internal values.*

### 4.1 Interview with Mikael Eisner at Schenker AB

Mikael Eisner is the CEO at Schenker Logistics AB in Sweden, he is involved with some of the marketing and sales work together with other responsibilities, although it was more before when he was managing director for marketing in Schenker Land AB.

The respondent starts off with discussing the Match Cup where they have been the official supplier since 2003, they are supporting the competition with all the logistics that surrounds the event. During the Women's World Cup in sailing in Gothenburg 2012 they also sponsored the organizing club, GKSS and 2008, they partnered with Volvo Ocean Race with the same concept - helping with the logistics from venue to venue during the race. Schenker was also a team sponsor for a successful women's team in match racing a few years back. The strategy within Schenker when it comes to sponsorship is to sponsor sports, and more specifically sailing if possible. Sailing goes in line with the values they have within the company which is stated from the main office in Germany. They are also one of the main sponsors to Team GKSS which they have been for many years.

*"The sponsorships are supposed to go in coherence with the strategy, and sailing has been stated as a strategy from Germany. Then it's easier to get it approved."*

Schenker is divided into many districts around Sweden, so their different sponsorship programs can be very varied. Depending on the volume and price of the sponsorship program it is harder or easier to get approved, a smaller association with a connection of some kind to the company is more likely to get help from Schenker according to the respondent. Furthermore, the respondent mentions that there are many employees who want to get help from DB Schenker to sponsor their children's sports associations. That is one of the reasons

why they have strict rules on what the company can spend in this area, but sometimes the respondent mentions, they do sponsor smaller associations around the country. They need to keep their reputation as a good employer in the smaller regions, where they are one of the bigger companies in many parts of Sweden and to be seen with a smaller association can be a good way of keeping up the goodwill. A big local sponsorship investment Schenker had before was to sponsor a hockey team in Gothenburg - Frölunda Indians, one of the main teams in the Swedish Hockey League.

*“I think it’s more about being nice to the local club when you’re talking about these small associations and such because we are a big employer and then you pay up. And maybe you are not expecting to get back very much.”*

Having the magnitude of the company in mind, the marketing mix is a small part of the budget, it is only a per mille of the turnover that covers marketing, and sponsorship is a portion of that. The respondent believes that this is because there are other ways to market your company these days, there are more cost-efficient alternatives today, as social media and search engine optimization, where the ROI is easier to track. The brand is also well known so the need for brand awareness is not as prioritized. This, together with a lack of follow-up are reasons why sponsorship programs end, the respondent mentioned that it is easy to see the difference between a competitive event like the Match Cup compared to sponsoring a nonprofit organization. There are measurements made to track how much the company name is recognized after the event and how much the brand is on the top of mind from the visitors' side, which is valuable to the company. Although, there is no analysis made on how the sponsorship is affecting the employees in terms of the internal values. As the respondent said;

*“I still think it’s a hard question, some people think you don’t need to sponsor anything at all. But that’s also short term, you have to be seen somehow, the question is what the best alternative is now with all social media and direct marketing. There are so many competing medias today that are quite cheap.”*

There are still valid reasons to sponsor according to the respondent, mainly because of keeping good relationships with clients, customers, and employees even though it is becoming harder to motivate employees or clients to come. Bringing them to these events and games is for building a solid ground of personal connection which will make the cooperation easier in every section.

Having some type of activity on site is of the highest importance to make the employees have a feeling of pride for their employer. The respondent mentions the fact that they had a really active stand during this year (2017) at the Match Cup event, which he believes made the employees of the company feel satisfied to work there.

*“But I think about that with pride, when you see the company name or when you are coming up to Marstrand and get to see the stand – I think that is important that you feel some type of belonging. Which I think many are underestimating, what the internal values are worth”*

Further, the respondent talks about how they tried to implement family days during the event on Marstrand, but again, it was hard to motivate people to take time from their own free time to do something with their employer. They tried it during a few years until they took the decision to end that type of activity.

*“...you don't need bouncy castles and hot dogs and stuff for the family. People come by anyway and then they can see the Schenker logo and think – “That's where I work!”.”*

Our respondent also mentions the fact that people are too busy to spend their spare time to watch a hockey game for example. Not only for clients but also for employees it is hard - that is one of the reasons why they ended the cooperation with Frölunda hockey team. To get people to come to the sponsored events and to get active in helping the associations, the respondent means that it is important to have a pure interest in the cause that the company is funding. The respondent also means that it is of most importance that the passion comes from the top to motivate the employees to also be excited, that is why sailing has been popular from his side as the respondent is a sailor and has a great interest in the sport. If the key people do not have the motivation, it is not likely that they will bring clients or staff there. As the respondent stated;

*“You can say what you want, but I like sailing, and that is why I chose to sponsor sailing. And the guy who is in charge of the whole Schenker concern likes sailing as well. Then we are able to attract people there, customers, employees...”*

Furthermore, the respondent said;

*“In that case, people show up, clients and staff, or they are required to go there. But if you don't have any commitment, then you don't get any interest either. I'm not particularly interested in Gothia cup, then we had another guy who was interested in it, so he was put in charge of that commitment. I'm not very interested in being there, and then I don't bring any clients there. So if you do not have the interest yourself then you won't bring any other people either, it has to be an interest somewhere”*

Continuing, activities that are adding internal values to the company were discussed.

Workshops and networking are mentioned during sales process before the sponsorship program is decided, but are usually not executed as promised, but if they were, it would be valued. Having sponsees lecturing on what their game is about and how it works was appreciated according to the respondent when they sponsored a women's team, they came and lectured and during this summer Thomas Rahm (CEO of GKSS) also had a presentation for Schenker. As the respondent said;

*“Thomas Rahm had a talk during a customer gathering on Marstrand. He talked about how match racing works, it was very appreciated and we are going to use that opportunity next time too”*

Lastly, the respondent indicates that more focus on internal values from the sponsees could persuade him to be more involved in sponsorship programs. He believes there is a value in getting the employees more involved but the initiative needs to come from the sponsored organizations instead of the leadership in the company. As the respondent put it;

*“Yes i think so, it is like with all sales, if you see that you can gain something... But then, they have to come up with ideas and propositions”*

In conclusion, the respondent is positive towards what the internal values from sponsorship can give to an employee, he sees that it can have a positive effect on pride to the company and how someone can feel a belonging to the organization. Although Schenker has a relatively small sponsorship budget they can still see a solid value in having it in the marketing mix, and that the internal values have a possibility to take up more room in what they gain from sponsorship.

## **4.2 Interview with Lena Alvling at Stena Bulk**

The respondent Lena Alvling mainly works with the marketing of Stena Bulk but is also responsible for sponsorship where the overall organization is engaged. The interview mentions both sponsorships from Stena Bulk and the other subsidiaries of Stena AB.

The main strategy for sponsorship from the Stena sphere is to sponsor something that is connected to the sea and the environment because it is their field of operation. Although, it is common for more personal values and beliefs from key personnel being deciding factors. With the direction of sponsoring environment and associations connected to the sea, GKSS or events like the Match Cup, where they were title sponsors for five years, are some of the commitments they make. Other types of associations are sponsored as well, as an example, Stena Metall is sponsoring Hockey teams and Stena Line who previously sponsored the local football teams ÖIS and GAIS. The Stena sphere also sponsors the charity organization Childhood and the nonprofit sea rescue organization Sjöräddningen. Furthermore, Stena tries to be active and supportive of activities within the Gothenburg area to promote the city and make the local environment for the employees better. The subsidiaries of Stena also sponsor smaller local associations or teams. The respondents said the following;

*“Often there is a strategy behind, but there is also a lot of personal values involved in where you spend the money, there is always some CEO who has an opinion”*

Of the total marketing budget, sponsorship is estimated to represent some 10-20 % of the spending. The sponsorship budgeting has decreased since Stena stopped their involvement in the Match Cup event, during that engagement, sponsorship was some 50 % of the total marketing budget. According to the respondent, there are three main motives for sponsorship

in the Stena Bulk case. Firstly, relationship marketing, creating or building relationships with customers, this as Stena Bulk is a Business-to-Business company. The advantages of a sponsorship being that you can bring your customers there and do activities together. The second motive is the brand, spreading awareness and being seen. This is mainly important for the customer-oriented parts of Stena, such as Stena Line. And lastly, the third motive for sponsoring is creating pride amongst employees, doing something that includes the employees and let them take part in sponsorship engagements.

The follow-up of sponsorship engagements is complicated to measure according to the respondent. How much effort that is put into the evaluation of a sponsorship program also varies with the investment made, larger investments being more analyzed. During the Match Cup, for instance, factors such as recognition and brand exposure were investigated and calculated. In the case of the Match Cup these values were found to be high, something quite expected according to the respondent as they were the title sponsor and therefore it was hard to not achieve these parameters. As the respondent explained;

*“ During the Match Cup, we performed evaluations were we calculated recognitions factors and brand exposure. It was high, but that was not so strange as we were the title sponsor so it is hard to avoid”*

In terms of follow-up from the sponsored associations, it seems to be unsatisfactory, the respondent sees a failure here and points out that it is very important for associations to actually do a follow-up, to keep the relationship on a good level.

*“ They might do a phone call and talk, but very.... No, I would say almost nonexistent”*

This was also evident in terms of communication from the associations where the respondent felt that it could be unclear and insufficient. This can be something that eventually ends the sponsorship, as the respondent put it, they have to be more professional. In the case of the Match Cup and Stena's withdrawal as title sponsor, it happened during a time of restructuring of the event. From Stena's point of view, it became unstable and unclear which gave them reason and time to contemplate over the sponsorship and if it was really worth it. Something

that in the end made them decide to stop being the title sponsor for the Match Cup. If the communication would have been more straightforward and clear-cut it is likely that Stena would have continued their engagement. The respondent stated;

*“We actually were prepared to continue to sponsor the event, but this was during a time when it was a restructure with owners on the tour and Håkan (the new owner of the Match Racing Tour, remark authors) came with the M32... and suddenly it was very insecure and it was a vacuum which gave us a chance to reflect. “*

The respondent was aware that the employees appreciated sponsorships like the Match Cup as there were a lot of reactions when they stopped the commitment. People expressed that they missed it and thought it was a fun thing to attend.

*“ I think so, and you noticed it.... many people feel that it is sad that we are not there anymore, those comments are common”*

Regarding the internal values, there seems to be somewhat knowledge of it in their marketing strategies but limited to a sense of pride and motivating sponsorship for the internal audience. The internal aspects of sponsorship are the least priority for Stena to engage in sponsorship, with customer relations and brand image being the foremost motives. The internal values are seen as a bonus or additional value from sponsorship, but not instrumental. Further, the respondent saw problems with making time for activities promoting internal values.

*“I see what you mean, but mostly the case is that everybody has so much to do anyway, it is not so easy to make it happen and make time for it, I don't think it is crucial, but it is a fun seasoning if it is there, that's probably how I would put it”*

In terms of knowledge about the internal values from associations the respondent does not see extensive insight amongst them, and when activities that can enhance internal values are performed, it is most often based on a request from the sponsor. Stena has had some positive sponsorships in terms of promoting internal values such as pride. The respondent mentioned one sponsorship of two sailing teams where the skippers of the teams talked and exchanged



experiences with employees during Stena's lunch hour, they attended the company's Christmas parties and so forth. They developed a relationship with them over time, making the sponsorship engagement more fun and the staff more emotionally engaged in the sponsorship itself. Despite these positive experiences, it is seen as more of a fun thing and as something extra to the sponsorship. Using this story to bring customers out to watch them sail and tell personal stories of the sailor to customers, seemed to be a more important aspect. This exchange was more of an exception though, with most sponsorships not resulting in these personal exchanges. The respondent said;

*“It was very successful because it became a fun exchange for everybody and then it is really fun to go out and watch them sail. You are cheering for them and you bring customers and you can tell them something about them (the sailors, authors remark)”*

In conclusion, the sponsorship of the Stena sphere is mostly based on motives of customer relations and brand image. The internal values are recognized as beneficial and positive but still not seen as an important aspect of the sponsorship engagement. The motives for engaging in a sponsorship program is based on the external marketing strategy and in some cases personal beliefs and values from key personnel. If internal values can be promoted and gained from sponsorship it makes it more likely that the collaboration is continued, but it is not a deciding factor in setting up the sponsorship in the first place. More follow-up and engagement from the sponsored party would also make it harder to terminate the sponsorship.

### **4.3 Interview with Maria Rydberg at Skanska AB**

The respondent Maria Rydberg works as a Market Economist at Skanska AB. She works in the marketing department with market strategies, clients, sales, market communications, and sponsorship to some extent.

The sponsorship strategy for Skanska differs from the two previous companies interviewed. Previously they had extensive sponsorship engagements, mainly hockey associations, but since three years back Skanska has decreased their sponsorship activities and adapted to engaging more in cooperation with associations doing activities to help society. Their spending on sponsorship is minimal. The decision to reduce sponsorship engagements came

from the fact that Skanska realized that they do not need to promote their brand to the consumer as the company is 130 years old and their brand is well known in Sweden. The respondent said;

*“Some years ago we completely changed our attitude towards sponsorship. You could say that the background for this is that we are a 130 years old company with experience and background. That means that our brand is recognized by many people”*

When they still engaged in sponsorship programs, Skanska was working with both small and large sports clubs. The type of associations sponsored were mainly hockey and football organizations, something the respondent attributes to the sponsorships often being initiated by men, and therefore the sports sponsored were typically manly sports such as hockey. The people in key positions were the main decision makers on what to sponsor. In terms of follow-up on sponsorship and measuring results, Skanska did not really perform any follow-up. That was one of the reasons for changing strategy, it was hard to value what it was worth. From the conversation with the respondent from Skanska;

*“-I could say, if you generalize a bit, it was initiated by the men in the company. So it became a lot of manly associations, that would be Hockey and football”*

**- Was it the people in key positions who choose this?**

*- Yes, it's where the money is.”*

The respondent then compares Skanska with Serneke which is a new company in the branch, and they need to work a lot with brand awareness. For that purpose, sponsorship is very effective, because you expose your brand in as many places as possible. Skanska has passed this stage as they are so recognized, therefore they realized it was more important to communicate the values of Skanska and what they want people to think of when they meet Skanska. They are now focusing on community involvement instead, creating value for both the society and the business. This is something that they are still working out the strategies for and are implementing as they go, it is a work in progress. The respondent said;

*“What it is about for us, is simply more community engagement. To create value for the society and business and find a connection between these”*

The traditional sponsorship activities, such as branding, tickets, and lounges are completely out of the question in the current strategy. Skanska does still cooperate with associations but now it is more of a partnership where they perform activities to give back to the society. In terms of the offers Skanska gets from associations, they have noted a change in what they are offered. The association have realized the demand for different partnerships and therefore they come up with proposals for value-creating activities for the society. Skanska is not the only ones who have changed their view on sponsorship and the respondent identifies market pressures as a reason for the change in the offer from associations. Although, the respondent states that this change has not come voluntarily from the associations. If Skanska is to commit to a partnership with an association, there has to be a need for this from the local community. If this need exists, Skanska sees sports as an excellent platform for doing this. This is how respondent put it;

*“... not entirely voluntarily though. I feel that in some towns, the associations are very important, and two fine brands can do something very good for a town that has a challenge if it is integration or whatever it may be. Sports is a fantastic organization and together with two strong brands Skanska and a local association can do great things locally. But this depends on the local need for something to be done to actually exist”*

The respondent further evaluated;

*“We want to, as I said earlier, move from pure sponsorship. And we are not the only company who has this goal, so the associations have understood that there is a market pressure to find other collaborations. So, they actually put forward some very nice suggestions and ideas”*

During these activities employees from Skanska and people from the associations perform the activities together. The associations provide the framework for doing the activities, and employees from Skanska contribute on a voluntary basis. The problem with this for Skanska

is that it takes more time than a regular sponsorship, ordinary sponsorship is easier in this sense. These types of cooperations are relatively new for Skanska and they have not established the practice yet, they are trying their way forward. One example the respondent states is in a suburb of Stockholm where youths did not have anything to do during evenings. In that situation, Skanska and the local football associations set up evening football events such as football practice. They also performed an activity to improve integration in a suburb of Gothenburg where they let young kids try ice skating. These activities build on voluntary efforts, and this is what Skanska wants to invest in, providing time in terms of volunteers instead of money which helps the company strengthen their perception from people.

*“We organized football practice together with the local football association, so it is entirely based on voluntary efforts. But then we do good, we invest more time than money, and that is what we want do”*

The respondent gave an example;

*“Everyone who is attending first and second grade got the opportunity to try ice skating, we and others were there and helped the kids to put the blades on.”*

The respondent is aware of the internal values and what benefits they can give to the company. They have not seen it yet in their new strategy but expect that it will be more apparent over time. The belief is that their new type of cooperation with associations will give more of these values than ordinary sponsorship did. What they did notice when changing strategy was that a lot of employees felt that it was sad that they stopped with sponsorship. They lost the pride employees felt when Skanska sponsored local sports clubs. Although, when they committed to sponsorship it was to strengthen the brand, the internal values were not something that was focused on, they were more seen as bonus effects. As the respondent said;

*“It was rather more of a bonus effect”*

With the change of strategy, the internal values have become more important, as they are more of a natural part of the type of activities Skanska wants to connect themselves to. If associations would focus more on the internal values in their offer to Skanska it would increase the probability of Skanska engaging in a partnership. This on the condition that there is a real need in society for something to be done. The respondent when talking about whether the internal values have become more important with the new strategy or not;

*“Yes in a way it becomes like that because the engagements we do nowadays requires more time and dedication from our employees”*

When the dialogue kept on going, this is what the respondent mentioned regarding associations using internal values as selling points;

*“Yes it absolutely would, as long as there is an existing need in the society for something to be done”*

Concerning the employees’ reaction when changing strategy, the respondent said;

*“We see this now that we have changed our strategy regarding sponsorship, we actually get a lot of reactions from the organization that people think it is sad. This because of the importance of the local connection in the local association and you want to feel a sense of pride if your child, for example, wears your brand. There is that connection, that is something we see, absolutely”*

In conclusion, Skanska has changed its marketing strategy from sponsorship to more cooperation with associations. The purpose is no longer to increase the brand awareness but instead to strengthen the values of Skanska and communicate them to society. This is also highly connected to their goal to how they want to be perceived, what type of image the brand is providing and what top of mind impression Skanska has to people who encounter the company. Previously when sponsorship was still a part of the market mix the main purpose was to promote the brand and little focus was given to internal values, they were more seen as bonus effects. With their change in strategy, there is an also a stronger emphasis on the

internal values of the company. Although this is not something that has yet been seen, but rather something that Skanska expects to see more effects of on a longer term when the new strategy is implemented. The view on associations is that they have realized a shift in demand from some companies and adopted their offer to accommodate this. Still, the most important factor for Skanska to engage in a cooperation with associations is that there is a societal need for something to be done, an issue to be solved in the local society with the goal to be associated with taking responsibility for society. More focus on internal values would increase the chance of Skanska engaging in a cooperation with an association, providing that there is a need in the community.

#### **4.4 Summary Empirical Data**

From the empirical interviews made, both commonalities and diversities were found. A distinct way of choosing what sponsorship programs to engage in was seen, several times it comes from the top down and not in line with theories regarding internal values to find a broader support from employees. A tendency of moving away from a regular form of sponsorship can be seen with Skanska who has left the traditional way of sponsorship. They are now moving towards Corporate Social Responsibility commitments which they are basing on their ethics policy instead. Stena has also decreased their engagements but they are also keeping a few programs that are more of an altruistic character. The respondents were all aware of internal values to some extent, but usually, it is not high on the priority list when motivating a sponsorship although there are signs of giving it a higher priority.

## 5.0 Analysis

*What follows is the analysis of the empirical information collected, the research questions will be answered and analyzed.*

### 5.1 Awareness of Internal Values

What follows is the analysis of the respondents' answers regarding the research question:

- *How extensive is the knowledge regarding the potential value of internal effects from sports sponsorship?*

A common denominator for both Schenker and Stena was that both companies had knowledge of the potential positive effects of internal values, but it wasn't prioritized and seen more as a bonus effect from sponsorship. This was true for Skanska as well before they changed their marketing strategy. As the respondent from Stena put it when asked if more focus on internal values from associations would increase the probability of engaging in sponsorship:

*"I see what you mean, but mostly the case is that everybody has so much to do anyway, it is not so easy to make it happen and make time for it, I don't think it is crucial, but it is a fun seasoning if it is there, that's probably how I would put it"*

Similar replies were collected from the other respondents concerning this as well. The internal values were seen as something potentially beneficial but it was not the deciding factor when choosing to sponsor. If it was there, it was seen as a bonus and a fun additive. The major focus for all of the respondents was commercial, such as creating relations with clients and using the sponsor as a platform for this. The knowledge that it can create something positive for the company is there, but how and how much, seems not to be fully understood. Although, since Skanska has changed their strategy the interest in the internal values grew, showing that the knowledge was there but perhaps not the know-how that it could be extracted from sponsorship engagements.

Skanska on internal values:

**“-Do you have a bigger focus on the internal values in the new strategy?”**

*-Yes in a way it becomes like that because the engagements we do nowadays requires more time and dedication from our employees”*

One aspect that might decrease the possibility to consider internal values to a higher extent might be that often the incentive for engaging in a sponsorship comes from people in key positions. What they feel should be sponsored was a deciding factor, often based on their personal preferences. This is what the respondents said concerning this;

Schenker:

*“You can say what you want, but I like sailing, and that is why I chose to sponsor sailing. And the guy who is in charge of the whole Schenker concern likes sailing as well”*

Stena:

*“Often there is a strategy behind, but there is also a lot of personal values involved in where you spend the money, there is always some CEO who has an opinion”*

Skanska:

*“-I could say, if you generalize a bit, it was initiated by the men in the company. So it became a lot of manly associations, that would be Hockey and football”*

**-Was it the people in key positions who choose this?**

*-Yes, it's where the money is”*

Despite having strategies for marketing and sponsorship it is apparent that key actors in the companies influence the sponsorship programs, in the way they want them to be directed. This is based more on personal beliefs rather than rational decisions. The selected sponsorship might not be the most optimal from both external and internal perspectives. What was also constant with all the interviewed companies was that the employees' interests and beliefs on what to sponsor were not taken into account. The sponsorship strategy stems from



either strategy or personal views from key members of the organization. This is something that was not found many examples of in the literature review, the aspect of personal strategy should perhaps be given more thought than what is now the case, although Grimes & Menaghan (1998) mentioned this briefly. Furthermore, if knowledge about the internal values were more widespread throughout the organization it seems likely that sponsorships from personal beliefs would change or even decrease. As the key people mostly do not work with marketing directly and might therefore not have the knowledge. If they were to know more about the internal values this could influence their personal beliefs regarding sponsorship and make them more strategic.

Only Schenker gave us more rational reasons for basing the sponsorship directions on personal beliefs. As they use sponsorship mainly as a platform to meet and create relations with customers it was important that the person responsible was interested in the sponsorship, this to motivate him or her and to motivate the sales staff for going to the event. If the executives are not interested, it is hard to motivate other staff to be dedicated and actually go there and perform a good job. This shows insight in how to motivate staff and increase their performance. This suggests that Schenker shows knowledge about how one can use internal values to achieve higher external values such as increased sales and brand image. This is something that was found in the literature review, there needs to be a support or interest in the sponsee within the sponsor. This has been shown to increase the OI, a higher OI gives a sense of belonging to the company and improves performance in terms of relations with other employees and customers. Although, just because the leader is interested, it does not mean that the employees will be, it may raise the probability of them going there and their motivation. As the respondent from Schenker said:

*“In that case, people show up, clients and staff, or they are required to go there. But if you don't have any commitment, then you don't get any interest either. I'm not particularly interested in Gothia cup, then we had another guy who was interested in it, so he was put in charge of that commitment. I'm not very interested in being there, and then I don't bring any clients there. So if you do not have the interest yourself then you won't bring any other people either, it has to be an interest somewhere”*

Although the respondent does not show any sign of recognition of taking the internal values into account, it can still be a consequence of this. The primary motivation for the respondent seems to be to get employees to the event for purposes of external profits, not to improve internal values, nevertheless the respondent might get this effect anyway.

The respondents said that they reflected on their employees' reactions on sponsorship. In the case of Stena and Skanska, the employees expressed disappointment that they did not sponsor as much as they used to nowadays. Schenker talked about belonging and pride as something they got from sponsorships and events that was somewhat underrated. This can be related to the concepts of OI, PEP, and pride mentioned in the literature review. A sponsorship can enhance OI among the employees when seeing the brand in sports and events. The concept of PEP is also affected, sponsorship enhancing a perceived positive image of the company. In the case of Stena and Skanska, it appears as the employees felt a pride and joy in the sponsorship engagements and now they miss it. It seemed as if this was not fully realized until after the sponsorships were ended and the marketing departments got this feedback. Stena had family days during the Match Cup for instance, where pride was seen as the major value gained, but it did not appear as this was something that they reflected on more thoroughly. Schenker shows more insight here, realizing the value of their employees seeing the brand name in sport and events. Not talking in those terms, but what the respondents mentioned is part of the PEP and OI concepts of internal values;

Stena:

*“ I think so, and you noticed it.... many people feel that it is sad that we are not there anymore, those comments are common ”*

Schenker:

*“But I think about that with pride, when you see the company name or when you are coming up to Marstrand and get to see the stand – I think that is important that you feel some type of belonging. Which I think many are underestimating, what the internal values are worth ”*

Skanska:

*“ We see this now that we have changed our strategy regarding sponsorship, we actually get a lot of reactions from the organization that people think it is sad. This because of the importance of the local connection in the local association and you want to feel pride if your child, for example, wears your brand. There is that connection, that is something we see, absolutely”*

In conclusion, there is knowledge among the companies about the internal values that can be drawn from sponsorships. Although the extent of the knowledge varies, having events during sponsorship activities such as family days and such seems to be established as an activity to improve internal values. Other than this, there was not any evidence of the respondents trying to activate the internal values more extensively. This suggests that although the knowledge of the benefits is there, they are not fully understood and it is not realized that the companies have to work with them to achieve the full potential. Skanska showed intentions and some examples of utilizing this more. They are still working out how they are going to fully implement their strategy, but it was apparent that the internal values were given more thought than previously when they implemented traditional sponsorship.

## 5.2 Associations Selling Points

The following is an analysis of the empirical data related to the research question,

- *To what extent is internal values used as a selling point by sports associations?*

In the case of Stena and Schenker, they had limited experiences of associations offering them internal values as a part of the “product”. From Stenas view, it was more a case of them deciding what they wanted and the associations having to adapt. Schenker experienced that the associations were poor at using this as a selling point, only referring to it happening one time. Skanska on the other hand experienced that especially larger associations had adapted to new market needs, where cooperation and societal development is sought after, rather than purely sponsorship. Stating that the associations saw the change in demand and adapted accordingly. Skanska, about associations adapting their offer to their new strategy:

*“We want to, as I said earlier, move from pure sponsorship. And we are not the only company who has this goal, so the associations have understood that there is a market pressure to find other collaborations. So, they actually put forward some very nice suggestions and ideas”*

What all respondents agreed upon was that if the associations were to use internal values as selling points it would be more interesting for them. Although, in the case of Skanska and Stena this would not be a deciding factor, it would provide extra value. In the case of Skanska after switching strategy, it was of a higher importance, with a reservation that it has to be a need for society to perform activities and make a difference. Schenker saw it as more positive, regarding all value as enhancing the chance of a commitment from their side. Answers regarding if increased focus on internal values from associations would enhance the likeliness of a commitment being made;

Stena:

*“I don’t think it is crucial but it can be an extra seasoning, that is probably how I would put it”*

Schenker:

*“Yes I think so, it is like with all sales, if you see that you can gain something... But then, they have to come up with ideas and propositions”*

Skanska:

*“It was rather more of a bonus effect”*

Skanska, when talking about their current strategy:

*“Yes it absolutely would, as long as there also is an existing need in society for something to be done”*

With two of the respondents seeing it as a bonus effect and one seeing it as adding value to the whole package it seems like there is room for improvement from the associations here. Although not the most important aspect to emphasize in the sales process, internal values can be the final factor in deciding what to sponsor, all other things being equal. Coherently, it would give the associations a competitive advantage using the internal values. There seems to be somewhat of a demand for the associations to come up with suggestions and ideas for how to work more with the internal values. More knowledge from associations about concepts like OCB, PEP or OI could, therefore, give them an advantage. Both from taking the initiative and also by showing the sponsor that they are well informed and maybe know something that the sponsor does not. If they can inform the sponsor about values that they did not know, then they could extract more from a sponsorship program, it seems likely that this would favor the association in the sales process.

Concerning sponsorship, it seems that the underlying causes for engaging in a sponsorship are of more external reasons. This is not surprising as it goes in line with what was found in previous research, the main motive is still to increase customer relations and sales. What is a bit surprising though is that the internal values were not sought after more. This is coherent with what was found from the first research question above, that there is somewhat of a knowledge gap concerning internal values. It seems to be mainly a lack of knowledge in how to extract the internal values from a sponsorship deal. As research shows, the benefits do not

come automatically but needs to be activated and the sponsorship used more thoroughly. Using sports language or metaphors from sports, for example, requires that it is actually used within the organization. If the knowledge of potential benefits from sponsorship such as PEP and OCB would be higher, it seems like it is reasonable that the focus on internal values would be increased - realizing that focusing sponsorship on the employees can give positive economic effects such as increased effectivity or increased sales.

In conclusion, the associations do not use the internal values as selling points to a further extent, the respondents had limited experiences of this being offered. If it were to be used by associations more, it could give them a competitive advantage over other associations, all other things being equal. The main focus is still on the external values, the internal values are seen as more of complements to the external. The use of internal values in the sales process is therefore limited, although a potential for a higher focus on this is possible. The main selling point should still be focused on external values but adding an aspect of internal values might increase the incentives for sponsors to commit. Although this requires knowledge in marketing by associations, something that might be lacking due to the nature of associations, often being based on voluntary work. In larger associations though, it should be easier to accommodate this and create advantages towards the competition.

### 5.3 Follow-up on Internal Motives

In this part, the third research question is answered regarding the ways companies evaluate the effects of sponsorship,

- *To what extent is the internal values gained from sports sponsorship followed up?*

During the interviews, a clear pattern in lack of communication between the sponsors and the sponsees was found, which can have resulted in fewer engagements in continuing sponsorship programs according to the respondents. The follow-up in what the associations have achieved throughout the year is crucial in this context, as an example, this is what Stena said about their relationship to GKSS regarding their ended engagement in the Match Cup:

*“We actually were prepared to continue to sponsor the event, but this was during a time when it was a restructure with owners on the tour and Håkan (the new owner of the Match Racing Tour, authors remark) came with the M32... and suddenly it was very insecure and it was a vacuum which gave us a chance to reflect. “*

The respondent from Stena continues with commentating that during that time there were many sponsors who started to be anxious, and then it is essential to communicate what's actually happening. Being more precise regarding the internal values, the respondents stated that there was no companies or associations who did evaluations. This is because of the lack of perceived worth in what the internal values give to the company, an absence of knowing how much sponsorship could give, as we concluded in the first research question. The respondent from Stena mentioned that these effects are like a bonus and are not prioritized, Skanska also stated that before their change in their sponsorship strategy they also saw it as a bonus. The interview with Schenker also showed that there were inadequate summaries on what their investment gives them in terms of internal effects in the company, but also in a general context. The respondent also said that it is more motivating to sponsor when they get some type of proof on what the investments results are and that it would be of value to see an evaluation of what they get from being a partner to Team GKSS. Still, they wanted this information to come from the association side.

When the magnitude of the companies are on such a large scale and when their ownership is broad as in Skanska and Schenker, they have a greater need of motivating why they are spending funds on sponsorship. This puts extra pressure on measurements and with today's different alternatives of doing marketing, sponsorship is lacking sufficient reasons to compete with the other alternatives. A comparison with Social Media and Search Engine Optimization was made during two of the interviews, the ROI is significantly easier to analyze here than sponsorship. This forces sponsorship to find new ways to provide value or through offering good measurement methods in traditional sponsorship. Schenker when answering if they got what they aimed for from sponsorship;

*“I still think it’s a hard question, some people think you don’t need to sponsor anything at all. But that’s also short term, you have to be seen somehow, the question is what the best alternative is now with all social media and direct marketing. There are so many competing medias today that are quite cheap.”*

As mentioned in the empirical part, Stena and Skanska have, during recent years cut their expenses in sponsorship and through doing so they have met some criticism from employees. In terms of pride, belonging and other feelings toward the company from employees it may have gone down because of these actions. Although this cannot be certain because the measurements on how the internal effects from sponsorship are not made in the companies, but from what the respondents are stating, a tendency is seen that such a case can be found. In the case with Stena, their employees can see a change because they were so deeply involved with the corporation as title sponsor to the Match Cup, during that engagement they had put in an effort what to give to the company’s employees, like family days and company parties during the event week.

In conclusion, the data showed that there is a lack of evaluations in general regarding sponsorship programs, both internally and externally. The comparison between the more competitive event Match Cup and associations’ regular operations was made where both Stena and Schenker agreed on the gained value from the measurements that were made during that event made a big difference. Here we need to take into account that an event with a short time frame is easier to measure than a longer commitment. When discussing the



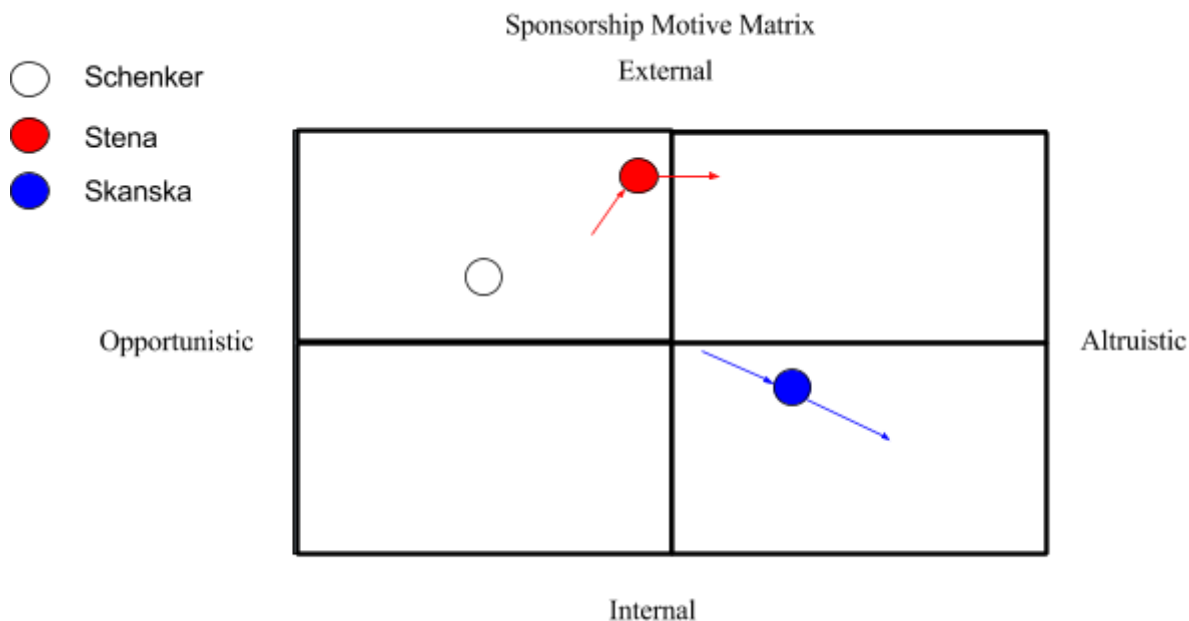
evaluations about the gained internal values from sponsorship the empirical data showed that there was no follow-up made whatsoever which is connected to the attitude towards what to gain in the terms of belonging, team spirit and OI. Another important factor is also that there is no adequate instrument for how to measure these effects. A framework for follow-up of both short- and long-term commitments would likely improve the attitude towards the internal values. This as it becomes less abstract and easier to motivate from an economical perspective.

## 5.4 Identified Sponsorship Motives

In this section, the fourth research question is explained and answered;

- *How important are the internal values for a corporation with high brand awareness when engaging in sports sponsorship?*

To determine the respondents' motives for sponsorship and in extension the relevance of promoting internal values as an argument for sponsorship by associations, the Sponsorship Motive Matrix will be used in this section. The matrix gives a clear indication and an overview of the respondents' motives for sponsorship and from this. In the text, their locations are motivated from the interviews and a comparison between the three is made. The companies are firstly discussed separately. Then a dichotomy, in terms of internal motives is developed between the alternative to sponsor or to dedicate to altruistic engagements.



*Figure 3 Applied Sponsorship Motive Matrix*

*The matrix was used to set a position for the three companies. Every dot represents their current position and the arrows are representing where they have been and where they are heading, arrows with a longer tail mean with higher distinction and vice versa.*

The respondent from Schenker discussed that their perception as an employer in smaller societies is important, and through being generous to local clubs they can achieve a higher respect. Schenker are many times one of the bigger corporations in these counties, keeping a good reputation, or PEP with a high standard is valued but not measured according to the respondent;

*“I think it’s more about being nice to the local club when you’re talking about these small associations and such because we’re a big employer and then you pay up. And maybe you are not expecting to get back very much.”*

He also mentions that the internal values are probably underestimated by many. When the logo is visible during the Match Cup and when Frölunda hockey team is playing on TV for example - the respondent thinks this brings employees pride and belonging to the company. This has coherence with what Khan & Stanton (2010) are describing regarding PEP.

Schenker's position in the matrix is motivated by the respondents' comments on their motives to sponsor smaller associations around the country with objectives to keep up their reputation as an employer. Their spot is lower than Stena on the internal/external axis but not to the same extent compared to Skanska. The main objective of their engagement in sponsorship programs is to show the quality of their services, which is defined as external. They are further to the opportunistic side of the matrix because their engagements mostly have a sponsorship focus, meaning that it is further away from charity. Their direction and previous position are not as distinct compared to either Skanska or Stena. The only evidence for a change in strategy would be the respondent's statement about the internal values being undervalued or their small sponsorship programs throughout the country, but this was found to be far too subtle meaning that they are defined to have a stagnant position.

In the interview with Stena, the respondent stated that they have a priority order with their marketing in general, first and foremost it is prioritized to create relations as a Business-to-Business company. Secondly about brand awareness and third in the priority order was how it affected the employees, although this was more valued as a bonus effect. In earlier days they have had more focus on the internal values when they sponsored sailing

teams and during their Match Cup commitment, but now when they have significantly reduced their investments in sponsorship, it is not allowed to take as much room. Although the respondent also acknowledged Stena's commitment to Childhood Foundation and the Sjöräddningssällskapet in Sweden which both are more of an altruistic character.

When placing Stena in the matrix, they are estimated to be in the top right corner of the Opportunistic and External section of the model, and that they have a history of more Opportunistic and Internal values, referring to their earlier commitment in the Match Cup. Different sailing teams and other sports teams where their objectives were more about the brand awareness and relationships with both customers and employees. Taken into consideration that Stena has reduced their sponsorship involvement radically, our statement is that they are moving towards a sponsorship strategy with more altruistic intentions. Although, not with much representation from the employees' side. Furthermore, the respondent stated that she would like the internal focus to be higher and expressed a belief that it would be greater among other companies. Showing an insight into their lack of investment on the internal values from Stena.

As mentioned in the interview with Skanska, the need to be seen is not as high for them compared to a relatively unknown smaller competitor, Serneke. The sponsorship programs can then be motivated by a different approach, the respondent said that it is more important what people feel when they get in touch with Skanska. The focus here seems to be to rather do less, but with higher quality and that the sponsorship programs they get involved in have a clear purpose connected to their ethics policy. As an example, Skanska was helping out during an activity organized by Frölunda Hockey Team concerning integration some time ago. The program was called "Åttans Spårvagn" which refers to a tramline in Gothenburg which has its endstation in Angered, a suburb where there is a high density of immigrants and segregation. The engagement here was not connected to a financial assistance but rather support from Skanska through giving the possibility for employees to help out during the event. The respondent explains;

*"Everyone who is attending first and second grade got the opportunity to try ice skating, we and others were there and helped the kids to put the blades on."*

In their ethics policy, they are stating that they want to encourage diversity in societies they are active in. When committing to similar events like the one mentioned they are valuing their OI, showing that Skanska is taking their policy seriously which will be shown towards anyone who is encountering their business. If this is made right and to a larger extent it could make a difference in how the employees are working together, a perception of a team who strive for a mutual goal. Skanska stands out in the study, they are moving away from the typical values in a sponsorship engagements, they are not expecting to receive as much in return from their commitments compared to Schenker. That is why they are placed further to the right of the matrix, on the altruistic side. They also have more focus on the OI which results in a closer position to the internal side of the spectrum.

#### 5.4.1 Dichotomy

Through making this comparison easier a dichotomy was made between Skanska (no sponsorship) and Stena & Schenker (sponsorship). No dichotomy is made between Stena and Schenker as the main reason is to identify differences and similarities between sponsorship and no sponsorship.

<b>Name</b>	<b>Skanska</b>	<b>Schenker</b>
<b>Industry</b>	Construction	Logistics
<b>Type of activity</b>	CSR related activities	Sports Sponsorship, events and associations
<b>Value focus</b>	Higher focus on internal & altruistic values	Higher focus on external & opportunistic values
<b>Activity basis</b>	Activities based on the ethics policy	Activities based on executives interest and ethics policy
<b>Type of support</b>	Nonfinancial	Financial or services support

→ First of all the type of business is different but they are both leaders in their industry with a high brand awareness among both consumers and in the industry.

→ Skanska is more focused on altruistic activities. It is comparable to charity but their input is rather voluntary hours from their employees than financial funding. Schenker has more of a traditional way of sponsoring associations like GKSS and Match Cup which is better from an external perspective.

→ Voluntary hours will give a higher effect on the internal values than financial support. This can be because it is easier to connect to something that the individual is helping out with themselves than if the company gives financial support. Involving personell in the engagements has a higher potential of affecting the internal values in a positive way.

<b>Name</b>	<b>Skanska</b>	<b>Stena</b>
<b>Industry</b>	Construction	Shipping, Real estate, Recycling, Offshore Drilling, Finance & Ferries
<b>Type of activity</b>	CSR related activities	Sports sponsorship & altruistic commitments
<b>Value focus</b>	Higher focus on internal & altruistic values	Higher focus on external & altruistic values
<b>Activity basis</b>	Activities based on the ethics policy	Activities based on executives interest and ethics policy
<b>Type of support</b>	Nonfinancial	Financial support

→ The operations are different here as well, the Stena sphere is very diverse compared to Skanska with many different types of industries.

→ Stena sponsor GKSS for example but after their cutback in sponsorship, it looks like they are advancing to stick more to altruistic sponsorship programs like the Childhood Foundation.

→ The sponsorship programs are more altruistic than opportunistic from Stenas' part, but still, when the type of support is of a financial kind it is harder to achieve the internal values compared to Skanska's way of voluntary hours.

→ The activity basis differs from each other where Stena is influenced more by personal beliefs.

One of the more interesting findings was Skanska's changed strategy, which has a different approach and motives than the other two. Skanska has considered what their ethics policy contains and acted from this, although it was recently they did so and, as the respondent mentioned, they have not found their way yet but they are definitely moving to an altruistic approach, away from traditional sponsorship. Which can be an easier way to get a broad support within the company. When a company has a CSR mindset regarding issues in the society it can have more effect on the PEP and therefore on the OI. In the long-term, this will also give back in a matter of financial terms when the team spirit is strong. When communicated in the right way a company with this angle can engage a higher number of people than with a traditional sponsorship because it has a more logical connection than when sponsoring a team. There is a similar course of action with Stena who has reduced their spending in sponsorship and what they still sponsor has an altruistic approach, Sjöräddningssällskapet and Childhood Foundation as an example. Although Stena is still continuing with regular sponsorship, something Skanska has ceased to do.

During the interview the respondent from Schenker mentioned that it was tougher to bring people to the sponsored events, that was one of the reasons why they quit sponsoring Frölunda Hockey and also a contribution to why they ended the engagement with the family days during the Match Cup. This brings more evidence to the difficulty of strengthening internal motives for traditional sponsorship with not CSR involved.

In conclusion, there is a tendency of the companies to head towards a more altruistic side of the matrix with the exception of Schenker. Both Stena and Skanska have been decreasing sponsorship in their marketing mix and what they have kept sponsoring is comparable with charity engagements to a higher extent than what they did before. To keep their income from sponsorship, associations and events need to take this seriously. Involving more of the CSR in their engagements plus combining it with selling points regarding a higher engagement from employees could make a big difference in our opinion. All three companies did value the internal values to some extent, otherwise, they would be even further on the external side of the spectrum than what they are now. This could be motivated by the earlier conclusion regarding the lack of knowledge about the internal values.





## 6.0 Conclusion

*In this part, short conclusions are presented to answer the research questions in the study.*

The primary purpose of this study has been to evaluate the importance of internal values when it comes to sports sponsorship. The secondary purpose was to investigate if the internal values are used as a selling point by associations when they are looking for sponsorship.

- *How extensive is the knowledge regarding the potential value of internal effects from sports sponsorship?*  
→ The knowledge is varied on the subject and can definitely be improved. All three of the respondents were aware of that sponsorship can affect the employees of a company, but not to what extent. Two out of the three respondents did not prioritize the internal values and saw it more as a bonus effect. One respondent showed more evidence of exploiting this from sponsorship but their commitments were more comparable to charity.
- *To what extent is internal values used as a selling point by sports associations?*  
→ Internal values are not used as a selling point from associations to a higher extent, although there are possibilities to use it as a competitive advantage. One respondent mentioned a hockey team who had expanded their offer, including more CSR connected activities. The main aspect from the respondents perspective was still what the companies received in an external context.
- *To what extent is the internal values gained from sports sponsorship followed up?*  
→ The internal effects from sports sponsorship is not measured. It was apparent that the respondents felt that this was difficult to do, as it regards soft values. It did not seem like this was seen as a problem for the respondents, there was little focus on following up these parts of sponsorship. The external values were followed up to a greater extent, but this was also regarded as rather difficult, although easier than measuring the internal values.

- *How important are the internal values for a corporation with high brand awareness when engaging in sports sponsorship?*

→ We find that the importance vary, but for two out of the three companies, the motives are moving further towards an altruistic character. In these two cases, we can see a desire to give back to society, doing activities to help the environment they are active in. This improves the brand image positively, creating positive impacts both on the employees and future recruits, this being the internal values but they are not in first priority. Lastly, the third respondent had mostly external opportunistic approach, using sponsorship mostly as a platform for meeting clients and having sales events. Not giving the internal values a higher priority in the decision to sponsor.

## 7.0 Further Research

*In this chapter interesting findings for future research that were found are presented.*

This study has investigated the importance and use of internal values in Business-to-Business companies and associations. The study has focused on the knowledge and spread of internal values. This is limited to case studies of three companies, although we believe that this makes the study applicable to other companies, a larger sample would, of course, improve the generalisability of the study. The study has shown that there is potential and would be advantageous for both companies and associations to take internal values into consideration to a larger extent.

During the process, we identified several interesting areas to research, but for the scope of this study, this was not possible. We propose a study concerning sports language, to what extent and how this is utilized in organizations. Previous research indicated that this was a potential of sponsorships but few case studies have to our knowledge been performed. This was also something we did not find that the respondents worked with, which could indicate a further potential for companies to activate.

Furthermore, what we encountered from the respondents was the general problems with measurability of sponsorships and measurability of internal values in particular. We suggest a study concerning the measurability of internal values and what methods could possibly be used to facilitate the problem. This poses a potential catalyst for the use and implementation of these values as hands-on knowledge about the effects and how much effect you can gain will heighten the incentives for working more actively with internal values. Another interesting aspect is when having events with sponsees', certain employees or departments are selected to participate. This could lead to a potential opposition from other departments that are not allowed to go, especially if this is recurrent. This in turn, could damage internal values and lead to jealousy between departments. It would be interesting to research this further to see if this actually is an issue and if it is, how companies work with it.

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## **8.4 Performed Interviews**

*Lena Alvling*, General manager marketing and Corporate events, Stena Bulk AB, interviewed 28/11-17 14:00

*Maria Rydberg*, Market Coordinator Skanska AB, interviewed 5/12-17 15:30

*Mikael Eisner*, CEO, Schenker Logistics Sverige AB, interviewed 28/11-17 15:30