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SPONSORSHIP

- FROM AN INTERNAL PERSPECTIVE

FEK 591 Master Thesis

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Preface

This dissertation is written as our master thesis at the School of Economic and Management at Lund University. The hard work during ten weeks of the fall term in 2002 has been very interesting and provided us with a deeper knowledge of sponsorship, internal marketing and motivation. We also acquired increased skills regarding academic and scientific writing.

We would like to show our sincere gratitude and appreciation to the people that have helped us during the process of writing and made this thesis possible. First of all, we would like to thank our advisor, Ph. D and assistant professor Kristina Eneroth for inspiration and support during the process. Ph. D candidate Gunilla Nordström has also contributed with valuable input. We would also like to thank our contact person at PR Event, Sara Scott, for helping us to select suitable companies for our study. Finally, we would like to thank John Abrahamson and Katarina Andrén at SEB, Ove Bengtson at Saab Automobile, and all interviewed Saab dealers and SEB employees who very helpfully provided us with valuable information.

Lund, January 2003

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THESIS SUMMARY

Title	Sponsorship – from an internal perspective
Authors	Anja Trägårdh and Patric Jönsson
Advisors	Kristina Eneroth and Gunilla Nordström
Level	Master level
Problem	Sponsorship has grown considerably over the last decades since companies have found sponsorship useful and efficient in terms of promoting and communicating their brand to the market. The sponsorship activities have primarily been focused on external effects. However, recently, researchers have found that companies are starting to understand that sponsorship could be directed inwards by the means of leveraging affiliation and commitment among the employees. Since there was little research executed in this area of sponsorship, we found it interesting to examine if sponsorship could be internally marketed and hence affect and motivate employees.
Purpose	The purpose of this study is to gain a better understanding of how sponsorship affects a company's internal staff, and how it can be used to enhance its motivation. Therefore, we have published the results of our research of two companies, and how their sponsorship activities at the event <i>Swedish Open</i> have affected their employees and their motivation.
Method	The thesis is theoretically based upon existing theories in the areas of sponsorship, internal marketing, motivation and communication. The empirical part rests upon qualitative interviews with business expertise that has professional experience or is closely connected to the area of sponsorship and strategic verdicts. The empirical discussion also incorporates interviews with employees by the means of presenting the polarised version of managerial decisions.
Conclusion	Despite the companies' minor attempts to direct their sponsorship activities towards the employees, the sponsorship seemed to generate various impacts on employee motivation in terms of positive image of the company, appreciation and pride. The conclusion states that sponsorship activities could be a useful and advantageous tool for companies in terms of leveraging employee motivation. We suggest that sponsorship managers should use the recoil-effect from sponsorship activities, by intentionally increasing the attention for the employees in terms of leveraging employee empowerment, affiliation and commitment.
Key words	Sponsorship, internal marketing, motivation, communication, empowerment

TABLE OF CONTENTS

TABLE OF CONTENTS

1 INTRODUCTION.....	6
1.1 BACKGROUND	6
1.2 PROBLEM DISCUSSION	7
1.2.1 <i>Problem statement</i>	8
1.3 PURPOSE OF STUDY	8
1.4 OBJECT OF STUDY	8
1.5 DEMARCATIONS	9
1.6 THESIS OUTLINE	9
2 METHODOLOGY	11
2.1 INITIAL STAGE	11
2.1.1 <i>Selecting a topic of study</i>	11
2.2 PREPARING PROCESS	11
2.2.1 <i>Collecting research material</i>	11
2.2.2 <i>Theoretical framework</i>	12
2.2.3 <i>Selecting target of research</i>	12
2.2.4 <i>Choice of companies</i>	13
2.3 METHODOLOGICAL APPROACH.....	15
2.4 RESEARCH APPROACH	16
2.5 DATA COLLECTION METHOD	17
2.5.1 <i>Sample selection</i>	17
2.5.2 <i>Interviews</i>	18
2.6 DATA ANALYSIS	20
2.7 VALIDITY	20
2.8 CRITIQUE OF SOURCES AND OBJECTIVENESS	21
3 SPONSORSHIP AND EVENTS	23
3.1 SPONSORSHIP	23
3.1.1 <i>Sponsorship defined</i>	23
3.1.2 <i>Objectives of sponsorship</i>	25
3.1.3 <i>Differentiating sponsorship from event marketing</i>	27
3.1.4 <i>Sponsorship in the marketing mix</i>	28
3.1.5 <i>Critique on sponsorship</i>	28
3.2 EVENTS	29
4 MOTIVATION AND INTERNAL MARKETING	31
4.1 MOTIVATION	31
4.1.1 <i>The role of motivation</i>	31
4.1.2 <i>Motivation theories</i>	31
4.1.3 <i>Motivation defined</i>	33
4.2 INTERNAL MARKETING	34
4.2.1 <i>The marketing functions of a service organisation</i>	34
4.2.2 <i>Internal marketing defined</i>	35
4.2.3 <i>Objectives of internal marketing</i>	37
4.2.4 <i>Critique on internal marketing</i>	38
4.3 MOTIVATION THROUGH INTERNAL MARKETING	39
4.3.1 <i>Comprehension of vision and goals</i>	39
4.3.2 <i>Knowledge and emotional capital</i>	40
4.3.3 <i>Employee empowerment</i>	40
4.3.4 <i>Rewards and recognition</i>	42
4.3.5 <i>Influencing employees' image and attitudes</i>	43
4.3.6 <i>Internal communication</i>	44
4.4 CONCEPTUALISATION AND EMERGED FRAME OF REFERENCE	49
4.4.1 <i>Sponsorship and Events</i>	49
4.4.2 <i>Motivation</i>	50
4.4.3 <i>Internal marketing</i>	50
4.4.4 <i>Communication</i>	51

TABLE OF CONTENTS

5 EMPIRICAL STUDY	52
5.1 SAAB	52
5.1.1 Vision and objectives of sponsorship	53
5.1.2 Sponsorship activities	55
5.1.3 Influences on employee image and attitudes.....	57
5.1.4 Internal communication.....	59
5.2 SEB.....	61
5.2.1 Vision and objectives of sponsoring.....	61
5.2.3 Sponsorship activities	64
5.2.2 Influences on employee attitudes and image.....	66
5.2.4 Internal communication.....	68
6 ANALYSIS.....	70
6.1 CROSS-ANALYSIS OF EMPIRICAL FINDINGS	70
6.1.1 Objectives of sponsorship	70
6.1.2 Comprehension of vision and goals.....	71
6.1.3 Knowledge	72
6.1.4 Empowerment	73
6.1.5 Rewards and recognition.....	74
6.1.6 Influence on image and attitudes	76
6.1.7 Internal communication.....	78
6.2 SUMMARY OF FINDINGS AND ANSWERS TO RESEARCH QUESTIONS	81
7 CONCLUSION.....	85
7.1 GENERAL DISCUSSION	85
7.2 IMPLICATIONS FOR FUTURE RESEARCH.....	87
8 REFERENCES.....	88

APPENDIX

LIST OF FIGURES AND TABLES

TABLE 1. <i>Manager's objectives for using sponsorship</i>	26
FIGURE 3.1 <i>Sponsorship in the marketing mix</i>	28
FIGURE 4.1 <i>A company's valuable circle</i>	38
FIGURE 4.2 <i>Illustration of how the individual employee develops through improved internal communication</i>	45
FIGURE 4.3 <i>Traditional communication channels of employee communication</i>	46
FIGURE 4.4 <i>Theoretical frame of reference for our thesis</i>	51

1 INTRODUCTION

This introductory chapter will provide the reader with an understanding of the subject studied. Firstly we start out by introducing the reasoning and the background. Then we present the discussion that guided us towards the problem statement, research problems and the purpose.

1.1 BACKGROUND

One of the most prominent clay tennis events in the world is the ATP (Association of Tennis Professionals) tennis tournament *Swedish Open*. Held in Båstad, Sweden for one week during the month of July, it attracts a wide range of spectators, sponsors and media attention. It is also considered to be a ‘magnet’ for the rich and famous Swedish celebrities. Besides the tennis matches, spectators can take part of a wide range of sponsor arrangements and activities (www.swedishopen.org).

Sponsorship and events are not any new phenomena, although their history is relatively brief. Similar types of activities have been used in the US for a long time with the purpose of functioning as marketing communication tools (Wadendal, 1996). The 1984 Olympic Summer Games in Los Angeles, USA are described by several authors (Behrer and Larsson, 1998; Catherwood and Van Kirk, 1992) as the first time sponsors were profiting from their investments to a greater extent. By integrating sponsorship with other types of market communication tools such as advertising, personal selling and PR, the sponsorship increased the companies’ value of investments. This changed the view of sponsorship since it became something else than just an instrument for companies to perform charity. Instead, it enabled companies to use sponsorship as an effective tool for promotion and communication when exposing a brand to the market (Behrer and Larsson, 1998).

Sponsorship has grown significantly over the last decades. With time, sponsorship has gone from being a small-scale investment to a major global industry. As the primary public for corporate sponsorship activity are the consumers, we are exposed to this phenomenon frequently through media and different kinds of events (Meenaghan, 1998). Further, through this flexible method of communications, companies have the aspiration to accomplish a number of objectives. Among those, nurturing trade and

INTRODUCTION

business relationships and achieving awareness and image benefits on behalf of brands, are the most common (Grimes and Meenaghan, 1998).

Sponsorship could be seen as an essential activity to use when pursuing marketing (Behrer and Larsson, 1998). Another important feature of any successful organisation is motivation among employees (Argyris, 1998; Molander, 1996). If the employer is able to motivate its employees, it could have a direct effect on the quality of service provided to external customers (Christopher *et al*, 1991; Normann, 1983). Consequently, one of the most important challenges facing managers is the creation of a context in which employees feel motivated and will act in order to achieve the goals of the organisation. To succeed with providing the employees a motivating environment, internal marketing activities could be important aspects (Grönroos, 2000; Greene *et al*, 1994).

Internal marketing is a broad concept, which focuses on increased employee motivation. By viewing the employees as a separate internal market and their jobs as internal products, the organisation can promote its product line and brand to its employees (Berry, 1981). Through different internal marketing activities such as internally communicating information, provision of vision, goals, rewards and recognition, and affecting employees' attitudes, image, empowerment and commitment, employee motivation could amplify. This in turn could ultimately lead to external marketing success, since employees often are the ones dealing with external customers (Grönroos, 2000; Gummesson, 2000).

1.2 PROBLEM DISCUSSION

Most research in the area of sponsorship covers the external objectives and effects of sponsorship. However, there are internal impacts of sponsorship as well. Over the last couple of years, organisations have slowly started to recognise the importance of directing the focus of their sponsorship activities inwards at their corporate staff (Grimes and Meenaghan, 1998). Yet, recent research indicates that employees often are unable to associate themselves with the sponsorship activities that their employer is conducting, due to lack of information (Persson as referred to by Roos and

Algotsson, 1996). Concurrently, present research is rather limited in this area (Grimes and Meenaghan, 1998).

In addition, maintaining a motivated workforce is an important concern for most organisations. In order to be successful, companies need employees who act toward the goals of the organisation and have a strong desire to remain in the company. Such loyalty and commitment could be generated by motivation (Molander, 1996). However, companies tend to lack of target related objectives concerning internal commitment (Greene *et al*, 1994). Also, in most companies, internal marketing is done inadequately. This is partly due to that the people in charge of the internal communication often do not have the marketing skills to communicate information in a successful manner (Mitchell, 2002).

1.2.1 PROBLEM STATEMENT

The problem discussion instigated our ambition to find out if sponsorship could be viewed from a different and internal perspective. We therefore found it interesting to explore the following research questions: What are companies' objectives with the sponsorship of *Swedish Open*? Could sponsorship have internal impacts on employees and their motivation? Should sponsorship be aimed at and internally marketed to employees? If so, how should the sponsorship be internally marketed and communicated in order to be a valuable activity for top management to use in terms of enhancing employee motivation?

1.3 PURPOSE OF STUDY

Based on the reasoning above, the purpose of this study is to attain an increased understanding of how sponsorship affects a company's employees, and how it can be used to enhance employees' motivation.

1.4 OBJECT OF STUDY

In order to pursue our purpose with this study, we will publish the results of our research of two companies, and how their sponsorship of *Swedish Open* has affected their employees and their motivation. We chose to focus on the sponsorship programmes of Saab Automobile (Svenska Aeroplan Aktiebolaget Automobile) and

SEB (Skandinaviska Enskilda Banken) and on the companies' employees that are present at the event, as our objects of study. In order to smooth the progress of reading, we will throughout the thesis use the name Saab and SEB.

1.5 DEMARCATIONS

We have limited this thesis to cover the internal effects of employee motivation. No external effects will be interpreted. We have also limited our study to investigate the sponsorship of one particular event (*Swedish Open*), hence we will not engage in the companies' entire sponsorship portfolios.

In addition, it should be noted that the Saab employees studied did not include any factory workers at the assembly lines. It is the Saab dealers who we refer to as employees. In addition, we have limited our thesis to study the SEB bank offices in Båstad and Ängelholm, and the Saab dealers located in Halmstad and Ängelholm. Further, all of the examined employees took part of the event to some extent, and therefore are our results not applicable to employees that are not involved in sponsorship activities.

1.6 THESIS OUTLINE

Chapter One is of certain relevance since it explains the background of sponsorship activities. It has set the facts to the thesis problem discussion, purpose of our thesis.

Chapter Two is interesting for those readers who want to follow the research procedure adapted for the study. Other readers could easily move on to the next chapter.

Chapter Three focuses on sponsorship theories and related definitions, objectives and critique. Further, the chapter gives an explanation of what differs sponsorship from another closely related promotional marketing activity. The chapter ends with a brief description of events and how events are related to the sponsorship context. Since sponsorship is a reasonably current way of marketing communication and given the fact that the thesis is focusing on sponsorship, we recommend the reader to take in on the theoretical facts by reading this chapter.

INTRODUCTION

Chapter Four explains the theories, definitions, objectives, critique and of motivation and internal marketing. We recommend the reader to assimilate this chapter as well, in order to fully understand the theoretical base for the thesis and how the theoretical areas are interrelated to the research issue. The chapter ends with a brief summary of the mentioned theoretical areas and provides the reader with a model of how we are going to proceed in the analysis.

Chapter Five presents the collected empirical material for the study. This chapter is based on the interviews with managers and employees from Saab and SEB. We advise the reader to adopt the chapter since the collected material will be used in the analysis and conclusion.

Chapter Six is hopefully found as the most interesting chapter of the thesis, since it accounts for our analysis on the adapted theories and empirical material. The chapter incorporates analytical sections of the areas: comprehension of vision and goals, knowledge, empowerment, rewards and recognition, influence on image and attitudes, and internal communication. The chapter ends with a summary of our findings and answers to the stated research questions.

Chapter Seven presents our conclusions and takes on a general discussion around the subject of sponsorship activities, the Hawthorne studies and employee motivation in organisations. The chapter ends with implications for future research.

2 METHODOLOGY

In this chapter, we will present and describe the method used in this study. The purpose is to give the reader an understanding of our study and the choices we have made during the research process. Therefore, we will describe the research strategy and design, the data collection process, the data analysis process, and finally we discuss the quality of our research in terms of validity.

2.1 INITIAL STAGE

2.1.1 SELECTING TOPIC OF STUDY

Selecting a topic for a master thesis is a difficult task. The subject matter needs to be interesting as well as apt for the university's requirements. After a couple of weeks of evaluating different options and discussing the matter with our advisor, we finally decided to write about sponsorship. It was a topic that interested us, since we have practical experience from both sport and being sponsored. Further, we believed it was an alternative that would challenge us.

2.2 PREPARING PROCESS

2.2.1 COLLECTING RESEARCH MATERIAL

After the topic was selected, we started to explore research material. Initially, much time was spent on searching for articles and literature referring to sponsorship. We also searched for prior papers and essays written in the area of sponsorship. We realised that much of the collected material investigated sponsorship from the external perspective where the event organiser seeks a source of financial support. We therefore decided to limit our purpose of our study into exploring whether sponsorship could be directed inwards to the sponsoring company and affect employees and their motivation. Consequently, we then included articles reporting on internal marketing, communication and employee motivation.

In order to find adequate material reporting on the abovementioned theoretical areas, we searched the databases of publications at universities such as Lund University, Stockholm University, University of Uppsala and University of Gothenburg. We also used the databases EBSCO, ELIN, LOVISA and GUNDA, which provided us with

METHODOLOGY

articles from different scientific journals as well as published books. Further, we used different search engines at the Internet such as Google, Altavista, and Evreka, by the means of finding complementary material.

In order to obtain some degree of focus in the collected theoretical material, we examined the list of references of the main instigators within each particular field of study. Additionally, literature from prior courses in e.g. marketing and strategic management served as a complementary basis. Our critical approach towards the material will be found under the headline: Critique of sources and objectiveness.

2.2.2 THEORETICAL FRAMEWORK

After collecting the extensive amount of material we conducted a theoretical framework, which consists of two major blocks. The first block explains the areas of sponsorship and events in terms of defining the phenomenon of sponsorship as well as its objectives and practical implications. The second block starts with describing selected areas of motivation theory to further explain the internal marketing functions and how motivation is obtained through internal marketing. At the end of the second block, we have described the internal communication aspect in the context of internal marketing and motivation. Throughout the entire literature study, our aim has been to provide the reader with different authors' opinions.

Regarding the motives for choosing the pre mentioned theories, we argue that they will contribute to consolidate the quality of the study and set a framework that gives the study precession, adequate profundity and tolerable breadth. This since we wanted to explore if, and how, sponsorship could be used as an internal marketing activity by the intentions of enhancing employee motivation.

2.2.3 SELECTING TARGET OF RESEARCH

After the main topic was selected, some of the research material was collected and the purpose was stated, we had to select the target or targets of our research. Since one of us had a prior connection with the event agency PR Event, we decided to contact the company in order to get suggestions for suitable companies to investigate. After a short time of discussion with our contact person Sara Scott, we decided to choose the

event *Swedish Open*, which is organised by PR Event, as the main target of research. We also decided to examine the event's major sponsors.

We perceived *Swedish Open* to be an adequate event since it is apprehended to be one of the largest sport events in the southern part of Sweden. (This was later confirmed during interviews with the sponsorship managers at Saab and SEB). Further, we also believed the event was interesting in terms of the attention it attains in Swedish and international media. In addition, the event has become a tradition in Båstad and for Swedish tennis since it has been carried out for over fifty years in a row. Among Grand Prix-tournaments, *Swedish Open* is forth oldest in the world (after Bournemouth, Paris and Wimbledon) (www.swedishopen.org).

2.2.4 CHOICE OF COMPANIES

Our contact person at PR Event suggested that we should study the major sponsors of the event, and contributed with names and phone numbers to different sponsorship managers. Since our time limit to complete our thesis was set on approximately ten weeks, we decided to include two to three companies in our study. Since *Swedish Open* has several major sponsors, we had to select the most apt for our study. We ended up being interested in the companies Saab, SEB, Samsam and Swedish Match, since our contact person at PR Event especially recommended us to study those companies. She believed they would without difficulty agree to be a part of our study.

Further, we wanted the companies to have a central department for national sponsorship and marketing. Such a criterion would enable us to find out whether there was a polarised perspective inside the organisations, due to the hierarchal manager-employee distance, something Hofstede (1993) calls 'power distance'. It would also show if there was a geographical remoteness between the company's head quarters and the local company representatives due to communicational gaps (Whittington and Mayer, 1997). All four companies had a central department for their sponsorship and therefore remained as options to study.

Access was another vital criterion for our study. Therefore, we contacted the sponsorship managers at the four potential companies by phone, in order to confirm whether the companies were interested in the study and if we could receive access to

METHODOLOGY

do interviews. The sponsorship managers at SEB, Saab and Synsam agreed to be interviewed, and the three companies were therefore chosen to be included in our study.

Except from the fact that SEB was an official partner sponsor of *Swedish Open*, we believed that SEB was a suitable company to include in our study since SEB has a long experience of sponsorship practice, due to being a major sponsor of different events. SEB has sponsored *Swedish Open* for approximately fifty years. However, it should be noted that it is south region (which includes the provinces Skåne and Halland) that has invested capital into the sponsorship, not the entire organisation of SEB. Consequently, the region south is in charge for SEB's sponsorship activities at *Swedish Open* (Abrahamson, Head of SEB region south).

The major objective for including Saab in the empirical research was, except for Saab being a principal partner sponsor of *Swedish Open*, also the company's vast experience of sponsoring the event. Saab has been one of the major sponsors of *Swedish Open* for twenty-five years (Bengtson, Sponsorship manager at Saab). However, we initially adopted a hesitant attitude towards Saab due to the sponsorship manager's slightly vague interest in the study. This since Saab's main purpose with the sponsorship of *Swedish Open* primarily was focused on external objectives with distinctive local demarcations (Bengtson, Sponsorship manager at Saab). Further, since the 'employees' involved in the sponsorship activities concerned automobile dealers who work rather independently from the top management, we debated whether the company would be appropriate for our study. However, when considering Saab's track record of experience of sponsoring *Swedish Open*, we decided to include the company in the empirical material anyway. We also believed that although Saab's objectives primarily were focused on external objectives, it would seem relatively eccentric if there had been no internal effects of the sponsoring activities. However, we are aware of that our results and conclusions might be affected by the above facts.

Further, we found Synsam to be perfectly apt for our study, since the organisation recently decided to extend their level of sponsoring *Swedish Open* by becoming the title sponsor of the event for the next coming four years. As a result, the ATP

tournament of 2003 will be named *Synsam Swedish Open* (www.swedishopen.org). Synsam has also changed its objectives with the sponsorship. Instead of solely focusing on increasing sales figures and leveraging customer brand awareness, Synsam's intentions with the extended sponsor program will be to generate a higher degree of commitment and affiliation within the organisation (Harbom, CEO at Synsam). Unfortunately, the initial effects from the extended sponsorship programme will not be revealed until the end of the autumn 2003. Harbom therefore recommended us not to do any empirical studies at Synsam, since the employees of Synsam yet are unaware of the organisations strategic sponsorship plans and the forthcoming employee activities. Therefore, we will not present the interview with Harbom in this thesis since it does not provide a full picture of how the sponsorship is perceived by Synsam's employees. Consequently, Saab and SEB were selected as the objects of study for this thesis.

Based upon the abovementioned criteria, we consider that the chosen event and the selected companies are well suited to serve as empirical sources in order to fulfil the research objectives of this study. As a final remark in this section, it should be noted that the researched companies have not sponsored either of us, which should eliminate any risks of bias.

2.3 METHODOLOGICAL APPROACH

After the purpose and objects of our study were chosen, we had to consider what methodological approach to use. Within the sphere of science, there are different approaches and states of conditions towards theory and empirical material. One approach is deduction, which implies that the scientist formulates hypotheses, statements about reality, from theories. These hypotheses are then tested empirically, and the result is formulated by analysing the material (Alvesson and Sköldberg, 1994). The 'opposite' of deduction is induction. Induction is based upon observations from reality, from where the scientist is creating his or her own model and theory (Alvesson and Sköldberg, 1994).

None of the abovementioned methodological approaches fitted our study since we did not want to formulate our own hypotheses. Neither did we believed we could

disregard from our prior theoretical knowledge or practical experiences by the means of creating our own theory. Therefore, an abductive approach was chosen for this study. An abductive approach is a hybrid version of the two approaches just mentioned (Alvesson and Sköldbberg, 1994). That implies that the researcher moves in-between the empirical observations and the theories. Later, when the researcher is analysing the empirical material, it has the ability to add more or new theories in order to better understand the empirical material and to make a thorough analysis and conclusion (Alvesson and Sköldbberg, 1994).

We realised that we had applied the abductive approach at the start of our thesis. First, we collected theories that we thought would be appropriate for the problem statement. An extensive amount of theoretical material was collected with the intention of removing parts that did not seem to be apt for the analysis. After the empirical study was started, we complemented our frame of reference with theory we believed would serve a purpose for our analysis. The adoption of the abductive approach offered a more appropriate condition in our opinion, since our conclusions could be formulated upon specific situations that are anchored in theories.

2.4 RESEARCH APPROACH

After the methodological approach was chosen, we also had to choose an apt research approach. According to Holme and Solvang (1991), there are two different ways of approaching a problem in social science, namely the quantitative and the qualitative research approach. The most important difference between these two approaches is the use of numbers and statistics in the quantitative approach, while the qualitative approach focuses on words. The choice of approach depends on the problem definition as well as on what kind of information that is needed. However, these two approaches can also be combined (Holme and Solvang, 1991).

When we considered which approach to use for our study, we decided to choose the qualitative kind at an early stage. The quantitative approach implies that a fairly large number of respondents are questioned or interviewed, often through written surveys. Since we wanted to perform between ten to fifteen personal interviews and investigate the chosen object in depth, we chose to base our empirical study on a qualitative

method, due to the means of the method's characteristics. We were also more interested in allocating qualitative patterns than statistical numbers that are obtained through a quantitative research approach. We therefore argue that the qualitative method served our purpose to a greater extent, since it allowed us to have a lower degree of formality and generated a comprehending perspective to our context. Further, the qualitative method let us to have the option of permitting a flexible research approach by the means of adding new and developing research perspectives through out the study.

2.5 DATA COLLECTION METHOD

According to Yin (1994), there are several sources of evidence to rely on when collecting data for case studies. He mentions documentation, archival records, interviews, direct observations, participant observation and physical artefacts as six important sources. Yin (1994) further proposes that no single source of evidence has a complete advantage over the others. Instead, the sources complement each other with its individual strengths and weaknesses.

For our study, we believed that two of the abovementioned methods would be apt for our study. The two methods were personal interviews and observations. However, since the event *Swedish Open* takes place during the summer, we realised that we would not be able to carry out any observations during the fall term. Therefore, we chose to perform personal interviews as our data collection method. This since we wanted to have the flexibility and closeness to the respondents while the method at the same time would allow us to attain in-depth information and to follow up the questions asked. Our choice of data collection method was also based upon the time limit of ten weeks, which was provided to us to finish our thesis. Ten to fifteen interviews were more realistic to complete during that time.

2.5.1 SAMPLE SELECTION

At an early stage, we had decided to first interview the sponsorship managers at each company by the means of identifying the top managerial perspective. We therefore interviewed the regional head manager of SEB, the regional marketing manager at SEB and the sponsorship manager at Saab.

METHODOLOGY

As for the employees, we wanted to perform interviews at the local offices of Saab and SEB in Malmö, Helsingborg and Lund. This since the offices were not too distant from Malmö where we were situated during the fall term. However, the contacted employees at these offices claimed they were not involved in the sponsorship and the event enough to be able to answer our questions. They therefore recommended us to interview employees at offices closer to Båstad, since they were more actively involved in the sponsorship. Therefore, we limited our study into examining the SEB offices at Båstad and Ängelholm and the Saab dealers at Halmstad and Ängelholm.

After we had acquired permission from the sponsorship managers to perform interviews at the locations in Båstad, Ängelholm and Halmstad, we contacted the office managers at each office to schedule interviews. We also asked the office managers to select suitable respondents (preferably employees that were involved in the sponsorship) for us to interview further. At SEB, two office managers, four customer representatives and two clerks were interviewed. At Saab, two office managers and five dealers were interviewed. The respondents were approximately equally divided among the offices. All of the respondents were involved in the event in one way or another.

2.5.2 INTERVIEWS

Initially, we telephoned the sponsorship managers at the chosen companies with the purpose of scheduling appointments for interviews. We then interviewed the sponsorship manager at Saab by phone, since he was situated in Trollhättan, Sweden. The telephone interview was recorded by the assistance of a hands free telephone with speaker function. During the interview, we used an interview guide (see appendix A), which we had prepared beforehand. Before the interview, we had e-mailed the interview guide to the sponsorship manager, since he asked us to do so. By request of the sponsorship manager, we wrote down the answers and e-mailed the document to him. He then verified the answers and gave us approval to use the material for our study.

The interview with the sponsorship managers at SEB was carried out at the SEB head office in Malmö, and was hence in form of a personal meeting. The interview was documented with a tape recorder, while one of us also wrote down the answers during

METHODOLOGY

the interview. Follow-up questions were posed by both of us. Again, the interview guide had been e-mailed to the managers beforehand. We realise that this could have caused the answers to be less spontaneous.

The rest of the interviews were conducted through personal meetings with each of the respondents. We interviewed one respondent at the time, and each interview lasted for approximately thirty minutes. We interviewed one office at the time starting with the SEB office in Båstad, which was followed by the Saab dealer in Halmstad, the Saab dealer in Ängelholm and finally the SEB office in Ängelholm. All interviews were conducted during the month of December 2002. The interview guide was only e-mailed to the Saab dealer in Halmstad beforehand due to the office manager's request of us doing so. We realise that the Saab dealers in Halmstad therefore might have discussed the questions before the interviews took place. Concerning the rest of the interviewed employees, none of them discussed the questions while waiting to be interviewed as far as we perceived it, since they were occupied with their work tasks.

As a base for the interviews, we used an interview guide that was prepared beforehand (see appendix B). The guide was used as a basis for the discussions. The questions posed to the respondents therefore varied in some situations, depending on the position and context the respondent operated in. Additionally, the questions were not necessarily asked in a sequential order. Instead, the interviews allowed us to create new questions, add additional questions and probe responses, which appeared to be relevant. This served our aim of having more of a discussion around the topic than a strict interview session where questions and answers are given without opportunities for other comments. During the interviews, we were also able to explain the questions further when needed. We perceived all interviews to be valuable for our study. One factor that could have affects on the answers would be if the respondents were short of time at the interviews. That could cause the respondent to give an abrupt answer. However, we did not sense that stress was occurring during our interviews, since we had scheduled our appointments well beforehand. Hence, the employees seemed to be prepared to set off time for our interviews.

Furthermore, all interviews except for one were documented with a tape recorder, as suggested by Yin, (1994). Additionally, we wrote down the answers from the

respondent, and thereby secured the information. It should be noted that all interviews were held in Swedish and afterwards were translated into English by us. We realise that the quotes given to us are documented with our interpretation. However, we do not believe the translation has altered the material to an extent that would have affected our study or result distinctly.

2.6 DATA ANALYSIS

After the interviews were carried out, we wrote down the material from the interviews by repeated listening to the recordings and observations from the notes derived from the occasions. The primary data was then presented in consecutive text and combined with illustrative and representative quotations. Further, we used our theoretical frame of reference to attain valuable analytical text in order to provide answers to the earlier stated research questions. Therefore, when analysing the data in this research, we compared our empirical findings to the existing theories in our conceptualisation in the cross-case analysis. At the end of the analysis, each of the research questions was re-stated and answered, based on the findings of our study. This research presents a dual case study and therefore, comparisons have been conducted between the cases in the analysis. Finally, after having completed the cross-case analysis, the conclusions of the research were drawn discussing whether if or how companies can use sponsorship in order to generate motivation among employees. The conclusions were based upon the patterns between the empirical and theoretical material that occurred in the analysis and takes on a general discussion of the sponsorship process and suggests implications for future research.

2.7 VALIDITY

The qualitative research can be evaluated from different criteria such as operational validity, which means that estimation is made due to the operational method the researcher have used to confront the issue of research. The internal validity is another criterion that insists on a separation between the causal- and the random link, in order to generate a high degree of internal validity (Yin, 1994). We believe that the validity is consolidated by the design of the interview questions, given the facts that they were based upon the theoretical framework of sponsorship, motivation, communication and internal marketing. Thereby, we argue that the conducted empirical study has served

as a functional instrument to secure the collected material, and therefore have contributed to a fulfilled operational validity.

By referring to Bingham and Moore (1941), a researcher conducting qualitative interviews has the ability to influence the answer of the respondent by both body language and intonation. This means that a potential risk of bias could arise, which could have an effect on the internal validity. Due to our awareness of the risks of bias when conducting qualitative interviews, we tried to let the respondents converse as much as possible while we were careful to lead the discussions in specific directions.

Further, we are aware of that qualitative interviews do not reflect an accurate perception of reality. Instead it is the respondent's personal points of view and the interviewer's interpretation of those that are exposed. Qualitative interviews also consent scope for subjective interpretation (Spiggle, 2002), which we have tried to circumvent by recording the interviews. In this manner, the tape recorder in combination with the notes was used to reduce the risks for misinterpretations or bias.

2.8 CRITIQUE ON SOURCES AND OBJECTIVENESS

Our thesis is based upon theoretical and empirical material, which descends from company information, interviews and large quantities of published material such as articles and books. During our research we have tried to evaluate our material critically in terms of validity and relevance. Since our intentions have been to present a study that contributes and to the current research development and reflects the latest and most prominent research, we have adopted the policies of Ejvegård (1996). This was done in terms of controlling whether the sources contained current research material. Therefore, we have preferred to use dignified authors of well-acknowledged theories that are considered to be in the front line of their research areas. Conversely, we have also adopted 'classical' theories that we found constructive and principal in their area of research, regardless the year of publication. This is particular evident in the literature review part discussing motivation. Further, when we were confronted with authors using the same source, we have tried to avoid the authors' personal interpretations by seeking out the original source to the greatest extent possible.

METHODOLOGY

According to our point of view, we consider the literature and articles used in our study to be independent since the major parts of it is of academic nature. Even if the intentions by some authors have been difficult to interpret in a few cases, especially regarding a minor quantity of articles, we consider the adopted material as reliable since it originates from accepted academic journals. Therefore we do not regard the used theoretical substance as subjective or oblique to such an extent that it would be regarded as non-useful in our study.

According to Wiederheim and Eriksson (1991), it is important to notice if sources are autonomous or interrelated. This means detecting if e.g. two interview respondents are dependent of each other by referring to the same source, or if a respondent not is able to give its point of view due to certain constrains such as company policy or fear of being controlled. We have tried to consider whether our respondents were autonomous or if they were dependent of each other. We do not have the impression that any of the respondents were dependent of each other, since they were interviewed one by one and without any chances to discuss their answers with each other before the interviews (except for the Saab dealers in Halmstad). The assurance that they could stay anonymous also contributed to honest answers and personal attitudes, according to our opinion.

We are aware of that the empirical material mainly reflects a regional or local perspective of the examined companies. Concerning the interviews with the Saab dealers, we are aware of that the answers might have been influenced by the dealers' interdependent position to Saab. However, we argue that the dealers' points of view reflect a better perspective than the Saab factory workers who do not have any practical experience from the event.

Moreover, we argue that the information obtained at the interviews has been dependent on the respondents' engagement. The respondents could also have been affected by their role or level of employment. We also argue that the responses might have been influenced by the researchers' interventions or distorted by our subjective interpretation. We can therefore not guarantee clear and unambiguous interpretation of the results. Lastly, due to the qualitative nature of our study, our results could not be projected across the entire population or be generalised.

3 SPONSORSHIP AND EVENTS

As the thesis aims to explore how two companies' sponsorship of the event Swedish Open affects employees and their motivation, this chapter will discuss the main aspects of sponsorship and events.

3.1 SPONSORSHIP

Commercial sponsorship as a method of corporate communication is a moderately recent phenomenon. From functioning as a relatively limited activity in the late 1960s and early 1970s, the medium has grown substantially over the last three decades (Meenaghan, 1998). Further, according to IEG (International Events Group), a major provider of sponsorship research and analysis, global sponsorship spending worldwide increased from \$4.3 billion in 1990 to \$24.4 billion in 2002 (Marketing News, 2002). In addition, sponsorship expenditures have increased by approximately 250 percent in North America over the last ten years (Brown and Brown, 2002). Subsequent, enormous sums are invested in the activity (Marketing News, 2002).

3.1.1 SPONSORSHIP DEFINED

In order to describe and define the phenomena of sponsorship, a context related selection would be presented. Meenaghan (1991:35), who is one of the main instigators in the field of sponsorship, defines sponsorship from a market communication perspective by stating that:

“Sponsorship is an investment, in cash or kind, in an activity, in return for access to exploitability commercial potential associated with this activity.”

Otker (1988:77) emphasises the activities involved with the sponsorship by stating that:

“Commercial sponsorship is (1) buying and (2) exploiting an association with an event, a team, a group, etc., for specific marketing (communications) purposes.”

Otker (1988) here includes all marketing and communication efforts assumed by sponsors to influence their investment in the sponsored activity or event, not only the

LITERATURE REVIEW

association between a sponsor and a sponsee. This is further supported by Cornwell (1995:15), who defines “sponsorship-linked marketing” as

“the orchestration and implementation of marketing activities for the purpose of building and communicating an association to a sponsorship.”

Furthermore, sponsorship is according to Roos and Algotsson (1996:16):

“... a business related method used for communication and marketing, with the purpose of increasing sales figures for the sponsor, both on long term and short term basis. The sponsorship activity should be in favour for all incorporated parts and it should generate a result that is measurable and comparable with pre formulated business objectives.”

Lee *et al* (1997:39) give a close related perspective in their definition

“Sponsorship is the provision of resources (e.g. money, people, equipment) by an organisation directly to an event, cause or activity in change for a direct association (link) to the event, cause or activity. The providing organisation can then engage in sponsorship-linked marketing to achieve their ... objectives.”

In addition, Gardner and Shuman (1987:44) provide another understanding of sponsorship:

“Sponsorship may be defined as investments in causes or events to support corporate objectives (for example, by enhancing corporate image) or marketing objectives (such as increasing brand awareness).”

From a sport perspective, Slack and Bentz (1996) argue that sport sponsorship involves the allocation of scarce resources with the intent of achieving certain organisational objectives. Sponsorship could also, according to the *Institute of Sport Sponsorship*, be seen as a commercial agreement between a company and a sport, event or individual to enter into a joint venture to promote their mutual interests. In return for a financial contribution the recipient will allow the use of its name in commercial activities. These activities could for example be the display of the brand

name on kit, banners around the venue, advertisements in programmes, and on other merchandise (Institute of Sport Sponsorship, www.sports-sponsorship.co.uk).

The definitions of sponsorship above are similar in the sense that they all recognise that sponsorship is first and foremost a commercial activity. From the above-presented definitions it is also noticeable that sponsorship serves as an independent marketing communication activity, which ultimately attempts to impact a company's end result in a positive way. However, it should be noted that there are some differences between the proportions of sponsorship, which affect the confined area and hence the estimates of financial assets involved in sponsorship. Lannon (1998) therefore argues that the estimations of funds spent on global sponsorship vary, due to the definition of sponsorship being used. For this thesis, we will define sponsorship as the investments in causes or events where the association to the event and the sponsorship activities will aim to support corporate objectives.

3.1.2 OBJECTIVES OF SPONSORSHIP

Literature shows that there is a diverse range of corporate objectives for what sponsorship can assist. Meenaghan (1991) suggests that sponsorship can be used to provide community involvement, counter adverse publicity, build goodwill among staff and increase corporate and brand awareness. Further, according to Grimes and Meenaghan (1998), sponsorship also has a major role to play in fostering staff pride, rewarding effort and in articulating the values of the organisation to its staff. Evidently, sponsorship can be used to pursue a diverse range of objectives since it is centred upon allocating and using the right to an association. According to Polonsky and Speed (2001), the nature of association acquired and the manner in which it is leveraged, will determine the performance of the sponsorship in terms of a defined purpose.

Further, the *Institute of Sports Sponsorship* (www.sports-sponsorship.co.uk) explicates the most common objectives for sport sponsorship. Among them are,

- *Brand or corporate awareness* where the company seeks to put a name in front of the consumer in terms of providing the company name complimentary recognition.
- *Brand or corporate image* where the company attempts to create a personality and style which distinguishes a product above others in the market.

LITERATURE REVIEW

- *Customer relations* where sports sponsorship can initiate a dialogue between the company and the customers, trying to display itself as a global performer worthy of acknowledgment and apt to do business with.
- *Community relations* where a sponsorship can show that a company cares about its community and the welfare of its citizens.
- *Employee relations* where sports sponsorship can promote company pride and loyalty to help attract and retain staff.

In table 1, further objectives of sponsorship are depicted. The table is based on a study performed in the United Kingdom during the early nineties. The study researched executive managers from ten fast-moving consumer goods (FMCC) firms, which were all among the top fifty advertisers in the United Kingdom during the time of research. The table below illustrates the result from the study, which partly explored the firms' managers' objectives for performing sponsorship.

Table 1

Managers' objectives for using sponsorship (Kitchen in and Erdogan and Kitchen, 1998)

Objectives	Agreement (%)	Rank
Press coverage/ exposure/opportunity	84,6	1
TV coverage/ exposure/opportunity	78,5	2
Promote brand awareness	78,4	3
Promote corporate image	77,0	4
Radio coverage/ exposure/opportunity	72,3	5
Increase sales	63,1	6
Enhance community relations	55,4	7
Entertain clients	43,1	8
Benefit employees	36,9	9
Match competition	30,8	10
Fad/fashion	26,2	11

As indicated by the table, the managers' intentions for using sponsorship tend to primarily focus on external effects. The objective to 'benefit employees' was ranked as low as number nine out of eleven stated objectives.

Further, according to Grimes and Meenaghan (1998), managers do not to a full extent grasp that many of the external objectives could be directed within the organisation to the internal staff, hence the employees. If employed within the company, the sponsorship could even more successfully reach the external market. However, organisations are slowly starting to recognise the importance of directing the focus of their sponsorship activities inwards at their corporate staff (Grimes and Meenaghan, 1998). This is also supported by Roos and Algotsson (1996), who state that over the last couple of years, building new and important relations and communicating messages through the sponsorship, both externally and internally, have been receiving increased attention among sponsorship managers. A few decades ago, exposing the company and the brand were the dominating objectives of sponsorship (Roos and Algotsson, 1996).

3.1.3 DIFFERENTIATING SPONSORSHIP FROM EVENT MARKETING

To avoid uncertainty, we find it necessary to explain the difference between sponsorship and event marketing, since the usage of the two terms is often inconsistent and the difference between the two may at times be somewhat confusing (Behrer and Larsson, 1998). This is partly due to that sponsorship, similarly to event marketing, also is a part of the marketing strategy (Jiffer and Roos, 1999). However, according to Behrer and Larsson (1998), event marketing could never be used as a term for other activities than marketing via events, while sponsoring can occur in various other contexts. Sponsoring of an artist, a soccer team et cetera is, for example, not event marketing. However, when sponsoring an event, the organisation buys exposure during the event at different levels of the event itself. By using the commercial right, the sponsor could associate the brand to the event and reach an effective selection of the target group. The association makes the brand synonymous to the sponsored happening, and thereby the sponsorship could be called association by event (Jiffer and Roos, 1999). Further, Behrer and Larsson (1998) argue that sponsoring an already existing event at someone else's arena could be called traditional sponsorship. An example of this could be the sponsorship of a sports

LITERATURE REVIEW

competition (Behrer and Larsson, 1998). According to Rademaeker in Behrer and Larsson (1998), ownership of the event is required for the sponsorship to have the same effects as event marketing.

3.1.4 SPONSORSHIP IN THE MARKETING MIX

According to Meenaghan (1991), sponsorship can be seen as an element of marketing communications within a broader context of the marketing mix (4 Ps) presented by Kotler (1999). Kotler (1999) argues the organisation's marketing mix consists of controllable variables that are mixed with the purpose of attaining a desired response from the targeted market. Subsequent, in this marketing mix, sponsorship could be put next to advertising, public relations, personal selling and sales promotion, since its basic function in achieving marketing communications objectives are relatively closely related. Hence, each method of marketing communication supports the organisation in achieving the overall marketing communications objective (Behrer and Larsson, 1998).

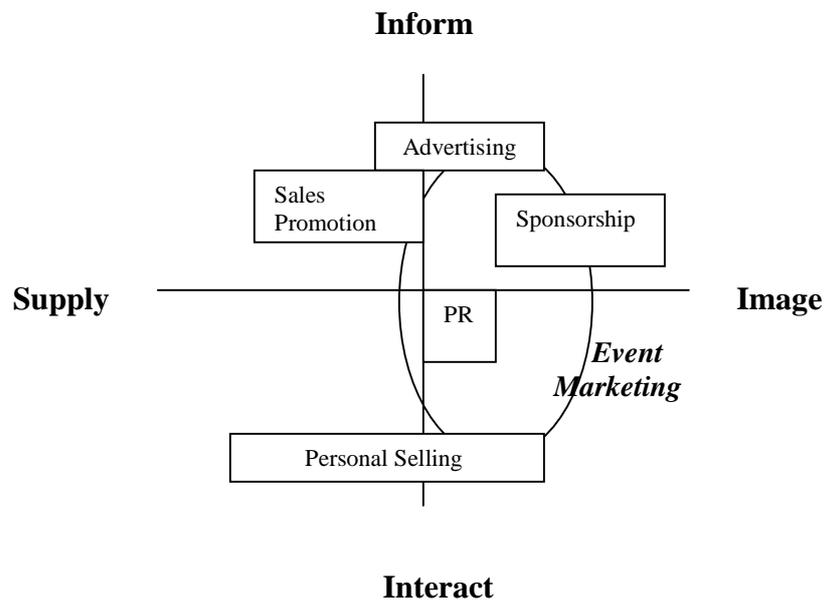


Figure 3.1: Sponsorship in the marketing mix (Behrer and Larsson, 1998:153)

3.1.5 CRITIQUE ON SPONSORSHIP

Researchers have criticised sponsorship activities by examining it in a consumer behaviour related context. For example, a study was carried out on Snicker's

sponsorship campaign of the 1994 Football World Cup. It turned out that the sponsorship did not affect the consumers' intentions of buying Snicker's. Instead, the researchers claimed that the consumers' beliefs about brands are typically a result of prior experiences the consumers have from using the products (Hoek *et al*, 1997). This finding is also supported by Hoyer and MacInnis (2001) who state that consumer habits does not require a strong preference for an offer, instead it is a simple repetitive purchase behaviour derived from prior satisfactory experiences. Further, Hoek *et al* (1997) argue that their empirical findings imply that even if sponsorship has the ability to strengthen preset beliefs among customers, sponsorship could unlikely create new customer beliefs or develop new behaviour patterns. Consistent with this view, East states in Hoek (1999:2)

“The cognitive customer is credited with the capacity to receive and handle considerable quantities of information, to engage actively in the comparative evaluation of alternative products and brands, or to select rationally among them.”

Moreover, Abratt and Grobler (1997) and Farelly *et al* (1997) claim that evaluations of sponsorship activities remains as a poorly defined art, which could have negative impacts of the effectiveness from the sponsorship activities. Hoek (1999) follows the argument by stating that thorough evaluations of sponsorship investments should be made by the means of finding out the return on investment made. Lastly, it is argued that the effectiveness of sponsorship activities is reduced if the sponsoring company is unable to demonstrate a link between themselves and the recipient of the sponsorship (McDaniel, 1999; Crimmins and Horn, 1996). This since sponsorship research suggests that consumers tend to reward firms whom they already think positively of. Consequently, this means that customers are not prepared to change their attitudes towards firms that they dislike since the re-direction of consumer attitudes are difficult and slow to process (Sheth *et al*, 1999).

3.2 EVENTS

Events constitute one of the most exciting and fastest growing forms of leisure, business, and tourism related phenomena (Getz, 1997). With the growing interest of events, event management has been recognised as a separate field of study. Getz (1997:4) further describes events as

LITERATURE REVIEW

“... temporary occurrences, either planned or unplanned, though some may be periodic, but each one has a unique ambiance created by the combination of its length, setting, management and those in attendance.”

Lundmark (1998) also defines events and explains that an event also could be a happening, an occurrence or an incident. Further, events can, according to Getz (1997), be divided into their particular purpose or sector of appeal like public, sporting, tourism, and corporate. Allen (2002) has identified three different types of special events according to size and scale; mega-events, hallmark events and major events. A special event is a one-time or infrequently occurring event outside the normal program or activities of the sponsoring organising body.

It is, according to Getz (1997), essential to understand that events do not take place in isolation. Rather, they are an integrated part of a larger event management system. The system involves the event itself, internal environment, community context and the general environment. Outcomes and inputs of the system will affect the strategy depending upon interdependencies and changes in the system. Event organisers strive to use the event as a vehicle for achieving certain social and economical outcomes. To achieve these outcomes, the event organiser must use adequate resources as inputs in the system. Inputs include all the things necessary to operate the event organisation, tangible resources like money and equipment, political and moral support, and human resources like volunteers and other staff (Getz, 1997).

For this thesis, we will concentrate on the sport event *Swedish Open*, which is could be defined as a major and frequently occurring event, since it attracts approximately thirty thousand to forty thousand spectators and takes place once every year (www.swedishopen.org).

4 MOTIVATION AND INTERNAL MARKETING

In order to pursue our aim of exploring how sponsorship could be used as an internal marketing activity to motivate employees, we find it necessary to provide the reader with an understanding of motivation theory as well as internal marketing theory, which therefore will be discussed in this chapter.

4.1 MOTIVATION

4.1.1 THE ROLE OF MOTIVATION

Motivation is an important factor in human resource management and signifies what commits people to a course of action, enthuses and energizes them to achieve goals whether the goals are their own or the organisation's. It is essential that the individuals have appropriate motivation in order not to lack enthusiasm or deliver poor service (Gellerman, 1963). Further, motivated employees are needed in the rapidly changing work places since they are more productive and help organisations survive (Lau and Huang, 1999). Employees acting towards company goals and having a strong desire to remain in the organisation are also very important for the success of a company (Molander, 1996).

Further, by viewing the extensive amount of research made on employee motivation, it is evidently a very complex matter. This is partly due to, according to Bowen and Radhakrishna (1991), the fact that what motivates employees changes constantly. Other research confirms these results. For example, Kovach (1987) argues that as employees' income increases, monetary means become less of a motivator. Also, as employees get older, interesting work becomes more of a motivator.

4.1.2 MOTIVATION THEORIES

Prior to 1954, corporate motivation was based on the work of Taylor, who was considered to be the father of scientific management. His theory, brought forward from the 1890's, basically described that money was the main motivator for all performance (Sandkull and Johansson, 1996). In the 1950's, Maslow explained that Taylor did not have a correct view of individuals' motivation. He argued that individuals were not like machines. Instead, they had in fact several levels of

motivational fulfilment that needed to be satisfied to some degree (Sandkull and Johansson, 1996).

Herzberg further found that motivation could be divided into two factors: motivators and hygienes. Achievement and recognition are seen as motivators or intrinsic factors, which could produce job satisfaction. On the other hand, could hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction (Herzberg *et al*, 1959).

Vroom published his expectancy theory in 1964. He implies that a person who is motivated to perform a certain action believe that the particular action will result in a desired outcome (expectancy). This outcome will then result in some kind of reward. The accomplished rewards for this outcome are sufficient to justify the effort the person put in. When all these conditions are met, the person is according to Vroom fully motivated to perform his/her job (Vroom, 1964).

According to Adams' equity theory, individuals strive for equity between themselves and other workers. People evaluate how fairly they have been treated in comparison with the treatment received by others. Equity is achieved when the ratio of employee outcomes over inputs is equal to other employee outcomes over inputs (Adams, 1965).

4.1.2.1 THE HAWTHORNE STUDIES

A study that has made a significant impact on the concept employee motivation is the Hawthorne Studies, conducted by Elton Mayo from 1924 to 1932 (Dickson, 1973). This study found that employees were not solely motivated by monetary means and employee behaviour was linked to their attitudes (Dickson, 1973). The Hawthorne Studies are often seen as the single most important investigation of the human dimensions of industrial relations in the early 20th century (Jacobsen and Thorsvik, 1997; Collins, 1998), since it started the human relations approach to management, whereby the needs and motivation of employees became the primary focus of managers. Today, a reference to 'the Hawthorne effect' denotes a situation in which the introduction of experimental conditions designed to identify salient aspects of behaviour has the consequence of changing the behaviour it is designed to identify.

The initial Hawthorne effect referred to the observation that the productivity of the workers increased over time with every variation in the work conditions introduced by the experiments. Even though the Hawthorne experiment lasted for a long time, the results of the experiments failed to answer the specific question whether there is a relation between illumination and efficiency (Brannigan and Zwerman, 2001). However, the experiment did establish the value of empirical studies of industrial productivity showing that managers could achieve the production benefits associated with Taylorism¹. This was ascertained by looking to the social needs of the workers (Brannigan and Zwerman, 2001). To summarise, the Hawthorne Studies found that employees were not solely motivated by monetary means and employee behaviour was linked to their attitudes, and that the mere act of showing them consideration spurred them to perform more at work (Dickson, 1973).

The Hawthorne studies has been criticised by Collins (1998) where he argues that human relations did not replace scientific management in the experiment. Instead it merely revised it to some degree. Further, Collins (1998) argues that management thoughts and practice therefore did not move from Taylorism to human relations. Instead, the human relations were only added to the Taylorism.

4.1.3 MOTIVATION DEFINED

Motivation is a highly complex phenomenon (Bent *et al*, 1999). It derives from the Latin word '*movere*', which means to put something into action (Jacobsen and Thorsvik, 1997). Many authors have defined the concept of motivation. A majority agree on that the study of motivation is concerned with why individuals think and behave as they do (Wagner, 1999; Mullins, 1993). According to Hoyer and MacInnis (2001), motivation is an inner state of arousal that denotes energy to achieve a goal. Weiner also explains the concept of motivation (1992:123):

“Motivation is a psychological process by the individual which generates a force that makes the individual act, brings precision to the act, maintains the act and enhances it.”

¹ Taylorism (by Taylor, F.W. 1856-1915) is a specialisation of work tasks into monotone operations 'one best way', by the means of optimising the total production process. Taylorism also recommends a strong centralisation of the organisational structure by having managers making all decisions (Sandkull and Johansson, 1996).

Moreover, Mitchell (1982) defines motivation as the degree to which an individual wants and chooses to engage in certain specified behaviour. For this thesis, motivation is defined as an inner state of arousal that creates energy and drives the individual to achieve personal and organisational goals.

4.2 INTERNAL MARKETING

Internal marketing was first suggested in the late 1970s, as an application of marketing management to the corporate organisation. It became known through services marketing, and its concern was to get employees involved in service encounter in order to achieve greater outcomes when interacting with customers and hence the external market (Gummesson, 2000). The usage of the concept has extended beyond its traditional field and is now accepted in all kinds of organisations. In internal marketing and according to theories of quality management, employees are viewed as an internal market and are thus internal customers to one another. This is summarised by Gummesson (2000:28) who states:

“An employee’s ability to influence and satisfy the needs of others inside the organisation is considered an antecedent to external customer satisfaction. Only if internal customer relationships work can the quality of the outcome be excellent, thus creating satisfied, or even better, delighted external customers.”

4.2.1 THE MARKETING FUNCTIONS OF A SERVICE ORGANISATION

To facilitate an understanding of the concept of internal marketing, we want to present the organisation’s total marketing function. According to Grönroos (1983), a service-oriented organisation mainly holds three marketing functions. The first is *traditional marketing*, where mainly marketing specialists are involved in the interaction with customers. It involves all activities that are directed towards large customer groups. Examples of traditional marketing are advertising and commercial in media, PR-activities and brochures. The main goal is to analyse the market and create an interest for the organisation and its products to increase sales. The second of these functions is *interactive marketing*, which is the link between the organisation’s production and the market’s consumption behaviour. It includes all the relationships between the customers and the organisation. Examples of such relationships could be between customer and personnel, office and equipment. The aim is to attain satisfied customers

and lasting customer relationships to increase sales. The third marketing function is the *internal marketing*, where both marketing specialists and non-specialists take part in the interaction between the organisation and customers. It treats employees as internal customers and their jobs as internal products. The main goal is to motivate the employees in order to get satisfied customers and increased sales (Grönroos, 1983). The first two marketing functions are aimed towards an external audience, while the third, internal marketing, is intended to reach the internal staff audience (Grönroos, 1983).

4.2.2 INTERNAL MARKETING DEFINED

Since internal marketing does not have any generally established theoretical framework (Ballantyne, 2000), we will present the perceptions of some of the main instigators in the field of internal marketing.

Berry and Parasuraman, as referred to by Cahill (1996:3), state that:

"Internal marketing is attracting, developing, motivating, and retaining qualified employees through job-products that satisfy their needs. Internal marketing is the philosophy of treating employees as customers-indeed, "wooing" employees...- and is the strategy of shaping job-products to fit human needs."

This definition emphasises the importance of satisfying employees' needs in order to attract, develop, motivate and retain the best-qualified personnel from a human resource management perspective. However, critique has been put forward from some of the authors representing the marketing perception (Ballantyne, 2000). For example, Grönroos (1994:13), who is one of the main instigators in the field of relationship marketing, argues that:

"The internal market of employees is best motivated for service mindedness and customer-oriented performance by an active, marketing-like approach, where a variety of activities are used internally in an active, marketing-like and coordinated way."

Grönroos (1983) further explains that internal marketing should be viewed as marketing, aimed towards the company's employees. Marketers need to first make

LITERATURE REVIEW

sure that employees understand and accept marketing programs, efforts and offerings before these are launched into the external market. Gummesson (2000) holds a similar view, and argues that internal marketing is the opposite of or a supplement to external marketing. The purpose is to get employees involved in existing conditions and procedures.

Berry (1981) states that employees should be viewed as internal customers, and as a result, the employees' jobs should be treated as internal products. If employees are pleased customers will automatically become satisfied as well. George (1991) also puts emphasis on this view. Gilmore and Carson (1995) underline that the internal market needs to be educated and informed about the organisation's vision, mission, goals, strategy and customers' expectations. By involving employees in such areas, the organisation will create a balance between operational efficiency and management objectives. This would ultimately lead to successful external marketing. Carlzon and Hubendick (1983) also share this view and define internal marketing by explaining that the same products that are marketed towards a company's customers, have to be marketed towards the company's employees. By products they refer to the company's overall business idea, business strategy and goals, leadership philosophy, leading system, new bosses, product philosophy, general and working motivation and conflict resolution methods among others. By focusing on these products internally, the company will reach the external market. Consequently, the corporate board will become highly efficient and utilise its resources to the fullest if adapting such a marketing strategy (Carlzon and Hubendick, 1983).

In addition, Ruud-Syvvertsen (1983) underlines that the concept internal marketing is an activity in an organisation. Such an activity is performed to transfer all sorts of information and knowledge from individuals who hold or can obtain such knowledge, to individuals who do not. In coherence with this view, Ballantyne (2000:48) underlines that internal marketing is:

"...a relationship process in which staff autonomy and know-how combine to create and circulate new organisational knowledge. That will challenge internal activities that need to be changed to enhance quality in market place relationships."

Schneider as referred to by Grönroos (1983) agrees with this outlook and adds that internal marketing is a means of communication that works all ways through the organisation, not only top-down. This is why the leader's attitude and leadership style is of great importance. He continues to underline this assertion by stating that even clearly motivated employees can become unmotivated if leaders comprise incorrect attitudes. In order to succeed with the internal marketing, leaders have to give their full support to activities of such nature. We have defined internal marketing as a type of marketing and behaviour that is aimed towards the company's employees, by the purpose of getting them motivated and involved in the company's existing actions and situations.

4.2.3 OBJECTIVES OF INTERNAL MARKETING

The main goal and most important task for internal marketing, is according to Grönroos (1983), to motivate and steer employees to be customer-, marketing- and sales oriented. Also, through internal marketing, the organisation should aim to attract appropriate employees and also keep superior employees. By accomplishing these goals, the employees will perform at their best when undertaking interactive marketing. Grönroos (1983) also explains that the corporate board should understand that only if internal customer relationships work could the quality of the outcome of external customer satisfaction be outstanding. Further, Hales and Mecrate-Butcher (1994:316) suggest that the purpose of internal marketing activities is:

“... to create, at least, a stable workforce, with reduced absenteeism and labour turnover and, at best, a workforce with high levels of morale, initiative and responsibility, committed to customer service.”

In addition, Brunkell (1983) argues that the state between the company's ambitions and the customers' expectations will lead to even higher prospects if expressed with instruments for both the external and internal market. This will in turn motivate the company to continually grow and develop. Another aspect of internal marketing is the edifice of quality (Hyrenius, 1983). Hyrenius (1983) argues that if employees are informed about the market and its needs, they can present the service in a manner that will meet customer expectations and provide a higher service quality, which will ultimately lead to customer satisfaction. In addition, Friman (1983) underlines the

importance of maximising customer value, and explains how internal marketing, employee satisfaction, customer satisfaction and increased returns are related.

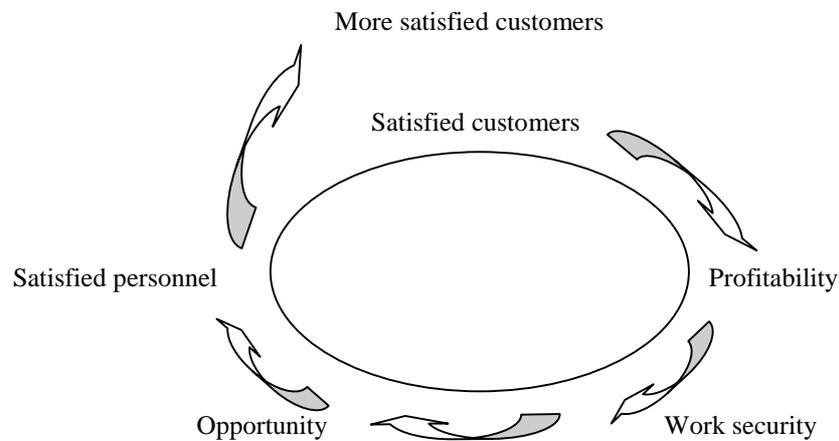


Figure 4.1: A company's valuable circle (Friman in Arndt 1983:70)

A satisfied customer means increased profitability, which in turn will provide the employees work security. Further, the opportunity for employees to develop and grow within the organisation and job tasks will increase, which will generate satisfied employees. The end result is even more satisfied customers, which is the overall goal with the internal marketing process.

To summarise this reasoning, it is evident that the main objectives of internal marketing are firstly to motivate employees to ultimately reach external marketing success, customer satisfaction and increased profits, which is how we will refer to as the main objectives of internal marketing.

4.2.4 CRITIQUE ON INTERNAL MARKETING

Although the concept of internal marketing is widely used, several authors take a critical standpoint. According to Mudie (2000), internal marketing fails when it simply defines the internal market as employees. The concept also fails to recognise the realities of organisational life, since it evidently treats it as a 'germ free' environment. Further, internal marketing fails to address the feelings of employees about their jobs, work relationships, their anxieties and aspirations. In addition, Rafiq and Ahmed (2000) argue that the service quality internal marketing wants to achieve tends to be rather costly. Unless the costs related to the increased service quality are

met with additional external customers and increased purchases, there will be a negative impact on profitability. Rafiq and Ahmed (2000) therefore argue that the optimal level of service quality does not necessarily have to be the highest possible. Moorman *et al* (1992), further argue that the long-term relations developed through internal marketing are automatically exposed to a number of negative influences, which in turn encumber the positive effects of such relationships. Grayson and Ambler (1999) agree with this view and add that long-term relationships have a negative affect on service use, which in turn decreases the essential relationship component of trust.

4.3 MOTIVATION THROUGH INTERNAL MARKETING

There are a variety of ways to influence staff motivation through internal marketing. We will further describe some of the most common methods depicted in literature used for this purpose.

4.3.1 COMPREHENSION OF VISION AND GOALS

One of the methods for using internal marketing includes offering a vision that provides purpose and meaning to the workplace. Employees should know how their work fits into broader scheme of business operations (Czaplewski *et al*, 2001). Kotter (1996) explains that vision should resemble a picture of the future with some implicit or explicit commentary on why people should strive to create that future. Moreover, Czaplewski *et al* (2001) argue that common understandings of visions and goals among employees who interact with customers are central when aiming for motivated employees and high quality service. Customers look at how employees act in different situations and very often judge the company based on this perception. Kotter (1996:85) also holds a similar view and states that:

“... a great vision can serve a useful purpose by just a few key people. But the power of a vision is unleashed only when most of those involved in an enterprise or activity have a common understanding of its goals and direction.”

In addition, Hampden-Turner and Trompenaars as referred to by Morden (1997), explain the importance of leaders conveying an understandable vision. When a vision is perceived or imagined, others can be drawn, given the necessary enthusiasm and

energy on the part of the leader who is communicating that vision. Further, it is of great importance that the employees strive for the same visions and goals. This requires knowledge, engagement, and motivation among the employees and it is the management team's task to make sure that it is working. The organisation should create an atmosphere where all employees work towards the same purpose (Czaplewski *et al*, 2001). Further, Senge (1990) implies that it is not only the future that needs to be explained. Where we are today, in relation to where we want to be in the future, is important to motivate and create energy.

4.3.2 KNOWLEDGE AND EMOTIONAL CAPITAL

Grönroos (1983) argues that most companies do not take advantage of the employees' expertise knowledge when it comes to customer relationships, customers' needs and wants and how the production systems should be aligned in order to obtain highest possible quality. Instead, all planning, follow-up and evaluation is carried out by a few individuals in upper management positions. This could be frustrating for the employees who feel that they are not a part of the decision making process. As a result, they view themselves as individuals who carry out no more than already made up conclusions. Such a scenario does not only make employees unmotivated, the company also let pass vital information and knowledge that are kept among employees (Grönroos, 1983).

Additionally, it is important not to forget about capturing the employees' hearts as well as minds. Thomson and Hecker (2000) argue that affecting employee knowledge is only half the battle. Capturing hidden resources of feelings, beliefs and motivations are the foundation for emotional capital. Positive emotions have the ability to drive a company forward. When both hearts and minds are captured, a strong base of emotional capital is created and will initiate motivated and engaged employees who feel ownership for business goals and strive to build strong and profitable relationships with external customers (Thomson and Hecker 2000).

4.3.3 EMPLOYEE EMPOWERMENT

Employee empowerment is, according to Dunne and Barnes (2000), a concept that should be detailed in the role and responsibilities of each employee. Moreover, empowerment could be seen as a tool used to move responsibility of delivering

LITERATURE REVIEW

efficient, quality, customer service down through the ranks of the organisation. Further, Bowen and Lawler (1992) argue that the greatest power of empowerment is the level of involvement it allows the employee to perceive. That in turn will allow the employee to gain a sense of responsibility and control. In addition, Bowen and Lawler (1992) have through research on job design and studies conducted on service managers and their employees, found that an empowered employee includes mainly three notions. The first is *control* over what happens on the job. Control provides freedom of choice among different ways of doing a job, freedom to act spontaneously in meeting customer expectations, input into how the job is designed and ability to respond if something goes wrong. The second notion is *awareness* of the context in which the job is performed. An example could be the understanding of why a certain task fits into the various down- and upward activities in the service delivery system. The third notion implies *accountability* for work output. An example could be if an employee is able to recognise the linkage between the quality and quantity of work.

Argyris (1998) provides us with a more critical approach to the concept of empowerment. He firstly begins to note that many managers love empowerment in theory, but the command-and-control model is what they trust and know best. In addition, managers are often of the impression that employees find empowerment great as long as they are not held personally accountable. Argyris (1998:99) continues to explain that

“... despite all the efforts that have gone into fostering empowerment, it remains very much like the emperor’s new clothes: we praise it loudly in public and ask ourselves privately why we can’t see it.”

Argyris (1998) also brings in the concept of commitment in his discussion about empowerment. According to him, employees can commit themselves in two essentially different ways: externally and internally. Both are valuable in the workplace, but only internal commitment reinforces empowerment. External commitment is what an organisation gets when workers have little control over their destinies. An example of external commitment is when the management defines the employees’ work conditions single-handedly. According to Argyris (1998), this would

most likely lead to external commitment among employees, since they do not feel responsible for their own situation.

Argyris (1998) continues to stress the importance of internal commitment if managers want employees to take more responsibility for their future. Internal commitment comes largely from within. The concept implies that individuals are committed to a particular project, person, or program based on their own reasons or motivations. Argyris (1998) argues that the more top management wants internal commitment from its employees, the more it must try to involve employees in defining work objectives, specify how to achieve them, and set stretched targets.

The concept of empowerment is not absolute, according to Argyris (1998). He continues to argue that it is unrealistic to expect management to allow all employees to participate completely in an inclusive autonomy. Therefore, the extent of partaking in corporate goals and ambitions will vary with each employee's wishes and intentions (Argyris 1998).

4.3.4 REWARDS AND RECOGNITION

Another significant way to motivate employees is through rewards and recognition (Rogers, 2001; Nelson, 1994; Jick, 1993). Recognition could also be seen as a tool to guide the employees in the right direction since it indicates when they are doing something of value (Jick, 1993). According to Nelson (1994), managers have started to realise the importance of awards and recognition and how they are a fundamental tool of employee motivation, team building and productivity.

Rudman (2000) explains that recognition could be extrinsic and thereby divided in monetary and non-monetary rewards, or intrinsic such as reinforcements and feelings of accomplishment. Nelson (1994) argues that personal recognition is one of the most important rewards, while monetary rewards have proven not to be an effective long-term motivational tool. A genuine word of appreciation from the right person at the right time can mean more than an extrinsic reward. Part of the power of such reward comes from knowing that someone took the time to notice the achievement, and find out the responsibilities of the employee (Rudman, 2000). This in turn helps improve performance, positive attitudes and promote a productive and stable work

environment (Nelson, 1994). Argyris (1998) holds a similar view and explains that many incentive programs executives have used, for example higher compensation, better career paths, “employee of the month” recognition awards, often do not work. On the contrary, he claims that he frequently witnessed how offering employees the “right” rewards creates dependency rather than motivation and empowerment. As anticipated, the power of such methods wears off with time and use. Following, all that has been created is more external commitment, when internal commitment is what management should strive for since it resides within the employees and are less likely to diminish.

4.3.5 INFLUENCING EMPLOYEES’ IMAGE AND ATTITUDES

Normann (1983) argues that internal marketing and image could be used as an instrument to reach employees. In this context, image is the way in which the business professional is defined in the mind of the client. The client could be either a customer or an employee. In this thesis, the client refers to an employee. Further, by controlling image, the company can achieve a desired behaviour since all employees have an image whether they seek to cultivate it or not (Greene *et al*, 1994). Normann (1983) points out that a positive image enhances the effectiveness of the service organisation, and a negative image could concurrently be highly devastating for the same reasons. Greene *et al* (1994) further argue that image is a great enhancer of personal communication. However, it should be noticed that image could not be improved in the short term since customer perception is slow to alter. Normann (1983) therefore argues that an image strategy could easily fail to succeed, if it is not clearly associated with reality. If not, campaigns will likely create frustration and cynicism. In addition, image alone could not be used as an instrument for improving the internal climate. It should be combined with other forms of internal marketing tools such as communicating vision and strategy (Normann, 1983).

Gärdeborn (1983) underlines the importance for management to try to influence employee attitudes. The author argues that since the level of motivation in an organisation is dependant on how the employees view themselves, attitudes are a vital factor to take into consideration if management strive for motivated employees. According to Gärdeborn (1983), attitudes are habits that humans contain and store. Those habits are created through learning. As soon as we have created our habits they

will shape our personalities. A certain attitude will cause a particular action that in its turn will make the original attitude stronger. Gärdeborn (1983) further argues that it is easier to affect and change an existing attitude by focusing on altering the behaviour of the individual, than trying to change the attitude straight away.

According to Grönroos (1983), it is also important to continually work with the employees' attitudes, especially when external changes occur. In order to do this, Grönroos (1983) stresses that the company must realise the importance of interactive and personal communication. Through so called contact seminars where the company discusses vital topics and information with employees in smaller groups, the company will create an increased awareness concerning customer- and marketing orientation at the same time as showing its interest for the employees and their work situation. This could motivate the employees and also create an effect on their attitudes.

4.3.6 INTERNAL COMMUNICATION

4.3.6.1 DEFINITION

Internal communication is an occurrence rather hard to define, since it is integrated in all parts of an organisation. The concept often takes on other names, such as internal information (Grönroos, 1983) or employee communication (Hoffmann and Stauss, 2000). Moreover, it is hard to explicate the difference between external information and internal information. However, it can be argued that no external marketing activities can occur if the internal relations are in imbalance (Jöever, 1983). Jöever (1983) also argues that internal information has evolved from being simply a means of a theory concept, to being identified as a commonly used method in business strategy. In the thesis we will identify internal communication as a dual directed and mutual dialogue between the sender and the receiver.

4.3.6.2 EFFECTS OF INTERNAL COMMUNICATION

Jöever (1983) argues that many organisations should have an interest in communicating and informing their employees of what is going on with the company and its business strategy since internal communication could have an influence on employees' motivation. George (1991) also underline the importance of internal or employee communication for motivating employees. Further, Thomson and Hecker (2000) argue that effective communication can strengthen both intellectual and

emotional capital. Grönroos (1983) argues that internal communication can be used for having an effect on employees' attitudes and raise awareness regarding sales and marketing throughout the organisation. It can also inform the staff about new positions, support services and external marketing activities such as advertising campaigns. Finally, internal communication can motivate staffs to market these activities internally (Grönroos, 1983).

Moreover, Jöever (1983) continues to stress the importance of highlighting internal communication in organisations, by stating that *"just as all business is said to be local, it could be argued that all sorts of PR starts at home"* (free translation of Jöever in Arndt, 1983:146). Jöever (1983) also specifies that internal communication for one subtract all factors that could lead to negative rumour circulation within the company. It accordingly reduces any risk for strikes or negative image attitudes. Further, the increased knowledge sharing throughout the organisation explains relations and creates a motivating work environment. Overall, the employees are ultimately for the most part in focus, which leads to enhanced internal relations, increased work motivation and in the end a better product (Jöever, 1983). Further, Eriksson (1998:44) explains how successful internal communication positively could affect an employee's development and motivation:

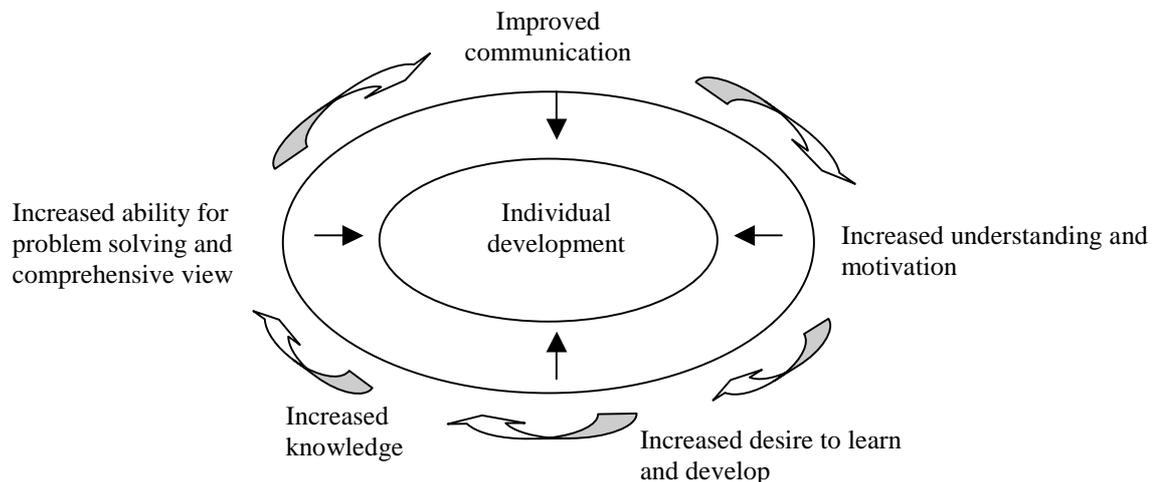


Figure 4.2: Illustration of how the individual employee develops through improved internal communication (Eriksson, 1998:44)

4.2.6.3 COMMUNICATION CHANNELS

There are several channels by which to communicate company information. Strid (1999) divides a company's communication channels into direct and indirect

LITERATURE REVIEW

channels. The direct channels are verbal such as staff meetings and conversations, and indirect channels are in written form and refer to media, which communicate messages without any personal involvement or contact. Further, Hoffmann and Stauss (2000) explicate the channels for employee communication and argue that they can be divided according the direction of their effects of media of top-down, bottom-up and horizontal communication. Some instruments can also be assigned to more than one category as seen in figure 4.3 below.

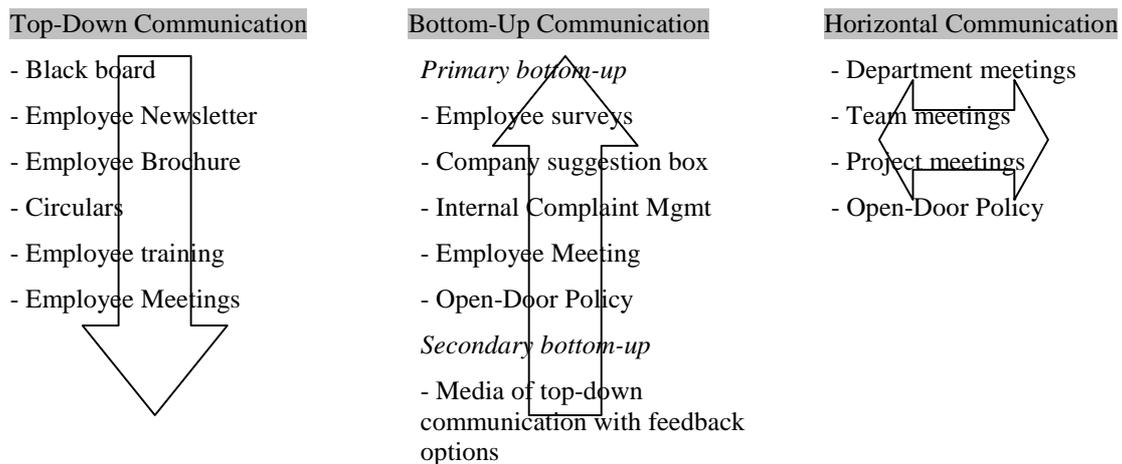


Figure 4.3: Traditional communication channels of employee communication (Hoffmann and Stauss in Varey and Lewis, 2000:145)

Empirical studies on employee communication show that top-down communication is indisputably dominant (Larsson, 2001; Hoffmann and Stauss, 2000). Their goal is to transmit communication considered as relevant by higher hierarchy levels to employees on lower levels. The primary bottom-up communication implies messages between employees to higher hierarchy levels in the organisation. Employee surveys, and suggestions boxes are examples of such communication. Secondary bottom-up communication indicates top-down communication instruments. However, there are options for lower hierarchy levels to give feedback to their superiors. Examples of such instruments could be employee magazines with letter columns. Horizontal communication refers to communication between lower hierarchy levels (Hoffmann and Stauss, 2000).

4.2.6.4 COMMUNICATION- A TWO WAY PROCESS

Among the various communication channels, several authors (Kotler, 1999; Larsson, 2001; Jöever, 1983) argue the importance of communication being sent from both top and bottom in the organisation. According to Kotler (1999), the direct and personal communication channels are effective since they allow direct feedback. Larsson (2001) also explain the importance of verbal and personal communication. He recommends that organisations to a greater extent should arrange staff meetings where the manager personally delivers the company information, whereby the employees can give their immediate response. Larsson (2001) also argues that although the ability to reach a considerable audience, indirect communication channels such as internal magazines fail since they often do not provide the employees with correct information. The reason is that such magazines often contain information that is too unproblematic, and therefore do not reveal the entire reality.

Jöever (1983) also argues that well functioning internal communication requires both bottom-up and top-down communication. It is important that employees get opportunities to express their thoughts and opinions. Likewise, Kotter (1996) argues that a two-way communication could be helpful since it might indicate that something is wrong and corrective actions can be taken. Further, Johnson and Scholes (1999) argue that it is important for top management to get feedback on the information sent out, and especially if changes have been implemented. To avoid misunderstandings, it could be helpful to arrange “focus groups” which give feedback to senior executives or to conduct surveys to assure that correct information has been transferred (Johnson and Scholes, 1999). Plotkin (2002:1) holds a similar opinion and states, *“If you don’t listen to employees, it’s less likely they will listen to you.”*

4.2.6.5 INTERNAL COMMUNICATION PROBLEMS

One common problem in organisations is that many decisions are not based on adequate internal information (Jöever, 1983). This happens when the organisation’s upward communication channels do not manage as they should. Examples are when new ideas from employees further down in the organisation hierarchy are neglected, or when unemployed resources, hidden problems and other discouraging factors could harm the company image (Jöever, 1983).

LITERATURE REVIEW

Another problem is that information at times seems to get entangled somewhere in the organisation. The reason for this could be allocated in relationship problems (Jöever, 1983). Besides from the fact that the policy should be a joint decision within the organisation, it is also important to decide that the policy actually is going to take place in the organisation, and to state what person(s) will be in charge of the process. The company should however be careful not to let information specialists be the only ones in charge of the policy setting process. Instead, teamwork should be encouraged (Jöever, 1983). An additional problem with internal information is different uses of languages and linguistic styles. The individual(s) that is/are chosen to deliver a message could without difficulty have an effect on that message. Also, since personal and verbal communication is preferred by written information, the problem is intensified (Jöever, 1983). Hoffmann and Stauss (2000) hold a similar view to Jöever, and explain that it often arises deficits in communication internally. Hoffmann and Stauss (2000) have therefore identified eight internal communication gaps regarding these discrepancies.

Targeting gap- occurs when the communication medium cannot assure that a certain message will reach the targeted group of recipients.

Usage gap- occurs if employees do not use the media chosen by management. The reason for this might be that employees find the media too time consuming, too difficult to use or unattractive.

Precision gap- refers to when information loses important aspects of its content when it is passed through the hierarchy levels of the organisation.

Feedback gap- arises when recipients do not properly understand the message sent through the organisation.

Speed gap- refers to when the media is unable to inform employees at a short notice. Such urgent information could involve e.g. competitors' sudden moves or information about company crises, which requires a sudden reaction from the organisation.

Simultaneity gap- concerns the media that only have a limited capacity of reaching all the employees simultaneously. This dilemma often occurs when the organisation is geographically scattered.

Understanding gap- occurs when the message reception is not working correctly. For instance, a common media such as circulars often require the receiver to be engaged, concentrated and willing to spend time on understanding the message. This occurrence limits the medias appropriateness for enhancing employee understanding.

Credibility gap- concerns the extent to which a message is perceived as true, reliable and trustworthy. The credibility of the message does not solely depend on the message itself, but also on the media used and the source where the message comes from.

4.4 CONCEPTUALISATION AND EMERGED FRAME OF REFERENCE

We will in this section demonstrate how we have summarised our literature presented in chapter three and four into a conceptualised framework. According to Miles and Huberman (1994:18), “*a conceptual framework explains, either graphically or in a narrative form, the main things to be studied*”. The conceptualised frame will serve as a foundation for the forthcoming analysis. The emerged frame of reference will also be illustrated in order to show the complexity and interrelation between the theoretical areas and how the theoretical material will come together with the purpose of our study.

4.4.1 SPONSORSHIP AND EVENTS

There are various definitions of sponsorship stated in literature. However, we found that the definitions of sponsorship seemed to be similar in the sense that they all recognised that sponsorship was first and foremost a commercial activity. The definition of sponsorship in the thesis has been announced as the investments in causes or events where the association to the event and the sponsorship activities will aim to support corporate objectives. Further, the increased adoption of sponsorship among companies has evidently generated a number of objectives with the marketing activity. While most of them were based on external marketing success, it was argued that companies slowly are discovering the importance of including the employees in the sponsorship activities since the activities have the ability to generate positive effects like leveraged staff pride, increased morale, improved industrial relations and a greater sense of belonging. We will in our analysis examine what the researched companies’ objectives with the sponsorship of *Swedish Open* are, if any internal objectives are stated and if the association to the event and sponsorship activities has

the ability to affect the Saab and SEB employees in terms of motivational factors such as pride, morale, and image.

Events are briefly discussed in our theory section since our study is based upon the sponsorship of an event. An event could be defined as temporary occurrences, which either are planned, unplanned or periodic. It could also be a happening, an occurrence or an incident. This thesis will aim at investigating the event *Swedish Open*, which we have considered to be a major and frequently occurring event. As mentioned above, the sponsorship activities performed at the event will be evaluated in terms of how they affect the employees of Saab and SEB and their motivation.

4.4.2 MOTIVATION

In the theoretical part that discusses motivation, we have tried to provide the reader with an understanding as to why it is an essential matter for companies. A brief summary of some of the main motivational theories from the twentieth century was also given, in order to demonstrate the complexity of the subject matter. Further, we presented various definitions on motivation. For this thesis, motivation has been defined as an inner state of arousal that creates energy and drives the individual to achieve personal and organisational goals. We will in our analysis look at how the sponsorship of *Swedish Open* has affected the interviewed employees' motivation.

4.4.3 INTERNAL MARKETING

Internal marketing has the function of incorporating both marketing specialists and non-specialists in a process where employees are treated as internal customers and the jobs as internal products. Diverse definitions of the marketing activity have been presented. We have defined internal marketing as a type of marketing and behaviour that is aimed towards the company's employees, by the purpose of getting them motivated and involved in the company's existing actions and situations. Various authors have also stated the goals of internal marketing. We have been able to observe that they all articulate the objective to motivate the employees to such an extent that it would leverage the external marketing. Further, we have identified several ways in which to perform internal marketing. Among them are providing the employees with a comprehension of vision and goals, taking advantage of employee knowledge, empowering employees, rewarding employees, influencing employees' image and

attitudes, and providing the employees with vital information through internal communication. We will in our analysis examine how the companies have internally marketed the sponsorship through these methods, and further how the employees have perceived it.

4.4.4 COMMUNICATION

Communication is a vital factor in terms of influencing employee motivation. The main goals of employee communication seemed to be to inform the employees of customer requirements, the company's products, vision, actions and goals. Moreover, we could see that the internal communication was used to affect employee attitudes by the means of increasing the knowledge sharing within the organisation to such an extent that it will create a motivating work environment. In the thesis, we have identified internal communication as a dual directed and mutual dialogue between the sender and the receiver. Moreover, different communication channels have been presented along with problems and gaps that can occur when communicating information internally. We will in our analysis look at which communication channels that have been used by management and what problems that might have arisen.

In order to illustrate the complexity and interrelation between the theoretical areas we have constructed the following model by the purpose of demonstrating how we are going to proceed in the analysis.

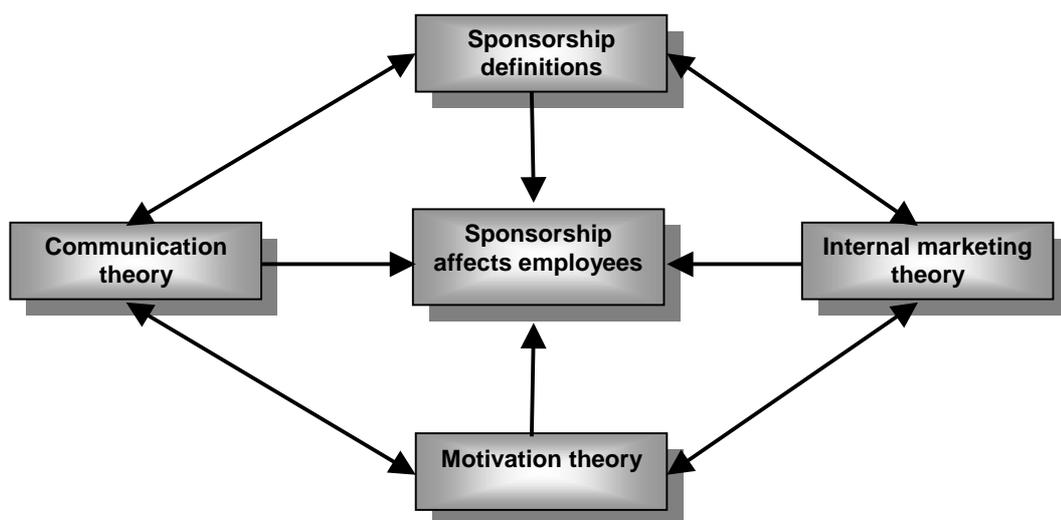


Figure 4.4: Theoretical frame of reference for our thesis

5 EMPIRICAL STUDY

Chapter five accounts for the study's empirical observations. The empiric material is based on interviews with employees and sponsorship managers from Saab and SEB.

To present how many of the interviewees that held the same view, the terms below have been used throughout the report. It should be noticed that percentages are based on the number of interviews conducted within each company, and sometimes within each office, and not the total amount of interviews conducted.

All of (everyone)	= 100%
A majority of (many, most)	= More than 50%
Half of	= 50%
A few of (some, others)	= Less than 50%
One of	= 1
None	= 0

As mentioned in the methodology section, we have interviewed a total of fifteen employees, seven Saab dealers located in Halmstad and Ängelholm, and eight SEB employees located in Båstad and Ängelholm. The employees have different work positions, which we will clarify during the discussion when appropriate.

5.1 SAAB

In 1937, SAAB (Svenska Aeroplan Aktiebolaget) was founded by the purpose of supplying the Swedish air force with bombers and fighters. After the foundation of the company, SAAB soon found the possibility to transform the technique from the airplanes to the automobile business. The car division Saab Automobile AB is a global and an independent company from SAAB. Saab Automobile AB has a subsidiary in Sweden called Saab Opel Sweden. It looks after the importation, distribution and marketing of all new Saabs on the Swedish market. Further, there are approximately one hundred franchised Saab dealers in Sweden. The dealers work independently from Saab Automobile AB and act as retailers to sell the Saab automobiles. (www.saabsverige.com).

5.1.1 VISION AND OBJECTIVES WITH SPONSORSHIP

Managerial perspective

According to Ove Bengtson, sponsorship manager at Saab, it is a tradition for Saab to sponsor *Swedish Open*. Saab has been sponsoring the event for twenty-five years and has also been a major sponsor of the famous Swedish tennis player Björn Borg.

Bengtson explained that the main objectives of Saab's sponsorship programme are first and foremost external. Consequently, Saab's purpose with the sponsorship of *Swedish Open* is mainly commercial. Except for the brand exposure, the test-driving opportunities that the customers can take part of during the week of the event are seen as essential activities, which Saab hopes will excel customer interest.

"The test-driving facilities at Swedish Open are absolutely the most important moment during the entire event. They are even more vital than the brand exposure"
(Bengtson).

Bengtson also explained that the sponsorship is a part of the company's marketing strategy. Sponsorship is therefore not treated as a single and independent communication channel. Instead the sponsorship is integrated with all of the marketing activities.

Employee perspective

The interviewed dealers had many opinions regarding why Saab is sponsoring *Swedish Open*.

"Regarding Saab's motives for sponsoring Swedish Open, I think that Saab is trying to establish or maintain relationships with current and new customers. This since the 'right type' of customers are visiting Båstad during the summertime when the event takes place" (Dealer 1).

Or as another dealer put it:

"I think Saab is sponsoring Swedish Open due to the facts that Saab's customers are interested in tennis and the event is suitable for this type of activity. According to my opinion, there is a coherent correlation between the event and the Saab owner who

visits Swedish Open since Saab has the objective of leveraging its brand. Thereby, the choice of the event Swedish Open is appropriate to sponsor due to the facts that the 'right Saab customers' are visiting Båstad during the summer" (Dealer 2).

Further, one dealer expressed that

"The top managers at Saab are probably visiting or living in Båstad during the summertime, and are thereby interested in sponsoring the event" (Dealer 4).

In addition, one of the interviewed dealers alleged that

"Saab's official sponsorship strategy on a national basis is something that is formulated by top management since it probably correlates with the managers' personal interests" (Dealer 3).

The interviewed dealers were also of the opinion that Saab is prioritising advertising before sponsorship in terms of market communication, and that the sponsorship activities are just an additive action within the official marketing strategy.

"Saab is spending large amounts on commercials, which makes the sponsorship activities a complementing course of action in Saab's marketing strategy. This is done since you cannot build a brand by just using separate activities like commercials or sponsoring. The activities have to be combined since they complement each other" (Dealer 3).

Further, a majority of the respondents were of the impression that Saab does not have any internal intensions with their sponsorship of *Swedish Open*. Instead, the all of the dealers were of the notion that the sponsorship activities are strictly focused on external effects. One dealer also had the impression that Saab during the event is trying to strategically position its products and brand in an environment that is correlating with the targeted customers' interests.

"Saab is supposed to be apprehended as sporty, exclusive, qualitative and discrete. When comparing the car with the choice of event, one can see that there is a red line through out the strategy that brings sense to all activities" (Office manager 1).

5.1.2 SPONSORSHIP ACTIVITIES

Managerial perspective

According to Bengtson, the dealers do not get any free tickets to *Swedish Open*. However, they are offered a deal which includes opportunities for the dealers to bring important customers to the event for a lower fee. The dealers are in those cases supposed to let the customers drive Saab cars from the different dealer locations to the event. While at the event, the dealers watch tennis accompanied by their customers and bring the customers to the test-driving facilities on site to let them test other Saab cars. The test-driving facilities at the event are supervised by personnel (not the local dealers), chosen by top management.

Furthermore, Bengtson explained that there are four persons from top management involved in Saab's sponsoring project and activities. Two persons represent Saab Automobile and the other two persons are representatives from Saab Opel Sweden. Since Saab Automobile is exceedingly responsible for the sponsorship programme and brand management, it constitutes all contracts. The subsidiary Saab Opel Sweden is responsible for the execution of the sponsorship programme.

Bengtson further stated that the dealers were not a part of forming the sponsorship strategy.

Employee perspective

Several dealers explained that a couple of years ago, the local dealers were present and active at the test-driving at the event. However, nowadays, the test-driving activities are conducted and controlled by personnel chosen by top management. According to all dealers, Saab has at present made special arrangements where all dealers can invite key customers to a combined day of test-driving and a visiting *Swedish Open*. In addition, some of the dealers expressed that they occasionally were invited to bring their customers to different seminars held by renowned persons, such as Marcus Wallenberg and Sven-Göran Eriksson. This was according to the invited dealers very appreciated, and they felt recognised since it allowed them to partake in entertaining activities that they normally would not attend.

Regarding the test-driving at the event, one dealer stated that the he and his colleagues often found the test-driving activities somewhat frustrating. He claimed that it was hard to motivate the customers to test-drive cars without offering the customers something else than the experience of just driving the cars. According to the dealer, he would find it easier to attract the customers to the test-driving facilities if the customers were offered an experience that correlated with their interests. As examples he mentioned meetings with tennis pros, playing golf with celebrities or attending a seminars by renowned persons.

Most of the interviewed dealers also insisted on the importance to bring the test-driving activities to a different level from just driving.

“I would like the test-driving activities to have more of a casual approach and not to be so formal. I would like to be able to treat my customers more individually. Sometimes I feel like Saab is perceived as a ‘giant corporation’ that only wants to sell cars” (Dealer 4).

Another dealer also had the impression that Saab has an additional problem when it comes to the sponsoring of *Swedish Open*.

“The problem is that the cars we are showing to the customers are too extreme according to my personal opinion. We are always exposing the cars with the highest performance like the Viggen model and the Aero models. We never show the ‘Svensson’ models. And since Saab is a car for several target groups, I think we should extend the amount of car models that we expose during different sponsoring activities” (Dealer 5).

The dealer also thought it would be appropriate if the local dealers could be more involved in the test-driving activities. As of now, top management chooses the representatives at the event, according to the dealer.

In spite of some frustration, a majority of the interviewed dealers expressed that they had an over all positive attitude towards the sponsorship activities. Many dealers were also of the perception that their customers had positive attitudes towards Saab’s sponsorship activities, which made the dealers feel enthused.

5.1.3 INFLUENCES ON IMAGE AND ATTITUDES

Managerial perspective

According to Bengtson, Saab does not have notion that their sponsorship activities generate motivation among the dealers or have a direct impact on their image of the company. Bengtson believed that Båstad and *Swedish Open* are simply too anonymous in terms of generating motivation among the participating dealers. Instead he considered the sponsorship activities in Trollhättan (Saab sponsors bandy authors note) to have contributed to motivation among employees, due to the reduced prices the dealers and factory workers are offered. Further, Bengtson believed that some of employees were of the perception that Saab should sponsor other sports and events, while others sympathised with the sponsorship programme to the fullest extent. Moreover, Bengtson believed that the employees have positive attitudes about the sponsorship overall, even if he stated that he did not believe Saab's sponsorship of *Swedish Open* contributed to any terms of team spirit or sense of belonging to any noticeable extent. Exceptionally, he believed that the people involved in the sponsorship project could perceive some degree of team spirit.

Bengtson also stated that Saab has not conducted any internal investigations on what kind of attitudes that have been generated inside the organisation from the sponsoring activities.

Employee perspective

The perceptions among the employees at Saab towards the sponsorship activities are dependent on each individual's interests and appraisals, according to one dealer. However, all of the interviewed dealers expressed that they recognised the event *Swedish Open* as a good opportunity for Saab to be exposed at and to be associated with.

"I think Saab should be seen at an even such as Swedish Open since it's a sport environment, and the event itself is often associated with nice weather, Swedish summer at its best, good looking people and celebrities" (Dealer 5).

"Sponsoring of different sport events is seen among customers as a positive action. Sport itself is good since it symbolises health and well-being. Therefore I am positive towards Saab's sponsoring of different sport events, since I like sport myself. But I

EMPIRICAL STUDY

also think it is important to sponsor a sport that is accepted among people. If Saab would have sponsored professional boxing, some customers might have rejected Saab. But the choice of Swedish Open is perfect since people think tennis is a decent sport” (Office manager 2).

Some of the employees also perceived the sponsorship positively for more selfish reasons.

“Even though I know Saab sponsors Swedish Open to expose its brand and attract customers to the test-driving, many of my colleagues and I enjoy feeling associated to the event as well” (Dealer 3).

Moreover, one dealer expressed that he did not believe that Saab’s sponsorship of *Swedish Open* affected their local activities to an important extent. Although it is noted among the dealers that the event is taking place, the dealer had not noticed any remarkable attitudes among the employees at the office. Neither did he have the perception that the dealers’ image of Saab has been affected by Saab’s sponsorship programme. However, several dealers mentioned that they perceived tennis as a high status sport, which correlates with Saab’s brand and image.

Another dealer explained that Saab has not been conducting any internal evaluations or investigations on the attitudes among the dealers regarding the sponsorship. One dealer further explained the benefits of the sponsorship:

“Even if the sponsorship activities primarily have external motives, I believe the brand exposure that comes with the sponsorship contributes to an improved sense of belonging in an organisation. This has proven to be useful, especially when it comes to recruiting new employees. Moreover, the sponsorship assists the brand to make the customers feel proud of owning a Saab” (Dealer 4).

An additional dealer expressed that although he did not receive as much information about the sponsorship as he could wish for, he found the sponsorship arrangements positive for reasons such as attracting new personnel.

“Even if we do not get much information from top management, the sponsoring of Swedish Open has been positive by the means of generating an optimistic perception

towards Saab. This has been to our favour, especially when it comes to situations like hiring new employees to the organisation. I think that the person who turns to Saab for a job has a positive attitude towards the brand and the organisation, partly due to the sponsorship of Swedish Open” (Dealer 2).

Moreover, all of the dealers also expressed that they were not involved in forming Saab’s official sponsorship strategy. The dealers are informed of what events and causes Saab will sponsor in the official marketing plan, but the decisions are made at top management level.

5.1.4 INTERNAL COMMUNICATION

Managerial perspective

Bengtson explained that the dealers were probably not aware of the company’s sponsorship strategy and its related vision and goals to any greater extent. The level of awareness is related to which hierarchical position each person has. However, despite the level of employment, Bengtson pointed out that Saab has internal magazines reporting the organisations vision and goals, which serve as a communication channel inside the organisation. Further, according to Bengtson, Saab has constituted an official sponsorship strategy with a clear policy and definite operational actions, which are kept at the head office in Trollhättan. The employees could take part of it if they wanted to.

Further, according to Bengtson, Saab mainly communicates information concerning the sponsorship to the dealers through communication channels such as intranet and internal newsletters. In addition, a few times each year, dealers are gathered to staff meetings, where they are informed about the sponsorship and activities, and how they can take part of the event.

Moreover, according to Bengtson, no formal evaluation of the sponsorship is conducted, although Saab has gathered notes of prior experiences from varied sponsorship activities. The information is later distributed within the organisation.

Furthermore, Saab has made feedback analysis on the dealers’ interest of buying tickets to *Swedish Open*. Thereby Bengtson argues that it could be possible to detect

some of the attitudes that have been generated from the sponsorship activities. Otherwise, employees can publish their attitudes in different internal magazines. The attitudes are also discussed at the meetings with the dealers.

Employee perspective

Many dealers expressed that the information about the sponsorship is distributed to the dealers through different channels such as sales meetings, conferences, information sheets and intranet. Most of the dealers were of the opinion that the information process could improve if Saab's management would have the intention of keeping the dealers aware of Saab's sponsorship program. According to one dealer, it was welcomed among the dealers to receive information from Saab's top management regarding evaluations from the sponsoring activities. That would enable the dealers to give feedback information and comments to top management in order to develop and leverage the sponsorship programme. Another respondent explained that the dealers were not particularly aware or informed about Saab's sponsoring strategy, even if the dealers principally know which events Saab sponsors in their region.

Further, one dealer mentioned that managers from Saab Opel Sweden distribute information on customer prospects to the dealers. The purpose is to inform the dealers of how the potential customers have experienced the test-driving activities at prior occasions. However, the dealer was of the opinion that it would be easier if he could attain the information direct from the customer, instead of having it passed on by top managers. He also expressed that the dealers did not receive any evaluations from the sponsorship activities by his managers.

Several dealers expressed that unless they were personally interested in attaining information about the event, they would not obtain the information. One dealer also stated that he and his colleagues were too distanced from the headquarters to be able feel that they are a part of a team. Instead, according to him, the dealers have the impression that they are submitted to carry out top management decisions without addressing their own points of view.

“It is hard for us to put forward any suggestions for suitable marketing activities to top management since they intend not to listen to us. But on the other hand, we do not get much feedback from them either” (Dealer 1).

According to many of the interviewed dealers, their opinions are passed on to the spokesperson that represents them and who then submits the attitudes to Saab’s top managers. The opinions include comments and experiences from various activities such as sales campaigns and activities, experiences with customers, comments on products and spare parts. The dealers’ opinions are also discussed at the meetings and conferences where the information about Saab’s forthcoming sponsor activities is shared.

5.2 SEB

SEB started up in 1856 with Stockholms Enskilda Bank. In January 1972, the bank merged with Skandinaviska Banken and the bank was renamed to Skandinaviska Enskilda Banken, which today is cited as SEB. The SEB group is a European finance group with branches in Sweden, Denmark, Germany and the Baltic states. In Sweden, SEB has over two hundred branches and seven hundred thousand customers. The number of employees is approximately twenty one thousand. SEB in Sweden is also divided into three regional sections. The offices we have examined are included in the south region (www.seb.se).

5.2.1 VISION AND OBJECTIVES OF SPONSORSHIP

Managerial perspective

Abrahamson (Head Manager of Region South) and Andrén (Marketing Manager, Region South) explained the current objectives with SEB’s sponsorship of *Swedish Open*. According to them, the sponsorship clearly contributes to increased brand awareness among both customers and employees. However, the sponsorship should not primarily be seen as a brand building and leveraging activity. The main objective is instead to nurture and strengthen SEB’s relationships with key customers through entertainment activities. According to Abrahamson,

EMPIRICAL STUDY

“...it is the intensive socialisation with the invited customers that serves as a strategic objective. Further, although SEB ‘only’ invites 600 customers to Swedish Open, we are of the opinion that the brand exposure of SEB will be noticed by other visitors as well..”

Abrahamson also claimed that although no internal objectives with the sponsorship of *Swedish Open* exist today, there has been a change in SEB’s overall sponsorship strategy over the last couple of years. Abrahamson added that SEB has internal purposes and goals with other sponsorship activities. As an example he mentioned SEB’s sponsorship of *Volvo Ocean Race*. The increased internal focus is due to one of SEB’s strategic corner stones called “Team SEB”, which has changed SEB’s strategy in general to a more internally related (Abrahamson and Andrén). Andrén stated that

“... the change from external to internal focus is done by the purpose of strengthening the solidarity and commitment among the employees, in combination with that the employees should perceive SEB as a generous, caring and good employer.”

Further, although the objectives have changed throughout the years due to different factors such as the bank crisis, SEB has nowadays customised its sponsorship and different promotion activities to local conditions. Today, SEB (region south) has partly focused its sponsoring activities on *Swedish Open* and *Falsterbo Horse Show*, since they are according to Abrahamson, “*the main and most suitable sport events in Skåne, Sweden.*” This year, SEB even decided to increase its level of sponsorship compared to last year. In addition, SEB has chosen to sponsor *Swedish Open* partly because of the event’s sport tennis. It is a preferable sport to sponsor because of its history and traditions, according to Abrahamson. The event also attracts a great number of spectators. Abrahamson and Andrén explained that they primarily decide which events SEB (region south) chooses to sponsor, even if small local divergences could occur.

Moreover, Abrahamson expressed how SEB views the sponsorship of *Swedish Open* compared to other promotional tools:

“Marketing, branding and sponsoring are different activities that are interrelated in a complex context. Since Swedish Open is suitable for entertainment activities, we have chosen to use sponsoring as a marketing tool for this specific event instead of other types of marketing.”

Employee perspective

When asking the employees at SEB about the objectives with the sponsorship, a majority answered that they assumed that the objectives were based on external success, such as exposure of brand and increased customer satisfaction. A majority of the respondents also answered that the sponsorship activities were primarily aimed at SEB’s most important customers, who are brought to the event by a selected number of employees in the south region.

“The primary goal of the SEB sponsorship of Swedish Open is definitely to satisfy our most important customers. It is a unique opportunity for us to socialise with them in a very pleasant environment” (Office manager 1).

Further, none of the employees believed that SEB had any internal objectives with the sponsorship of *Swedish Open*. As one employee put it:

“That would be way too expensive, especially these days when the market is going down. SEB puts all finances into the actual sponsorship programme. It is not possible to implement feedback systems or the like just to see how the employees feel about it” (Office manager 1).

A majority also expressed that they believed *Swedish Open* was a suitable event for SEB to sponsor since tennis is a decent sport. The values and traditions of tennis are simply preferable to support.

“I’m convinced that SEB sees Swedish Open as an attractive event to sponsor since it attracts the right kind of people. Tennis is also a very good sport to sponsor since it breeds tradition and excitement” (Customer representative 3).

Concerning the choice of sponsorship as a marketing tool, several employees stated that they believed SEB chose sponsorship because of the associations it allows.

5.2.3 SPONSORSHIP ACTIVITIES

Managerial perspective

At *Swedish Open*, SEB employees do not get free tickets themselves. Only if they bring important and selected customers, they will get the opportunity watch tennis and attend the VIP-area with the benefits that follow (e.g. VIP-lunch, VIP-cocktail party and VIP-seats). However, SEB has a cocktail party one night during the week, where all employees are welcome even if they do not bring any customers, according to Andrén.

Further, according to Andrén and Abrahamson, SEB uses employees at the bank offices as hosts at *Swedish Open* for two main reasons. Firstly, the employees will have perfect opportunities to socialise with their key customers at a suitable sporting event in a delightful geographical area. Secondly, the employees can obtain direct and important feedback from the key customers. As Abrahamson explained:

“Most of the invited customers do not know me, since I primarily do not do business with them. Instead, the invited customers are familiar with our representatives from the different offices. Therefore, it is not the SEB managers who should enjoy themselves at Swedish Open. Instead, it is the SEB employees who can gain from the direct feedback and the opportunity to socialise in a casual way with key customers in surroundings where the SEB brand is clearly exposed.”

Due to the pre mentioned reasons, Andrén and Abrahamson had the impression that the sponsorship breeds joy and commitment among the employees.

Abrahamson further explained that each SEB office in region south, the SEB Luxembourg and some representatives from Stockholm are inviting their local key customers to *Swedish Open* by the means of associating with them in small groups. The amount of SEB representatives apparent at *Swedish Open* is approximately eighty persons. Since SEB has local representatives of various hierarchical levels as hosts, the key customers are able to meet with a familiar bank representative, “- *someone the customer does its daily business with*” (Abrahamson). Further, the social activities integrate the SEB employees in the sponsorship, which breeds commitment and participation, according to Abrahamson.

Employee perspective

All of the office managers and customer representatives expressed that they only attended activities when accompanied by key customers. According to the interviewed clerks, none of them are provided with the opportunity to attend the activities, except for when the cocktail party takes place one night during the week.

Moreover, all of the employees expressed that they felt joy and excitement when partaking in the event. One employee explained the benefits of attending the activities:

“I feel responsible for seeing to that the customers are having a good time, since I bring them to the event myself. We watch tennis together and I take them to the VIP-area. I really enjoy doing it. I feel the customers appreciate my work, and that in turn gives me pleasure and motivation” (Office manager 2).

Most of the employees also expressed the pride they felt when attending the sponsorship activities with the customers. In addition, a clerk expressed that she especially enjoyed attending the cocktail party, since that was the only activity she could take part of.

“Since all employees are welcome to the cocktail party, it makes me feel a sense of belonging. I belong to SEB” (Clerk 1).

Many employees also expressed that they were very positive to the mix of sponsorship activities.

“I enjoy the opportunity to first watch tennis, then go to lunch and at one night attend a cocktail party. It provides the right amount of mixture. You can also tell that the customers enjoy the activities, which gives me great pleasure as a customer representative” (Customer representative 2).

Some of the employees also expressed that they felt as if they were trusted to perform a good job at the sponsorship activities.

“I like the fact that it is we, the employees at the local offices, who get to bring our customers to Swedish Open. It is obvious that our sponsorship managers have chosen us to be on site, since we know our customers the best. They trust us to do a good job” (Customer representative 3).

Concerning how the employees viewed themselves and their work as a part of the strategy and the future, many claimed they did not reflect on the matter to any greater extent.

“I don’t really think about how my work at the event affects the company’s future. I just socialise with the customers as I have always done” (Customer representative 3).

5.2.2 INFLUENCES ON IMAGE AND ATTITUDES

Managerial perspective

According to Abrahamson, SEB’s sponsorship programme does not actively try to affect employees’ attitudes. This because the sponsorship’s main objective is directed externally. Further, the values SEB wants to transmit to its organisation are depending on which context SEB is in.

“Of course, tennis is a good sport to be associated with, and SEB would like for the values and traditions of tennis to transfer to all employees and customers” (Abrahamson).

However, SEB has not conducted any internal investigations on what kind of attitudes that have been generated from the sponsoring activities.

Further, according to Abrahamson, SEB does not have notion that the sponsorship of *Swedish Open* generates motivation to any greater extent among the involved employees. Instead, Abrahamson mentioned SEB’s sponsorship of Volvo Ocean Race, which is the largest sponsorship investment made in the history of SEB. Because of the extensive amount invested, the information and activities around the event were dominating. Abrahamson believed that the sponsorship of *Volvo Ocean Race* generates motivation among the employees.

Employee perspective

Among the employees interviewed at SEB, all expressed the pride they felt concerning the sponsorship of *Swedish Open*. A few years ago, SEB withdrew their sponsorship of the event for a couple of years, and that was “*really sad*” according to one of customer representatives, and similar answers were obtained from all respondents. According to the same customer representative,

“It felt awkward not to engage in Swedish Open since SEB has been involved with the event for many years” (Customer representative 4).

Another employee explained:

“We almost feel like it is ‘our’ event here at the Båstad office, since we are the closest situated to the event and really get to interact with many of the visitors. We feel very committed and excited each year it takes place” (Customer representative 3).

Concerning the motivation excelled from the event, all the employees answered that they did feel excited about the event, but were not sure if the word ‘motivation’ was suitable at all times. A couple of the customer representatives expressed they felt motivated, but still perceived the event mostly as an opportunity to bring important customers to the event and achieve increased customer satisfaction. Also, one of the office managers expressed that he found the week of the event very enjoyable, and liked attending the VIP arrangements that took place during the week.

When interviewing one of the clerks in Båstad, she expressed that even though she did not get any tickets or opportunities to visit the VIP-area, she felt a part of the sponsorship and event anyway since it involved other and different sorts of responsibilities for her during the week of the event.

“The week of the event means that completely new and different people come into the bank. It is a lot of fun” (Clerk 1).

Moreover, several of the employees expressed that they foremost viewed the sponsorship as customer oriented. However, they answered that they did feel a sense

of pride when bringing customers to the event. One office manager expressed that he enjoyed being linked to a sport event such as *Swedish Open*, and that the values of tennis as a sport were beneficial to be associated with.

“It is a fun, traditional and enjoyable sport to watch and be around. It looks good for us to be involved with a tennis event” (Office manager 2).

The office manager also expressed that, supported by many of the other employees' opinions, he did transfer some of these values on to the company. As a result, he viewed SEB as a 'sporty' company with sane sponsorship targets.

5.2.4 INTERNAL COMMUNICATION

Managerial perspective

According to Andrén, SEB's sponsorship strategy for *Swedish Open* and the experiences and information allocated from the event, are distributed to the SEB employees through the organisation's intranet. Andrén especially pinpointed that SEB's central management does not deliver the primary vital information. Instead, the most essential information is transferred directly at on site at *Swedish Open*.

Andrén and Abrahamson also explained that information regarding special reports from single events is delivered to SEB employees through SEB's intranet and internal magazines. Thereby, all employees are able to have a brief and updated summary from the latest events.

Employee perspective

Several of the employees expressed that the internal communication concerning the sponsorship was mainly communicated through intranet, internal newsletters and staff meetings. Also, the office managers stated that they often were responsible for letting the staff take part of the information. Of the clerks, all expressed that they did not receive any particular information regarding the sponsorship. As one clerk put it:

“I don't receive any particular information about the sponsorship. I would like it if I was included in what was going on though. But I'm sure that the sponsorship

EMPIRICAL STUDY

managers do not see the point in informing me, since I am not involved with the event” (Clerk 2).

All of the office managers claimed that they received information about the sponsorship mainly through staff meetings. Then it is up to them to decide whether they want their office to be a part of the event in form of buying tickets. After the decision is made, the office managers inform the employees at the bank office.

Concerning the intranet, all of the customer representatives expressed that some information was sent out through that medium. However, they doubted that everyone at the office took part of it. The interviewed clerks explained that they did not know anything about information sent out through intranet.

Further, all the employees claimed that they had not received any informed regarding feedback reports of the sponsorship. Several employees mentioned that it would be an advantage if they could take part of summarised feedback of the sponsorship activities. *“It would motivate us to do an even better job at the event next time”*, as customer representative 2 put it.

6 ANALYSIS

In this chapter, the analysis of our empirical findings will be discussed. The analysis is structured as follows: After the objectives with the sponsorship of Swedish Open have been analysed, we will under each main heading first analyse how the sponsorship management at Saab and SEB internally have marketed the sponsorship of Swedish Open. Then, we will examine the employees' perceptions of the various actions and if these have had any impact on their motivation. Throughout the analysis, relevant theories will be combined with our empirical findings.

6.1 CROSS-CASE ANALYSIS

6.1.1 OBJECTIVES OF SPONSORSHIP

Literature shows that there is a diverse range of corporate objectives for what sponsorship can assist. Erdogan and Kitchen (1998) and Grimes and Meenaghan (1998) argue that the most common objectives with sponsorship are mainly external such as media exposure and promoting brand awareness and image.

When analysing Saab's and SEB's objectives with their sponsoring activities at *Swedish Open*, both companies' sponsorship managers expressed that the intentions with the sponsorship were external and not primarily intended to benefit the employees. The sponsorship manager at Saab expressed that the test-driving was the most essential activity performed at the event to attract new customers, introduce new car models and to leverage the Saab brand. Similar to Saab, the sponsorship managers at SEB explained SEB's focus was first and foremost on the bank's customers. The aim was to strengthen and nurture already existing customer relationships through different entertainment activities at the event. Brand exposure was also an important objective for SEB.

Our findings suggest that, in accordance with Erdogan and Kitchen (1998) and Grimes and Meenaghan (1998), external objectives seem to be of primary interest and little effort was pursued to benefit the companies' employees.

6.1.2 COMPREHENSION OF VISION AND GOALS

Kotter (1996:85) argues that

“... a great vision can serve a useful purpose by just a few key people. But the power of a vision is unleashed only when most of those involved in an enterprise or activity have a common understanding of its goals and direction.”

The sponsorship managers at Saab and SEB claimed, in divergence with Kotter's (1996) and Czaplewski *et al's* (2001) opinions, they did not pursue any special actions to make the employees understand the vision and goals with the sponsorship.

Among the employees at Saab and SEB, a majority expressed that they assumed the objectives of the sponsorship were merely directed externally and that no internal objectives existed. In addition, the general perceptions were that the main targets of the sponsorship concerned the customers and the brand exposure. Hence, even though the employees at Saab and SEB only seemed to assume the vision and objectives with the sponsorship, their perceptions and understandings of the objectives appear to match the managements' perspective since their answers were relatively alike. However, we could not determine whether it had an affect on the employees' motivation, as argued by Czaplewski *et al* (2001).

Further, Kotter (1996) explains that a vision should resemble a picture of the future with some implicit or explicit commentary on why people should strive to create that future. Several of the employees at both Saab and SEB, expressed that they could not identify exactly how their individual work fits into a broader context of the companies' strategy. As expressed by one employee at SEB:

“I don't really think about how my work at the event affects the company's future. I just socialise with the customers as I have always done” (Customer representative 3).

However, some of the interviewed employees at both companies explained that they believed their work at the event probably contributed to strengthen customer relations or to increase customer interest for the companies. According to the same employees, they found it motivating to experience that they personally could make a difference

for the company. Apparently, the answers are somewhat inconsistent in regards to how the employees at Saab and SEB view their individual contribution for the companies' future. Therefore, our findings indicate that the sponsorship managers of Saab and SEB have, to some extent, succeeded in providing the employees with an understanding as to how they individually can engage in realising the future vision of the companies which, in line with Kotter's (1996) suggestion, apparently could have an affect on the employees' motivation.

6.1.3 KNOWLEDGE

Grönroos (1983) argues that most companies do not take enough advantage of the employees' expertise knowledge when it comes to customer relationships and customers' needs and wants, which could result in unmotivated employees. The sponsorship manager at Saab explained, in line with Grönroos' (1983) opinion, that no considerations as to utilising the employees' knowledge about customers were taken into account when forming the sponsorship strategy or the activities. At SEB however, the sponsorship managers expressed that since the employees are the ones dealing with the customers on a frequent basis and thereby know them, they are purposely chosen to be apart of the event and socialise with their customers.

Among the employees at Saab, it was particularly evident that a rather high level of frustration occurred regarding the sponsorship strategy and test-driving that took place at the event. Several employees expressed the dissatisfaction about not being able to influence the methods of the test-driving, since they felt that they had a more proficient knowledge about customer needs than top management. As expressed by one employee:

“The problem is that the cars we are showing to the customers are too extreme according to my personal opinion. We are always exposing the cars with the highest performance like the Viggen and Aero models. We never show the ‘Svensson’ models. And since Saab is a car for several target groups, I think we should extend the amount of car models that we expose during different sponsoring activities” (Dealer 5).

Evidently, the non-utilisation of the employees' knowledge led to, in agreement with Grönroos (1983), less motivated employees and a failure in capitalising important information and knowledge that could have been beneficial to Saab.

Similar to Saab, SEB's sponsorship managers decide how the activities at the event are to be carried out. However, none of the employees expressed any kind of frustration regarding the matter, rather the opposite. As one of the SEB employees expressed:

"I like the fact that it is we, the employees, who get to bring our customers to Swedish Open. It is obvious that our sponsorship managers have chosen us to be on site, since we know our customers the best. They trust us to do a good job"
(Customer representative 3).

The positive attitudes seemed to arise from the fact that the SEB employees individually could socialise with the customers at the event. Due to that, they perceived that their know-how concerning the customers was utilised. Our impression is therefore that SEB, in accordance with Grönroos (1983), made their employees feel valuable and motivated concerning the sponsorship activities by using their customer knowledge.

6.1.4 EMPOWERMENT

To foster employee motivation, Bowen and Lawler (1995) and Argyris (1998) argue that it is vital to empower employees to make them feel involved and committed to the company's cause of actions. To empower employees, management should move responsibility of delivering efficient, quality, customer service down through the ranks of the organisation (Bowen and Lawler, 1995). The sponsorship managers of Saab and SEB had different objectives in regards to empowering the employees with responsibility and involvement. The sponsorship manager at Saab explained that the sponsorship of *Swedish Open* was not intended to make the employees feel especially involved or empowered. At SEB, the strategy was to let the employees take care of the key customers, even though the reasons for this was not primarily to make the employees feel empowered.

Of the employees at Saab, many expressed some degree of frustration concerning the strategy and activities performed at the event, hence the test-driving. Instead of feeling empowered and personally responsible, many felt as they were merely carrying out top management decisions and were not able to influence the activities or sponsorship strategy as wanted. At SEB on the other hand, most of the employees explained an enjoyment when taking part of the activities where they were able to socialise with their customers, in spite of not being present when management formed the sponsorship strategy. Several employees also explained that they liked how the activities were carried out, and enjoyed the fact that they personally could help nurturing the customer relations. As one employee explained:

“I feel responsible for seeing to that the customers are having a good time, since I bring them to the event myself. We watch tennis together and I take them to the VIP-area. I really enjoy doing it. I feel the customers appreciate my work, and that in turn gives me pleasure and motivation” (Office manager 2).

With support from Bowen and Lawler (1995) perceptions, all of the SEB employees seemed to feel motivated by the fact that they experienced a sense of control and accountability.

In addition, when comparing the employees at the two companies, it was evident that they largely differ in their perceptions of their levels of empowerment regarding the sponsorship. Our findings therefore seem to indicate that SEB was more successful in making their employees feel motivated and internally committed to the sponsorship through empowerment, even though they did not include any employees when establishing the sponsorship strategy. The Saab employees, however, seemed to experience a commitment that was external due to their low ability to influence the activities. Our observation is supported by Argyris (1998), who mentions that a low degree of personal responsibility could create external commitment.

6.1.5 REWARDS AND RECOGNITION

Rogers (2001), Nelson (1994) and Jick (1993) stress the importance of rewarding the employees with personal recognition. As a result from such recognition, the employees will likely become loyal and motivated. The sponsorship manager at Saab

expressed that the sponsorship of *Swedish Open* was not carried out especially to either reward or recognise the employees. At SEB, the sponsorship managers explained that even though rewards and recognitions were not primary targets of the sponsorship, they did arrange a cocktail party where all employees at the nearby offices were invited.

Among the employees at Saab, it was evident that the opportunity to partake in special activities such as the seminars held by renowned persons generated, in accordance with Nelson (1994), a sense of recognition and feeling of being rewarded for engaging in the sponsorship. The seminars were, according to all of the invited employees, interesting, and provided them with an opportunity to listen to celebrities that they normally would not get the chance to meet. However, the employees were aware of the fact that the seminars and celebrity activities primarily were conducted to facilitate invited customers.

Further, Nelson (1994) considers that positive attitudes will be generated from personal recognition. In alignment with his opinion, the SEB employees showed positive attitudes in regards to the cocktail party, which all employees were invited to. Many viewed the occasion as an enjoyable opportunity to socialise with both customers and colleagues. Among the clerks, it was evident that this activity was especially appreciated since the party was the only activity they could take part of. As one of the clerks at SEB expressed it:

“Since all employees are welcome to the cocktail party, it makes me feel a sense of belonging. I also feel appreciated” (Clerk 1).

These findings indicate that, in alignment with Rudman (2000), both extrinsic recognition, such as tickets to seminars and tickets to cocktail party, and intrinsic recognition, such as inner feelings of recognition and appreciation, occurred and were highly valued among the employees at both companies. It also generated, in accordance with Nelson (1994), positive attitudes. Further, according to Argyris (1998), management should strive for recognitions that foster internal commitment before external commitment since the latter often diminishes with time and use. By our findings, we believe that the recognitions generated internal commitment to some

extent among the employees of both Saab and SEB. In addition, in alignment with Grimes and Meenaghan's (1998) argument, sponsorship could be of value in terms of rewarding staff.

6.1.6 INFLUENCE ON IMAGE AND ATTITUDES

Normann (1983) argues that image could be used as an instrument to reach the employees. Gärdeborn (1983) also stress the importance for management to try to influence employee attitudes to increase the level of motivation in an organisation. Both companies' sponsorship managers expressed that the sponsorship of *Swedish Open* was not actively intended to affect the employees' image of the companies. The reasons were, according to both companies' sponsorship managers, that the sponsorship of *Swedish Open* and the location of the event were too anonymous in terms of affecting the involved employees to a significant extent. However, when interpreting the employees' replies, it was evident that a number of thoughts and feelings about the sponsorship were generated anyway. As expressed by an employee at Saab:

“Even though I know Saab sponsors Swedish Open to exposure its brand and attract customers to the test-driving, many of my colleagues and I enjoy feeling associated to the event as well” (Dealer 3).

Even though one employee at Saab did not believe that the sponsorship of *Swedish Open* altered the employees' image of Saab, we found that several employees at Saab articulated the appropriateness of the chosen location and event, and that tennis was a relevant sport for Saab to sponsor. It made some of them view Saab as a preferable employer. As an employee expressed it:

“Even if we do not get much information from top management, the sponsoring of Swedish Open has been positive by the means of generating an optimistic perception towards Saab. This has been to our favour, especially when it comes to situations like hiring new employees to the organisation. I think that the person who turns to Saab for a job has a positive attitude towards the brand and the organisation, partly due to the sponsorship of Swedish Open” (Dealer 2).

Among the employees at SEB, it was noticeable that many viewed the event and the sport tennis as very suitable for their company to sponsor. Many employees expressed that they, because of the sponsorship, viewed SEB as a 'sporty' company with sane sponsorship targets.

Evidently, the association that Saab and SEB obtains through the sponsorship of *Swedish Open* has to some extent, in accordance with Normann (1983) and Gärdeborn (1983), positively influenced the employees' image and attitudes of their organisation. Moreover, in accordance with Grimes and Meenaghan (1998), the sponsorship seemed to be able to articulate a number of values the internal staff. Further, it was noticeable that the sponsorship was not perceived as personal matters for the employees at Saab and SEB, even though the overall attitudes were positive regarding the sponsorship. However, it was obvious that the employees at the SEB office in Båstad portrayed a stronger attachment towards the sponsorship. As articulated by an employee at the SEB office in Båstad:

"We almost feel like it is 'our' event here at the Båstad office since we are the closest situated to the event and really get to interact with many of the visitors. We feel very committed and excited each year it takes place" (Customer representative 3).

Further, most of the employees at the SEB office in Ängelholm expressed that they to some extent were proud over the sponsorship, since it was such a popular activity among the customers. That in turn, made the employees feel motivated to work hard and nurture their customer relationships. However, they did not showcase the same level of enthusiasm as the employees at the Båstad office. Hence, we believe that in accordance with Thomon and Hecker (2000), the SEB Båstad office more successfully has captured the employees' hearts and minds, which provided them with an internal commitment and motivation as Argyris (1998) claims is important. Our findings also seem to indicate that in order to foster true internal commitment to the sponsorship and further employee motivation, in addition to Argyris' (1998) suggestions, being closely situated to the place of action is important. Likewise, in accordance with Grimes and Meenaghan (1998), we believe our findings signify that the sponsorship could have a certain key role in terms of fostering staff pride.

6.1.7 INTERNAL COMMUNICATION

6.1.7.1 COMMUNICATION OF SPONSORSHIP INFORMATION

According to Jöever (1983), many organisations would gain from informing their employees about current affairs and the company's business strategy. Used successfully, internal communication could be a vital factor when trying to influence employees' motivation (Jöever, 1983; Grönroos, 1983; Eriksson, 1998; George, 1991). The sponsorship managers at Saab and SEB expressed that some of the sponsorship strategy was documented for the employees to take part of. At Saab, the strategy was kept at the headquarters in Trollhättan, but was accessible to the employees if they asked for it. At SEB, the sponsorship strategy was documented on the company intranet and was therefore available to all employees. Both companies' management expressed that they did not believe that the sponsorship vision and strategy was captivated among all employees. Clearly, some attempts to document the sponsorship strategy and communicate it among employees were made, although our impression is that the attempts were of rather indistinct characters.

Among the employees at Saab, all expressed that they were not informed or aware of Saab's sponsorship strategy. Many were of the opinion that unless they were personally interested in attaining information about the sponsorship, they would not acquire any such information. However, several expressed that they sought after more information, and in agreement with Grönroos (1983), Jöever (1983) and Eriksson (1998), would find it encouraging to be further informed.

At SEB, it was evident that the higher work position, the more information was obtained from management about the sponsorship. The office managers claimed that they received adequately of information concerning the sponsorship strategy, while most of the customer representatives expressed that they received some or little information about the sponsorship. Of the interviewed clerks, all expressed that no sponsorship information was made available to them. The clerks also explained that they would appreciate and feel motivated simply if more information were conversed to them, even though they were not involved in the event activities. As articulated by one of the clerks:

“I don’t receive any particular information about the sponsorship. I would like it if I was included in what was going on though. But I’m sure that the sponsorship managers do not see the point in informing me, since I am not involved with the event.” (Clerk 2).

Our findings show that the internal information communicated to the employees at Saab and SEB was not sufficient to motivate the employees. However, by observing the answers given by the employees, it seemed as if most of them would, in accordance with Grönroos (1983), Jöever (1983) and Eriksson (1998), feel motivated if the communication of relevant information about the sponsorship would increase.

6.1.7.2 COMMUNICATION CHANNELS

Strid (1999) and Hoffmann and Stauss (2000) explicate that there are various forms of communications channels to choose from when communicating a message. Based on what the sponsorship managers at Saab and SEB expressed, it was evident that mainly three communication channels were used when informing employees about the sponsorship. The three were intranet, internal newsletters and staff meetings, where the first two were dominating. This implies that indirect and non-personal communication channels were used to a greater extent than the direct and personal channels when the companies’ management communicated the messages concerning the sponsorship. This is divergent with Kotler’s (1999) and Eriksson’s (1998) suggestions of preferably using personal communication channels such as staff meetings, before non- personal channels such as intranet and internal newsletters.

Further, Hoffmann and Stauss (2000) argue that top-down communication is the most common way to share messages in an organisation. Based on the Saab and SEB employees’ opinions, it was evident that the information communicated concerning the sponsorship was predominantly sent from top management to the various office managers. This mainly occurred when top management conducted meetings with the office managers. Additionally, at SEB, several customer representatives claimed that they some times received information through intranet. However, most information about the sponsorship seemed to be obtained at the staff meetings conducted by their office managers. Evidently, in agreement with Hoffmann and Stauss (2000), these findings suggest that top-down communication was the prevailing method of sending

messages regarding the sponsorship in the organisations. However, horizontal communication channels such as staff meetings at the offices were also used.

6.1.7.3 TWO-WAY COMMUNICATION

Jöever (1983) argues that well-functioning internal communication requires both bottom-up and top-down communication. By communicating both ways, the employees get opportunities to express their thoughts and opinions. The sponsorship managers at Saab and SEB expressed that no main attempts were made to find out the employees opinions regarding the sponsorship. The sponsorship manager at Saab explained that opinions of the employees were sometimes published in the internal magazine or expressed at staff meetings. The sponsorship manager at SEB claimed that the employees would personally express their opinions if they really wanted them to be heard. Both companies obviously did not put high effort to communicate through personal communication channels, which is preferred by Kotler (1999), Larsson (1998) and Jöever (1983).

The opinions of the employees at Saab and SEB were that no bottom-up channels were used to a greater extent. Among the employees at Saab, it was noticeable that opportunities to communicate opinions and feedback to top management were sought after. Some level of frustration was evident at times, and one employee at Saab expressed it as:

“It is hard for us to put forward any suggestions about the sponsorship activities to top management since they don’t seem to be interested in our opinions. But on the other hand, we do not get much feedback from them either” (Dealer 1.

In disagreement with Kotter’s (1996) opinion, Saab has neglected an effective two-way communication, which evidently could, according to Kotter (1996), show signs of negative attitudes. Further, the management at Saab did not seem to be aware of the importance of implementing feedback, which, according to Johnson and Scholes (1999), could avoid misunderstandings.

Among the employees at SEB, no frustration regarding the communication seemed to occur. This leads us to believe that SEB was more successful than Saab when carrying out their sponsorship activities as perceived by their employees.

6.1.7.4 COMMUNICATION PROBLEMS

Hoffmann and Stauss (2000) and Grönroos (1983) explicate that problems and deficits in the internal communication could hold back employee motivation. Hoffman and Stauss (2000) exemplify the inconsistency with eight communication gaps. Among them, we have found that the *usage gap* seemed to occur at both Saab and SEB. This since several of the employees expressed that they did not receive all of or any information regarding the sponsorship, even though management claimed that the information was sent out to all employees through the company intranet. Further, the *targeting gap* seemed to occur at both companies for almost the same reasons. The explanation was that the channels internal magazines and intranet obviously could not guarantee that the messages reached all of the employees at both Saab and SEB, since several employees explained that they did not receive the information.

By studying our empirical material, it was also noticeable that many of the employees at Saab and SEB were not aware of all sponsorship information the office manager had been supplied with from top management. In accordance with Jöever (1983), we therefore believe that the information about the sponsorship at times tended to get entangled somewhere in the organisation.

6.2 SUMMARY OF FINDINGS AND ANSWERS TO RESEARCH QUESTIONS

In the above study, we have examined how Saab and SEB's sponsorship of *Swedish Open* has been marketed internally, and following the perceptions of the companies' employees and the impacts that occurred on their motivation. In this section we will summarise our findings by answering our restated research questions.

What are the companies' objectives with the sponsorship of Swedish Open?

To start with, we can conclude that neither of the companies' had any outspoken internal objectives with this particular sponsorship. External objectives such as corporate and brand exposure, together with focus on improved customer relationships were the prevailing goals.

When studying how Saab and SEB proceeded in their internal marketing of their sponsoring of *Swedish Open*, it was apparent that no active measures were taken to perform such marketing. It was also evident that this particular sponsorship was not of primary interest to use for the purpose of motivating employees. As the empirical findings showed, it was for the most part obvious that the companies' vision and goals with the sponsorship remained as managerial secrets since 1) the sponsorship strategy was vaguely communicated, 2) employees were completely excluded from the forming of sponsorship strategy and activities and 3) managers were aware of the excluded employees but did not have any intentions of informing the employees about the objectives of the company's market communication activities.

Could an external activity such as sponsorship have internal impacts on employees and their motivation? Should sponsorship be aimed at and internally marketed to employees?

Evidently, the sponsorship seemed to generate various impacts on the employees and their motivation despite of the companies' sponsorship managements' minor attempts to internally market the marketing activity. Factors that indicated positive effects from the sponsorship were especially the influence it had on the employees' image of their company and feelings of appreciation and pride. Values from the sponsorship, the event and the sport tennis transferred on to the researched companies in the eyes of the employees, and as a result, they viewed their company in a different way.

Among the Saab employees, they experienced the positive attitudes from their customers to transfer on to themselves, and as an effect, they portrayed signs of pride when their company was associated with the event *Swedish Open*. Among the SEB employees, several viewed their company as "sporty" since the event concerned tennis. The high customer satisfaction regarding the sponsorship activities also generated a sense of pride, increased motivation and internal commitment among the employees. In addition, some of the sponsorship activities made several employees, at SEB mainly, feel appreciated, rewarded and personally responsible, which in turn motivated them.

However, Saab's and SEB's sponsorship of *Swedish Open* also had negative impacts on the employees' attitudes and motivation. This was particularly evident among the Saab employees, who seemed to experience frustration at times. The main factor of

frustration was the perception of a low level of empowerment. The employees' inability to influence the sponsorship strategy and activities caused negative attitudes and frustration at times, since they experienced that their proficient know-how about customer needs was not utilised. Among the SEB employees, frustration of this kind did not seem to occur. However, the employees stated that increased communication of sponsorship information and strategy would together with increased feedback opportunities motivate them even more.

In summary, our findings indicate that although no major efforts were pursued from management to direct the sponsorship towards the employees, various impacts on the employees and their motivation occurred anyway. Therefore, based on these observations, we believe that sponsorship could be a valuable activity to market internally.

How should sponsorship be internally marketed and communicated in order to be a valuable activity for top management to use in terms of enhancing employee motivation?

After having examined how Saab and SEB proceeded with the marketing of their sponsoring of *Swedish Open* to their employees, we can conclude some of the factors that could be helpful when pursuing such activities.

From our research, it was evident that information regarding the sponsorship, its vision, goals and strategy would be welcomed among the employees. This would, according to our point of view, contribute to a higher understanding about the sponsorship and the company's reasons for pursuing the marketing activity. This would also be a simple method to use in terms of making the employees feel involved in the sponsorship, whether they actively took part in the sponsorship activities or not. The increased knowledge received from the sponsorship information could also motivate employees by simply transmitting a feeling of recognition and empowerment. Further, using the employees' expert knowledge about e.g. customer wants and needs is another important factor, which could benefit the company as well as making the employees feel trusted and recognised and hence motivated. In addition, by making the employees feel personally responsible for carrying out tasks regarding the sponsorship, highly valued internal commitment could come out as a

result. Something that both researched companies' employees sought after was being able to express their opinions and attitudes, good or bad, in an easier manner. That is why we want to stress the importance of establishing well-functioning bottom-up channels, to make the employees feel as their opinions regarding the sponsorship are taken into account, since this was a particular cause of frustration among the employees of Saab.

Regarding how the sponsorship should be communicated, our findings indicated that intranet and internal magazines were not very successful mediums to use when spreading information about the sponsorship. It seemed as if the information received was positively correlated to the individual employee's interests, which could cause the information to get entangled in the organisation. However, the indirect communication channels should still be used since they have the advantage of reaching large target groups simultaneously. It could be combined with personal channels such as staff meetings, in order for the sponsorship message to be communicated to the employees favourably.

Lastly, we argue that in order to succeed with the internal marketing of sponsorship, it would be advantageous to understand how each internal marketing activity has an effect on the employees' motivation. The findings from our study illustrated that many of the employees experienced a need of being informed, empowered, recognised and involved in the sponsorship in order to be subjected to increased motivation and internal commitment. Therefore, we argue that sponsorship managers should examine these observations while simultaneously spending time on exploring what their own employees' needs and expectations are. If such actions would be engaged, we claim that the sponsorship managers could form sponsorship strategies that could affect the employees' ambitions and motivation at work.

7 CONCLUSION

In this chapter, we present our conclusion from our study, which takes on a general discussion around our results. The conclusions are based upon the theoretical framework, the empirical findings and our analysis. Furthermore, we also present suggestions for further research.

7.1 GENERAL DISCUSSION

Through our analysis, we have been able to see that sponsorship could be a beneficial tool for organisations to market internally in order to affect employee motivation. In this chapter, we will describe from a more general perspective how it occurred, hence the process behind the above statement.

To bring this discussion into a wider perspective, we want to use the Hawthorne studies (see literature review p. 32) and the technical function of a sharpshooter's rifle as a combination of theory and metaphor to explain how the process occurs. The rifle will here symbolise sponsorship as a market communication tool and the Hawthorne studies will represent the perspective between employee motivation and managerial care.

By categorising the sharpshooter as the company, the rifle as the communicational tool, the ammunition as the company's commercial message and the target board as the target group of external customers, the following process will take action: The company has patterned a special group of external customers as its targeted objective. By using sponsorship as a tool of communication, the company 'shoots' its commercial message at the customers. The automatic physical twitch that happens when a rifle is fired is called recoil effect. In this study, the recoil effect could be resembled by the various impacts the sponsorship of *Swedish Open* had on the researched employees. Normally, the recoil effect is found as negative and sharpshooters try to avoid it. However, in our case, we believe companies should use this unavoidable backward force by transmitting the effects from the sponsorship in the direction of the employees. As seen in the empirical part, although the companies

CONCLUSION

merely had external intensions with their sponsoring activities, various positive effects were generated among the employees.

Consequently, we want to pinpoint the importance for managers to be aware of the recoil effect when spending large amounts on sponsorship activities. If sponsorship could generate positive effects on employee motivation without being actively directed inwards, we argue that the effects could be highly advantageous if the sponsorship were to be intentionally marketed to the employees. Thereby we argue that managers should use the recoil effect from the sponsorship activities by letting down their resistance in terms of transmitting the force inwards and informing the employees about the objectives and goals of the sponsorship activities. Then, managers would be able to foster staff pride and commitment, leverage employee affiliation and improve relations.

Furthermore, as seen in the empirical part, many employees experienced commitment and appreciation when taking part of the sponsorship activities or when they were informed about the organisation's sponsorship activities. This generated motivation and participation among the employees, due to their perception of feeling empowered and recognised by top management. We therefore believe that our findings are coherent with the results from the Hawthorne studies, since the researched employees evidently were not solely motivated by monetary means. Instead, the plain act of showing the employees some thoughtfulness impelled them to feel motivated. Thereby it is clear that the beneficial effects generated out of sponsorship should be used to leverage commitment and affiliation among employees. Evidently, the more involved in the sponsorship and the more information obtained about it, the more motivating for employees.

Our last comments after conducting this study are that sponsorship has the capacity, if properly managed, to reach employees, and it is a beneficial tool to do so. Thereby, the sponsorship can generate employee motivation.

7.2 IMPLICATIONS FOR FUTURE RESEARCH

Since the investigated sponsorship was found to be primarily directed outwards to an external market with disregarded or overlooked internal effects, we want to give the following proposals for future research within the area.

First we want to indicate the interest of examining Synsam and the outcome of the organisation's dual directed sponsorship programme. An interesting point of identification or material for comparison could be SEB's internal evaluation on the organisation's sponsorship of *Volvo Ocean Race*. Further, it would be interesting to extend the research by investigating how employees' behaviour is affected by their employing organisation's sponsor programme. Future research could also incorporate whether internal marketing is solely to be used, or are organisations benefited of a 'new' internal marketing phenomenon like *internal sponsoring*? Moreover, we would find it interesting to accomplish a quantitative study by the means of making possible generalisations.

Finally, we suggest that both theory building and empirical testing would offer considerable future benefits for academics and managers who want to come to grips with these issues.

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Customer representative 4, 2002-12-17

Clerk 2, 2002-12-17

Interviews

John Abrahamson, Head of Region South, SEB Malmö, 2002-12-05 (personal meeting)

Katarina Andrén, Marketing Manager, SEB Malmö, 2002-12-05 (personal meeting)

Ove Bengtson, Sponsorship Manager, Saab Automobile, Trollhättan, 2002-11-27 (Phone interview)

The interviews also incorporated 15 personal interviews with employees at Saab and SEB who we have displayed as anonymous.

Office manager at Saab 1, 2002-12-11

Dealer 2, 2002-12-11

Dealer 3, 2002-12-11

Dealer 4, 2002-12-11

Office manager at Saab 2, 2002-12-14

Dealer 5, 2002-12-14

Dealer 6, 2002-12-14

Office manager at SEB 1, 2002-12-07

Customer representative 1, 2002-12-07

Customer representative 2, 2002-12-07

Customer representative 3, 2002-12-07

Clerk 1, 2002-12-07

Office manager 2, 2002-12-17

APPENDIX A

Interview questions to managers at Saab and SEB regarding the sponsorship of Swedish Open

1. What are Your motives for...
 - sponsoring Swedish Open?
 - choosing the event Swedish Open?
2. What is Your vision of the sponsoring and its design?
3. Why did You choose sponsorship before other marketing communication channels?
4. What is Your motive of being one of the major sponsors?
5. Have You developed a sponsorship strategy?
6. How many persons are involved in the sponsor project?
7. What are the positions of the involved?
8. How works decision process in the sponsor project?
9. Is every employee of the organisation initiated with the sponsorship strategy and its goals/vision?
10. Is every employee of the organisation aware of what/whom is sponsored by the company?
11. How do You inform the employees of what/whom the organisation sponsor?
12. Do You have internal goals with the sponsorship programme?
13. If yes, what are those goals?
14. Which values do You want to be transmitted to the employees by the sponsoring?
15. How do You transfer the generated knowledge from the sponsorship activities to the employees?
16. How do You investigate which attitudes that have been generated by the sponsorship activities?
17. Has the sponsoring allocated any subjective opinions within the organisation?
18. Are You of the opinion that the sponsorship activities generate motivation among the employees that are involved in the sponsorship? If yes, how does it show?
19. How are You incorporating the employees in the sponsorship activities?

APPENDIX

20. How many of Your employees are present in person at Swedish Open?
21. What are the employees' opinions of the sponsoring?
22. What are Your customers' opinions of the sponsoring?
23. Have You been able to measure the engagement and pride among the employees generated by the sponsoring?
24. Does the sponsoring allocate any kind of team spirit among the employees? If yes, how do You measure it?
25. Have You received any reactions from the employees regarding the sponsoring?
If yes, how did the reactions come to Your attention?
26. Is the design of the sponsorship activities characterised by Your corporate culture? If yes, how?
27. Does the sponsoring affect Your corporate culture?
28. Have You been able to measure the value of corporate image allocated by the sponsoring?
29. Are You able to affect the employees' opinions of the company through the sponsoring? If yes, how?
30. How does the sponsoring affect Your brand?
31. How do You execute internal branding?

Name of interview respondent:.....

Title of interview respondent:.....

The interview was executed / 2002 by AnjaTrägårdh and Patric Jönsson, Strategic Management, Lund University.

The interview will serve as empirical material in the thesis: *Sponsorship – from an internal perspective*. The thesis is classified as public document and the thesis will be accessible at the university library of Lund University by the date 2003 01 25. If the interview respondent requires anonymity by certain circumstances, the anonymity is guaranteed by the authors in terms of changing the respondent's name, employee position, gender or age in the publicised document. Thereby will the original material not be distributed without the respondent's admission since the material will stay in the possession of the authors.

APPENDIX B

Interview questions to Saab and SEB employees regarding the sponsoring of Swedish Open.

1. Are You aware of what/whom Saab/SEB is sponsoring?
2. What do You think is Saab's/SEB's motives for...
 - the sponsoring of Swedish Open?
 - the choice of the event Swedish Open?
3. What do You think is Saab's/SEB's vision with the sponsoring and its design?
4. What do You think is Saab's/SEB's motives for choosing sponsoring ahead of other commercial activities?
5. Are You allowed to contribute in the formation of Saab's/SEB's sponsor strategy?
6. What is Your opinion of Saab's/SEB's sponsor strategy?
7. Are You involved in the sponsorship project?
8. If yes, what is Your organisational position?
9. How are You informed of what/whom Saab/SEB is sponsoring?
10. Do You think that Saab/SEB has internal goals with the sponsoring activities?
11. If yes, what are those goals?
12. Which values are, according to Your opinion, generated by the sponsoring of Swedish Open?
13. Are You provided with any evaluating material from the sponsor activities?
14. Does Saab/SEB investigate which attitudes or opinions You have of the sponsoring of Swedish Open?
15. Are You of the perception that the sponsoring activities motivate You?
16. If yes, how does it give utterance to Your behaviour?
17. In which ways are You able to be involved in the sponsoring activities?
18. Are You present in person at Swedish Open?
19. What is Your personal opinion towards Saab's/SEB's sponsoring of Swedish Open?

APPENDIX

20. What do You think is Your customer's opinion of the sponsoring of Swedish Open?
22. Does the sponsorship activities affect Your team and Your work?
23. If yes, how?
24. Are You discussing the sponsorship activities in Your department?
25. What reactions have been mediated and how have they been expressed?
26. Are You of the impression that Saab's/SEB's image has been affected by the sponsoring of Swedish Open?
27. Are You of the notion that Saab/SEB is affecting Your opinion or image of the company?
28. How do You think the sponsorship activities affect Saab's/SEB's brand?

Name of interview respondent:.....

Job definition of interview respondent:.....

The interview was executed / 2002 by AnjaTrägårdh and Patric Jönsson, Strategic Management, Lund University.

The interview will serve as empirical material in the thesis: *Sponsorship – from an internal perspective*. The thesis is classified as public document and the thesis will be accessible at the university library of Lund University by the date 2003 01 25. If the interview respondent requires anonymity by certain circumstances, the authors in terms of changing the respondent's name, employee position, gender or age in the publicised document guarantee the anonymity. Thereby will the original material not be distributed without the respondent's admission since the material will stay in the possession of the authors.