

How Should Sponsors Decide about Sponsorships?

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Sponsorship decisions have a significant impact on sponsoring companies. But how do sponsors make strategic sponsorship decisions?

Only a few authors have addressed the decision-making process in the sponsorship literature. For example, Chadwick and Thwaites (2005, p. 330) proposed a five-step decision-making process from the sponsor perspective, while Irwin and Asimakopoulos (1992, p. 44) advocated six slightly different steps. However, in both approaches **setting sponsorship objectives**, **selecting a sponsorship based on various criteria**, **executing the deal**, and **evaluating the sponsorship** represent essential steps. Schönberner, Woratschek, and Ellert (2020) created a more detailed version of an ideal-typical sponsors' decision-making process. They show that the strategic sponsorship decision-making process consists of three consecutive stages, namely **planning stage**, **selection stage**, and **implementation stage**. Yet, neither the implementation nor the activation of sport sponsorship are addressed. This is why, in this paper, we add the activation in the implementation stage. Furthermore, in line with Chadwick and Thwaites (2005) and Irwin and Asimakopoulos (1992), we introduce the **evaluation stage** in our conceptualisation, which is illustrated in Figure 1.

Strategic sponsorships are **individual solutions for marketing** needs and **problems**. Therefore, we base our conceptualisation on the **value shop**, which is an adequate value configuration model for individual problem solutions (Stabell & Fjeldstad, 1998, p. 420-427). The value shop consists of activity categories, which are necessary for gaining valuable solutions: problem-finding and acquisition, problem-solving, choice, execution, and control and evaluation. To get a more detailed overview, please watch the video "SMAB Clip: Value Configurations" cited below. As the value shop is iterative, each conducted activity provides feedback on the preceding activity categories. This feature also applies to strategic sponsorship decisions. In line with the value shop, we conceptualise **four stages with feedback loops**, whereby we combine problem-solving and choice activities in one stage, namely selection stage. Furthermore, we included the problem-finding activities in the planning stage and adjusted the activities to fit the sport sponsorship decision-making process.

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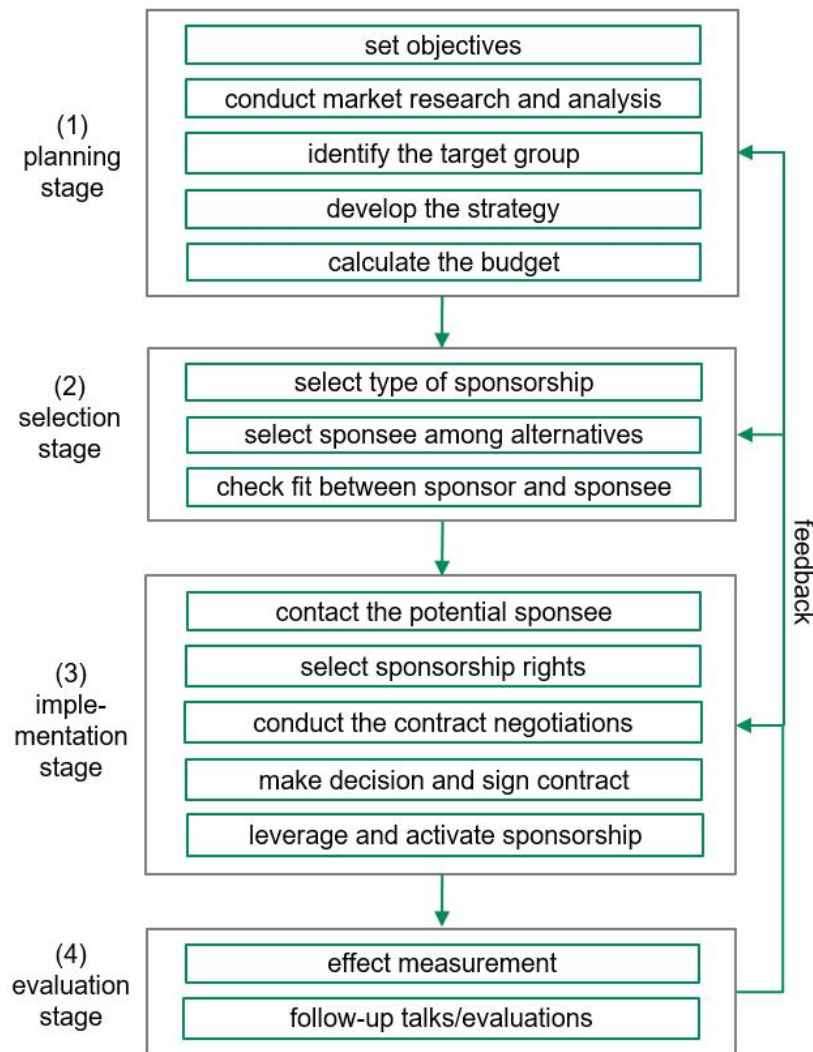


Figure 1: Sponsorship decision-making process from the sponsor perspective (adapted from Schönberner et al. (2020)).

The **planning stage** comprises all planning activities including setting objectives, identifying target groups, and calculating budgets. The **selection stage** includes all selection activities such as selecting sponsorship types and sponsees. The **implementation stage** contains all activities related to sponsorship contracts, rights, and leveraging. The **evaluation stage** refers to the effect measurement and following feedback-talks. If the evaluation does not lead to satisfying results, all stages of the sponsorship decision-making process should be undertaken again until a satisfying solution is found. This is called an **iterative, cyclical value creation** process (Stabell & Fjeldstad, 1998, p. 422).

The results of Schönberner et al. (2020) indicate that stages follow a **consecutive order, each stage providing feedback on the preceding one**. In contrast, the activities do not necessarily follow a consecutive order, especially in the planning and selection stage. Depending on the

sponsoring company, the sequence of activities can be modified and/or activities can be carried out simultaneously in each stage.

Typically, sponsors receive sponsorship proposals from the sponsee (Chadwick & Thwaites, 2005). Sometimes, however, it is the other way round (Athanasopoulou & Sarli, 2015). The acquisition and screening of sponsorship proposals are included in the activity “select potential sponsee among alternatives” (see Fig. 1). Therefore, the **sponsorship decision-making process covers both cases**, i.e. when the **sponsor receives a sponsee’s proposal** and when the **sponsor seeks out a sponsee** actively.

Managers from **sponsoring companies** and **sport marketing agencies** can use the ideal-typical decision-making process as a **guideline and template** for making sponsorship decisions. This helps managers to justify sponsorship decisions, even if effect measurement is difficult, as it indicates that the decision is **strategically derived**.

To put it in a nutshell:

1. Strategic sponsorships are **individual solutions** for challenges in marketing.
2. To make valuable sponsorship decisions, it is useful to orientate sponsorship decision-making on the **value shop**.
3. The value shop is an adequate business model for **individual problem solving**.
4. An ideal strategic sponsorship decision-making process is **based on the value shop**.
5. The sponsors’ strategic decision-making process consists of **four stages: planning stage, selection stage, implementation stage, and evaluation stage**.
6. The stages of the sponsorship decision-making process follow a **consecutive order**.
7. Each stage in the sponsorship decision-making process **provides feedback** on the preceding one.
8. The **order of the single activities** within the stages is **adaptable** to the needs and structure of the sponsoring company.

VIDEO

Please watch the SMAB Clip “Value Configurations” on Prof. Woratschek’s youtube channel:

<https://www.youtube.com/watch?v=ZoAyF6t5eno>



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