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Sport event sponsorship: How to step up your game

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Eighth Edition

Student Papers

2022
September - October

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Abstract

Purpose - The purpose of this study is to explore the phenomenon of event sponsorship and how it adds value to a brand. It aims to discuss various forms of sponsorship and outline how they differ from one another. The objective is to discover why a brand should choose to create an event instead of only sponsoring an existing event.

Methodology - An explorative research approach was used for this paper, focussing on qualitative data. The research is based on an extensive literature review, which enlightens previous research. The qualitative data was analysed based on cases to understand the phenomenon and the complex value-adding process.

Findings - The research explores why a company that acts as an anchor sponsor should choose to step up the ladder to create an event. The framework should be a reference for companies to understand the importance of the value-adding process in relation to the different levels of sponsorship. According to our framework, if a company chooses to step up, they will gain more control and involvement.

Research limitations/ implications - The conducted research is solely based on secondary data and on two cases, expanding the number of events analysed or conducting research for primary data would be beneficial for future work. Additional research could focus on the proposed framework since we believe that it may evolve over time.

Original/Value - Existing literature has discussed the role of sponsorship, its benefits, and the types of sponsorship, however creating an event has not been researched in this context. The present research aims to see if there is an impact when creating an event and whether a company should opt to create instead of just sponsor.

Keywords - Sponsorship, Event Sponsorship, Event Organization Sponsorship, Measuring sponsorship effectiveness, Brand awareness, Brand image, Brand Value

Paper type - Research paper

Introduction

Event sport sponsorship is not a new phenomenon. Dating back to ancient Greece, sponsoring events was a way for the high-social class to showcase their city's reputation. They heavily sponsored Olympic athletes and gladiators (Schwarz, 2008). In the early 20th century companies started sponsoring events as well, the Slazenger sponsorship of the Wimbledon tennis tournament in 1902 being an example. In the last several decades sport sponsorship has turned into a valued marketing communication tool, now focusing on sponsoring not only athletes and teams, but whole events (Schwarz, 2008). The field of event sport sponsorship keeps evolving and new methods to improve customer experience and gain more value for stakeholders is continuously being introduced. This paper will examine one of the newest methods, which is to launch a new event rather than sponsor an already existing one. The field of sponsorship and event sponsorship is heavily researched focusing mainly on the company's perspective regarding objectives and achievements such as enhancing corporate image and increasing brand awareness (Lee, Sandler, Shani, 1997).

Overall, there has been a great focus on the effects of sponsorship and event sponsorship. We wish to research the field focusing on how a company gains value from event sponsorship and in this relation, how their brand value and brand awareness are affected. We wish to discover why a brand should choose to create an event instead of only sponsoring an existing one. Using the Volvo Ocean Race as a case study, our aim was to discover what differentiates the event from others, considering that it is an event that Volvo owns. What makes the event unique and how does it help Volvo increase their brand value? The objective of this paper is to assess whether there is a distinction between various event types in terms of brand value, with a particular emphasis on the distinction between anchor sponsorship

and event creation. Furthermore, we wish to discover how Volvo attracts other sponsors and if this is related to the type of event. Why do companies get invested?

The paper aims to explore the phenomenon of sport sponsorship and event sport sponsorship to understand why a brand should choose to create an event and what the company can gain from this in relation to value creation.

Research questions:

- How does creating a sponsored event benefit a company's brand?

Sub-questions:

- What is event sponsorship?
- How can a company benefit from it?
- Why should a company do it?

Literature review

Sponsorship

"Sponsorship is the provision of resources (money, people, or equipment) by an organization directly linked to an event or activity in exchange for a direct affiliation with the event or activity," (Lee, Sandler and Shani, 1997). To define sponsorship it is vital to understand that in a sponsorship-deal two parties are involved which can be separated into the 'sponsor' and the 'sponsee' (Reiser, 2012). The sponsor is the giver while the sponsee is the receiver. The sponsor can be an individual, company or institution (Reiser, 2012). They give (financial) resources in exchange for exposure, brand awareness (Kapferer, 2012) and brand image (Gwinner and Eaton, 1999). The sponsee is the receiver of these (financial) resources and uses this agreement mainly to create a revenue instream (Reiser, 2012). Sponsors can be separated by their financial impact into three categories: Anchor sponsor (highest), Mid-tier sponsor (middle), Low-tier sponsor (lowest) (Gross, 2015). With prominent placement on all property signage, anchor sponsors are at the top of

the hierarchy and stand out from the competition (Gross, 2015). Following the anchor sponsor are another group of official sponsors (mid-tier), who are followed by a group of low-tier sponsors (Gross, 2015).

Sponsorship is a versatile communication strategy. It can be applied to accomplish a range of goals (Grimes and Meenaghan, 1998). Crimmins and Horn (1996) define sponsorship as a persuasion method that is different to traditional advertising as sponsorship persuades indirectly. Additionally, sponsorship is different from advertising in that the sponsor does not have complete control over the media and the creative message (Javalgi et al., 1994). Nowadays, many businesses regularly sponsor events as part of their promotional efforts, but according to Javalgi et al. (1994), the goals are frequently ambiguous. Although sponsorship tactics are utilized to accomplish a range of marketing goals, Cornwell, Roy and Steinard II (2001), acknowledge that little study has examined how participation in sponsorship benefits a corporation. It is interesting to note that around two-thirds of sponsorship money is spent on sporting events, leagues, teams, and players (Crompton, 2004), although there is growing interest in cultural sponsorships as a result of the increased media coverage (Irwin, Lachowetz, Cornwell and Clark., 2003).

Event Sponsorship

Event sponsorship is a sub-category of sponsorship and is specifically aimed at events. Event sponsorship is when a sponsor finances, organizes, or provides resources for an event. Especially international companies are increasingly prone to event sponsorship, acting as sponsors of attractive major events that have an enormous appeal to the public (Wirtschaftslexikon24, 2020). The event's purpose can be transferred and associated with the sponsoring brand (Gwinner and Eaton, 1999). It is important to mention that the brand needs to be aware of the correspondence between the event's image and the positioning goals of the brand

(Gwinner and Eaton, 1999). According to Gwinner and Eaton (1999), it is more likely that the image transfer happens from event to brand if the event has an established image relative to the sponsor. The activities displayed at the event are what most spectators are paying attention to, therefore the image transfer would be from event to brand (Gwinner and Eaton, 1999).

Title sponsorship

Title Sponsorship is a term often used for the main sponsors of an event. This form of sponsorship is popular amongst anchor sponsors where the name of the sponsorship event includes the brand name (Gross, 2015).

The differentiation between Title Sponsorship and creating an event can be shown by the following examples. The Event called ABB FIA Formula E Championship includes the brand ABB in the title making it a title sponsor, this can also be seen on their official website (ABB, n.d.). Being the title sponsor does not necessarily mean that the sponsor is also the event organizer. In the case of the Volvo Ocean Race the brand Volvo is included in the name of the event making it a title sponsor by definition but it also fits into the category of creating an event since the event is organized by Volvo.

Measuring sponsorship effectiveness

Even though sponsorship is a crucial communication strategy, there haven't been many attempts to quantify and analyze its impacts. The most popular method of studying the effects of sponsorship is, in fact, the straightforward measurement of sponsor logo exposure time during coverage of a sponsored event (Meenaghan, 2001). This method is insufficient for assessing high-level sponsorship effects, such as attitude and/or behavioral change (Currie, 2004).

The lack of attention paid to measuring sponsorship effects concerning the investments made has been one of the most common criticisms of the sponsorship industry (Currie, 2004). Although

sponsorship and cause-related marketing managers frequently have high-level goals for their programs, such as positive image transfer, attitude enhancement, higher sales, and improved brand equity (Cornwell, 2001). Recent surveys of major sponsors have found that a large portion spends little to nothing on the measurement of effects and/or use measures that are inappropriate (Meenaghan, 2013).

Relationship Marketing

Relationship marketing was developed as a response to the pre-industrial era, where there was loss of direct intention and emotional bonds between businesses and their consumers due to mass production (Sheth and Parvatiyar, 1995). Several authors have different opinions on the definition and application of relationship management. There are two main reasons for this, the first is that the term is still relatively new, and the second is that the authors who have researched this topic have a different academic background (Harker, 1999). However, there is still some consensus that it is important to have trust and commitment to be able to use relationship marketing. Harker (1999) defines relationship marketing as an integrated effort to identify, manage, and develop a network with specific consumers and to continuously strengthen the network for the advantage of both parties. It aims to incorporate consumers, suppliers, and other infrastructure partners into a company's marketing and development efforts (McKenna, 1991; Shani and Chalasani, 1991). This is done through frequent, interactive, personalized, and value-added interactions (Shani and Chalasani, 1992). Creating consumer loyalty is the main goal of marketing relationships in order to strengthen solid, mutually beneficial long-term relationships (Ravald and Grönroos, 1996).

Brand Awareness

Gustafson and Chabot (2007) define brand awareness as the degree to which current and future customers are aware of your company's products and services.

According to Kapferer (2012), the first step of brand building is brand awareness. Achieving successful brand awareness implies having a well-known and recognizable brand. To distinguish your product from identical products and competitors, brand awareness is essential (Gustafson and Chabot, 2007). Brand awareness is important, because the more aware consumers are of your product and your brand, the more likely they are to buy from you (Gustafson and Chabot, 2007). Consumer recognition, recall, top-of-mind awareness, brand knowledge dominance, recall performance, and brand attitude are all parts of brand awareness. (Kapferer, 2012) According to Keller (1993), when people learn about a brand, their level of involvement determines how strongly the brand is associated in their minds. Brand awareness affects the strength of this brand association, which in turn affects customer decision-making (Keller, 1998). Keller (1993) contends further that effective brand awareness and brand perception have a big impact on marketing initiatives involving a product brand.

Brand image

Keller (1993) defined brand image as "perceptions about a brand as reflected by the brand associations held in memory". Roy and Banerjee (2007) assume that consumers' thoughts and feelings about a brand can also be considered part of the brand's image. Burmann et al. (2008) argue that Brand image will be affected and determined by brand image. According to Aaker (1991), a brand's image may consist of a collection of associations that are important to consumers. It is a set of opinions people have regarding a particular brand (Management study guide, n.d).

Brand value

Brand value is the brand's financial worth. A brand's value can be evaluated and placed a price on for a variety of reasons, including mergers and acquisitions, brand licensing, fundraising, and management decisions (Chandon, 2003). Srivastava, Shervani, & Fahey (1998) define brand value as the

ability of a brand to conduct business in a way that enables managers to accomplish a company's business goals is demonstrated by its brand value. Parment (2008) argues that brand value should offer emotional, rational, and operational value to customers. When combined, these three distinct sources of value are considered to be brand differentiation that increases demand in both the business-to-business and consumer markets (Webster, 2000). Brand value communicates how well a brand can support the operations of its client companies and how effectively it can compete against competitor companies (McGrath, 2005). Ragio and Leone (2009) suggest that the sale or replacement price of a brand is a common way to think of brand value from the perspective of a company. This worth will differ based on the brand's owner (or potential owner), as various owners might be able to capture more or less of the brand's potential value depending on how well they can use brand equity (Ragio and Leone, 2009).

Methodology

This research aims to explore and define the phenomenon of event sponsorship and what value it brings to a brand and company. The paper has been conducted through an explorative approach, focusing on qualitative data. This allows us to gain a deeper and more subjective understanding of the phenomenon and the complex value-adding process. The research is based on an extensive literature review, which enlightens previous research and conclusions about the phenomenon. Furthermore, the literature review creates an understanding of relevant theories approached by different researchers.

The explorative approach is met through a pragmatism epistemology seeing the world in constant change (Saunders, Lewis, & Thornhill, 2019). The phenomenon of event sponsorship will continue to develop and so will the empirical usage. What brings value today might not bring value tomorrow.

Pragmatism believes knowledge is based on experience, making each individual's knowledge and perception unique (Saunders et al., 2019). Experience should be the main consideration when collecting empirical data in order to comprehend the phenomenon of event sponsorship completely.

To understand the phenomenon of sport event sponsorship, empirical research has been conducted through a case study. This provides a rich understanding of real-life context and makes it possible to triangulate multiple sources, comparing theoretical knowledge to empirical knowledge (Saunders et al., 2019). To understand the phenomenon a case study of Volvo Ocean Race has been conducted, being a prime example of a value-adding event organized by a company. We have chosen to use a perspective case study of the DHL Relay Run to see if the value-adding effects within the Volvo Ocean Race can be found in other comparable events in order to determine whether this phenomenon solely applies to the Volvo Ocean Race.

Using the aforementioned research method allows us to understand the phenomenon fully, viewing it from different perspectives. Furthermore, it focuses on a subjective understanding through empirical case studies. The research does not focus on quantitative results, which can challenge the opportunity to make objective conclusions and identify consistent patterns. However, the research aims to investigate the phenomenon, which, in our opinion, may best be comprehended through a subjective qualitative method, which focuses on the individual's experience and knowledge.

Analytical Chapter

The following section presents the analysis of the Volvo Ocean Race and the DHL Relay Run. It is important to note that our research is primarily based on the Volvo Ocean Race, using the DHL Relay Run as a perspective case. First, the Volvo case will be introduced. Then, the analysis will focus

on Volvo's perspective, understanding its objectives and strategic decisions. The central part of our analysis is based on two notions: involvement and control presented as measurements. Finally, putting the Volvo Ocean Race into perspective by comparing it to the DHL Relay Run.

Volvo Ocean Race

Introduction

The Volvo Group and Volvo Car Group jointly purchased the Ocean Race in 1998, transforming it into the Volvo Ocean Race, which lasted for more than 20 years (Volvo Ocean Race Report, 2018). The two companies developed and promoted the race making them more than a title sponsor since they created an event. In the case of the Volvo Ocean Race, the brand Volvo is included in the name of the event making it a title sponsor by definition but it also fits into the category of event creation since the event is self-organized by Volvo.

The event creation resulted in record numbers of race village visitors as well as online and television coverage that benefited the companies and partners. The sailing regatta took place every 3 years and lasted for 45,000 miles around the globe. The race was held in 11 countries, 12 host cities and took 263 days from Alicante's opening until the finish in The Hague. Over 2.5 million Race Village visitors participated in person, online, and through traditional media coverage (newspapers, television, and radio). The sailors were mixed female and male athletes representing 18 countries. The whole race was organized by Volvo with the help of 59 partners including 8 race sponsors, and 4 official race partners. Furthermore, the race had a focus on sustainability and tried to battle global ocean pollution and used its global presence at stopovers to help educate new generations. Important to mention is the fact that 70 % of followers think the Race has more impact than traditional advertising. (Volvo Ocean Race Report, 2018)

Volvo's own objectives

Volvo had many reasons to launch the Volvo Ocean race. The general purpose of the competition was to create brand awareness and promote their products and services. This was possible because the event was covered by all kinds of media, thus increasing the impact on the visibility of the brand. In addition, Volvo has created a unique platform to activate the brand around the world. The event was carried out to promote sales and brand awareness, with the additional aim to communicate brand values and give customers a unique experience. A large sustainability component was also an integral part of the event to educate future generations. In addition, the competition was intended to function as a storytelling platform. Although the event was created in part to drive and generate more sales, the event was also aimed at business customers (B2B) and employees (B2E). Indeed, strengthening the brand as an employer brand and motivating the company's employees was one of the goals of the event (Volvo Ocean Race Report, 2018).

Volvo has created a report for this competition to measure the impact of this event for their stakeholders. Previous research has found it to be difficult to measure the impact of sponsorship and an event like this (Meenaghan, 2001, Currie, 2004 and Cornwell, 2001). The report of the Volvo Ocean Race contradicts in part the assertions of this literature review. In this case, because most of the event was created in-house and the brand created its own platform, measurements could be made to evaluate the impact. In addition since 2005 and until 2018, Volvo has used several companies like Deloitte, PwC and SMG insights to get as much information as possible about the results of their sponsored event (Volvo Ocean Race Report, 2018).

Key measurements

Volvo's purpose was to create brand awareness and promote its products and services through the event, fulfilling many performance-focused objectives. The

following section will discover if other benefits in relation to value were gained from the event and how one could measure this.

We propose two key measurements that are crucial in deciding whether to create an event or use anchor sponsorship. The measurements are control and involvement. Control measures how much control and decision-making power the sponsoring company has and how involved they are in the creation process. Involvement is a measurement to evaluate the involvement relationship between the sponsoring company and the stakeholders, partners and customers. In the following sections, the two key measurements are related to the Volvo case, analyzing why a company should choose to not only be an anchor sponsor but create an event itself.

Measurement 1: Control

When Volvo decided to create an event, they also created the opportunity to move crucial value-adding processes in-house. In 2017 Volvo switched to an in-house production model, making it possible to deliver higher-quality content and providing an opportunity to work closer with stakeholders (Volvo Ocean Race Report, 2018). This ensured a digital-first approach to storytelling, both for Volvo and their stakeholders, giving them a unique opportunity to communicate their brand, creating more brand awareness among the fans (Volvo Ocean Race Report, 2018). It is crucial for Volvo to create high brand awareness to distinguish itself from competitors (Gustafson and Chabot, 2007). According to the Volvo Ocean Race report (2018), onboard reporters made it possible to create high-quality onboard content, giving the opportunity to communicate stronger, more close-up content and develop higher engagement among fans. Switching to the in-house production model, Volvo is now known for making industry-leading content making them one of the most valuable marketing platforms in sport (Volvo Ocean Race Report, 2018). The strong image of the event and platform

would transfer to the brand, benefiting more than just the event's infrastructure (Gwinner and Eaton, 1999). Having a high control of content production, Volvo offers their stakeholders and race partners a unique opportunity to communicate their brand with more control over the media and creative message. With sponsorship normally being a communication tool with less control, the Volvo Ocean Race attracts more sponsors (Javalgi, Traylor, Gross and Lampman, 1994). In addition, the ownership gives Volvo the opportunity to control the customer journey and customer experience. The event, being an intimate and intense experience often lasting more than 48 hours, gives an opportunity to bring stakeholders close to their clients and Volvo even closer to their stakeholders. The intensity creates a family-like environment, which is confirmed by Marcello Persico, CEO at Persico stating: "In particular, we felt part of the family and for us, this is quite important." (Volvo Ocean Race report, 2018). Volvo Group and Volvo Car Group benefited from creating the event as well as deciding which sponsors are going to be involved. This decision had a high impact on the image that was created for the Volvo Ocean Race since the image of the brands involved reflects on the event and vice versa. They were able to decide which sponsors and partners would be coherent with the event's image.

Measurement 2: Involvement

To make it easier to understand, we divided one key measurement — Involvement — into two categories. The guest experience is the first, and sponsoring a sponsored event is the second.

Guest experience

The event is also about forging a close connection through a shared experience. The idea is that stakeholders offer a one-in-a-lifetime experience to their guests. The competition offers a 48-hour guest program, which is, in Volvo's opinion, an incredible opportunity to make sales and connections. Using the Race Experience platform, Volvo's partners have launched products,

hosted conferences, interacted with clients and customers directly, and organized team-building exercises (Volvo Ocean Race Report, 2018). A total of 110,150 Corporate Guests attended the event (including pre-Race and non-stopover activities) (Volvo Ocean Race Report, 2018). In order to make the corporate guests feel well looked after, a VIP area has been created to have a better experience. Volvo's goal is to provide a business-friendly platform for its stakeholders, all while enjoying a sporty event. In addition to creating a sporting event, one of the event's objectives is to bring participants near customers, dealers, suppliers, management, and staff (Volvo Ocean Race Report, 2018). Many sponsors create programs specifically for their visitors that are mainly centered on business. It all comes down to forging closer relationships with stakeholders and customers in order for everyone to work together for the greater good (Volvo Ocean Race Report, 2018). As seen previously in the literature review, this can be seen as an integrated effort to identify, manage, and develop a network with specific consumers and to continuously strengthen the network (Harker, 1999). Also, this kind of event makes it possible to have an image transfer to the brand (Gwinner and Eaton, 1999), as the spectators truly experience the brand through the event. One of the Volvo Construction Equipment customers testified about his experience and said that the event helped him get in closer contact with more corporate-level people from Volvo (Volvo Ocean Race report, 2018). The work put into this event demonstrates that it goes far beyond creating a simple sponsored event, it's more about creating something authentic where stakeholders can create an intimate bond with their guests. This part reflects the effort that Volvo puts into the relationship between the company and its stakeholders, partners, and customers. As seen in the literature review, these efforts can be linked to relationship marketing. Indeed, we can notice that the company invited their customers and stakeholders to strengthen their network. As Shani and

Chalasanani (1992) suggested, relationship marketing is done through interactive, personalized, and value-added interactions. The purpose of this is to create consumer loyalty on the one hand and strengthen long-term relationships (Ravald and Grönroos, 1996).

Sponsoring a sponsored event

The Volvo Ocean Race provided the Volvo Group and Volvo Car Group with the opportunity and challenge to use their extensive network in order to find companies who were willing to become race partners, race sponsors, race suppliers, sustainability partners, and even race teams. This is closely correlated to the theory of relationship marketing. With relationship marketing one continuously strengthens the network for the advantage of both parties according to Harker (1999). With this the question arises, how does Volvo attract other sponsors and partners? For example in the case of the Host City Alicante, where the Ocean Race started, the race had a positive economic impact through GDP increase in Spain of 96,2mio € (Volvo Ocean Race report, 2018). Another factor to motivate possible partners to join is the amount of TV coverage with 3,906h creating €654M of TV publicity value (Volvo Ocean Race report, 2018), which also benefits Volvo Group and Volvo Car Group. Additionally, another motivator for partners can be 1.889B Social Media impressions and the 168M people who were engaged with social media posts (Volvo Ocean Race report, 2018). The race created more than 26% growth in 25-34% of online audience demographic in 2017-18 (Volvo Ocean Race report, 2018). More publicity came through the print readership which reached 2.62B people while 9,358,500 people were reached in total (Volvo Ocean Race report, 2018). Based on these examples it is shown that the publicity of the event created general brand awareness for Volvo as well as for the partners involved. Since with regular sponsorship the sponsor does not have complete control over the media and the creative message (Javalgi et al., 1994),

creating the event themselves acts as a control tool. They can write the creative message themselves and choose which other sponsors are involved to carefully create an event image that suits their own objectives in the best way possible. As mentioned before according to Gwinner and Eaton (1999), it is more likely that the image transfer happens from event to brand if the event has an established image relative to the sponsor. Hence for the sponsors and partners of the Volvo Ocean Race, value is created by sponsoring an established event that has been connected to Volvo for over 20 years and has a strong image. The values transfer from the event to the sponsor company regardless of whether it is a low, mid, or anchor sponsor. As mentioned previously in the literature review, the activities displayed at the event are what most spectators are paying attention to, therefore the image transfers from event to brand (Gwinner and Eaton 1999). The image of the event turns into lasting impression for the spectators which makes sponsorship a valuable resource to build and deliver on industry-leading marketing strategies.

DHL Relay Run

Introduction

In 1991 DHL Denmark became anchor and title sponsor for a yearly relay run organized by Sparta running club. The run has since grown and is now known as the DHL Relay Run. It is held in 5 different cities across Denmark with over 200.000 participants, being the world's biggest fitness run. 95% of the participants are teams from companies, who use the event as a team-building activity, offering their employees a day filled with good food and atmosphere. The participants can choose to participate in a 5 x 5 km relay or 5 km walk (DHL, n.d).

Perspectivation to Volvo Ocean Race

The Volvo Ocean Race and the DHL Relay Run, one creating an event and the other being an anchor sponsor, are contrasted below to determine whether the

aforementioned measurements and objectives are specific to creating an event.

Based on the above analysis it is shown that Volvo succeeded in its own objectives; promoting products and services, promoting contribution to society, strengthening the employer brand, motivating employees, and broadening the audience, through creating an event (Volvo Ocean Race report, 2018). Comparing these objectives to the DHL Relay run, they are not unique for creating an event but can be transferred to an anchor sponsorship as well.

Through their event, DHL Relay Run manages to promote products and services creating more brand value. The slogan of the event is "With us, we run the baton for our customers every day, all year round – all over the world" (DHL, n.d). The core value and message can be transferred directly from event to brand enabling DHL to promote products and services (Gwinner and Eaton, 1999). Furthermore, they promote contribution to society by sponsoring an event, which aims to activate employees all over Denmark, creating a focus on health and exercise (DHL, n.d). "DHL brings us together to share something other than our daily work" (AU, n.d). They motivate employees and strengthen employer branding, having more than 50% of DHL Denmark's employees participate in the run (Aarhus motion, 2016). Even though the event has been held for more than 20 years it is still the highlight of the year being a DHL employee (Aarhus motion, 2016). At last, they broaden their audience creating high brand awareness and trying to become the preferred international delivery service (Aarhus motion, 2016).

Looking at the proposed key measurements; control and involvement it is seen that Volvo has a high control of the event being able to move crucial value-adding processes in-house, creating high control of the customer experience and influence on brand image. (Volvo Ocean Race report, 2018). In combination they create an environment with high involvement from partners and

stakeholders, offering them a unique and precise communication tool, which develops a closer, family-like relationship. According to Keller (1993), when people learn about a brand, their level of involvement determines how strongly the brand is associated in their minds. Overall, all contribute to creating higher brand value.

Comparing the above to DHL Relay Run, it is seen that an anchor sponsorship has lower control of the customer experience and lower involvement possibilities. By not creating the event, DHL cannot control which low-tier and mid-tier sponsors are included, making the associations and perception of their brand harder to control. They are very reliant on local volunteers, Sparta running club, and other sponsors (DHL, n.d). Compared to Volvo Ocean Race they do not have the possibility to deliver a coherent brand image. The above makes creating a strong relationship with stakeholders and participants harder since the experience and development of the event are through a third party, Sparta running Club. DHL Relay Run is forced to enhance its brand awareness by expanding the event, now having a school run, a university run, and a senior walk, instead of deepening the relationship within the existing event (DHL, n.d.).

When compared to one another, the Volvo Ocean Race and the DHL Relay Run both contribute significantly to strong employer involvement and branding, which is a great overall benefit of event sponsorship. Instead of acting as an anchor sponsor as DHL Relay Run does, Volvo Ocean Race creates an event. This results in stronger involvement and higher control for Volvo.

Framework

The below framework is based on the above identification, that the measurements; control, and involvement, are key aspects for a company to create the highest possible brand value through an event. Better control over the customer experience and brand perception are crucial to a brand's value-

adding process, and higher stakeholder and participant involvement fosters stronger involvement and better relationships. When both measurements are coherent, an added-value is created.

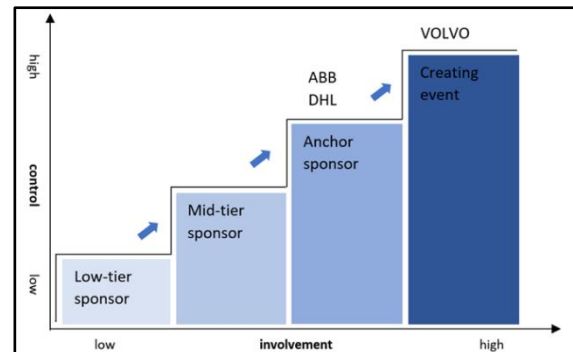


Figure 1: Own production based on Gross, P. (2015)

The framework above was developed using the idea from the literature review that sponsorship can be categorized into low-tier, mid-tier, and anchor sponsorship (Gross, 2015). Through our analysis, it is demonstrated that organizing an event differs from anchor sponsorship particularly due to the addition of a higher involvement with the stakeholders, increased control over the customer experience, and increased influence over the event's perception. We no longer think about sponsorship in terms of categories, but rather as a ladder. Creating an event is the final step, which moves sponsorship up the value ladder.

The framework illustrates that by moving up the ladder, you gain more control and involvement. Thus low-tier sponsorship has the lowest involvement and control, and creating an event has the highest. Creating an event provides the sponsor with the highest control and the highest level of involvement showcased in the analysis of the Volvo Ocean Race. It is also important to point out that the financial load will likely increase the higher a sponsor wants to be on the ladder.

Conclusion

The purpose of this study was to explore the phenomenon of event sponsorship and how it added value to a brand. It aimed to discuss different types of sponsorship

differentiating them from each other. The objective was to discover why a brand should choose to create a brand instead of only sponsoring an existing event.

Firstly, we were able to identify that sponsoring an event has an impact on the brand. Based on the sort of sponsorship employed, the effect will vary. Through the research, we were able to identify that sponsorship can have different levels. While analyzing the Volvo case, the levels depend on two measurements which are control and involvement.

Theoretical contribution

This research contributes to further knowledge within the event sponsorship field. Gross' (2015) research divides sponsorships into categories making them equal in their contribution to value, the only differentiation being what type of sponsorship it is. With our research, we emphasize that different types of event sponsorships contribute to different levels of involvement and control. In this relation, different types of sponsorships bring different levels of value to a brand. Acknowledging the above, we created a framework, which defines sponsorships as a ladder framework.

Empirical results

We found that creating an event has a direct impact on the level of involvement and control a brand can have. The framework we came up with illustrates the evolution of those two aspects.

The Volvo case helped us understand how it is possible to step up the game in the event sponsorship field. Volvo had complete control over the sponsors involved, as well as the creation of the guest experience. By creating the event, Volvo was also able to manage the event's public perception, which benefited its brand. Moreover, the high control and involvement helped Volvo strengthen relationships using its extensive network and additionally create a network platform for stakeholders and partners.

The benefit of creating an entire event is to have greater control. Doing so allows the brand to maintain the desired image and use the event as they see fit. Control can be found on several levels, such as the use of media, infrastructures, sponsors, etc. Creating an event also allowed for a higher involvement from stakeholders and employees, which is seen as a key benefit.

The framework should be a reference for companies to understand how the added value differentiates between different levels of sponsorship when choosing their strategy. In this relation, they can use the framework to address their needs for control and involvement as well as their capabilities to meet the requirements of the level. The higher you step on the ladder, the more involvement and financial requirements are necessary.

Limitations & further research

The conducted research is solely based on secondary data and on two events, expanding the number of events analyzed or conducting research for primary data would be beneficial for future work. This would enable a deeper view of the impacts of an event created by a brand. This research can be seen as a basic suggestion for future research related to the impact of sponsorship and the benefits of event creation and focuses only on one step of the sponsorship ladder. Future research could focus on numerical data in order to make a comparison between different events of comparable size and to be able to quantify the results. Further research could be made to come up with more than one step. Additionally, research in the field of measuring sponsorship and its impact could be helpful to understand which measures are helpful and which are not. Another possible research could be to continue the proposed framework. We believe that the conceptual framework may evolve over time and that changes may occur. Further research could help develop this framework to gain a deeper understanding of the subtleties of sponsorship.

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