

Sponsors' Buying Center - Sponsorship Decisions in the Logic of Value Co-Creation

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In most approaches in the sponsorship literature, **sponsorship decisions are considered holistically** as decisions of the sponsoring company. From the perspective of **value co-creation** (Woratschek, 2020), this **assumption is not comprehensive**. In fact, it is rarely the case that only one individual as a representative of the company decides. Sponsorship decisions usually are **group decisions** involving several collaborating individuals, and this aspect is reflected in the logic of **value co-creation**.

What roles do various individuals play in sponsorship decision-making?

In the industrial marketing literature, the so-called **buying center concept** describes different roles of individuals involved in corporate purchasing decisions. The original buying center includes the organisational roles of deciders, users, influencers, gatekeepers, buyers, and initiators (Webster & Wind, 1972, p. 17; Bonoma, 1982, p. 113). Thereby, each role can be occupied by several individuals, and one individual can play more than one role.

However, an analogous application of the original buying center to the sponsorship context does not seem appropriate, as **sponsorship** has some **special characteristics** (Arthur, Scott, & Woods, 1997, p. 231). On the one hand, sponsorships are customised services in which **contract negotiations are an essential part** of the decision-making process (Cornwell & Kwon, 2019, p. 5). Yet, the industrial marketing literature mainly focuses on goods and standardised **services** instead of **customised** ones. On the other hand, the aspect of value co-creation in decision-making is not regarded.

Moreover, sponsors often **collaborate with external partners** when making sponsorship decisions (O'Reilly & Madill, 2012, p. 51). This aspect has largely been ignored in the discussion about the original buying center, which points to the key role of the logic of value co-creation in research and practice.

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How should the original buying center be modified to fit the sponsorship context?

In their empirical study, Schönberner, Woratschek, and Buser (2020) show that the sponsors’ buying center (SBC) consists of eight different roles, with each role having its own set of specific tasks (see Figure 1). Three of the roles of the original buying center can be found in the SBC, namely **deciders**, **users**, and **initiators**.

Furthermore, three roles had to be modified to fit the sponsorship context. The roles of influencers changed into **experts** and gatekeepers into **coordinators**. The original role of buyers was separated into two distinctive roles, namely the **signatories** and **negotiators**, a new role added in the SBC.

Interestingly, another new role was identified: the **networkers**. They are **mainly oriented outside the company** and have connections in the market. Thus, the networkers indicate the collaboration of sponsors with external partners. It may be that the original buying center neglected those collaborations with external partners because the logic of value co-creation was neither established in the management literature nor considered as guidance in academic thinking.

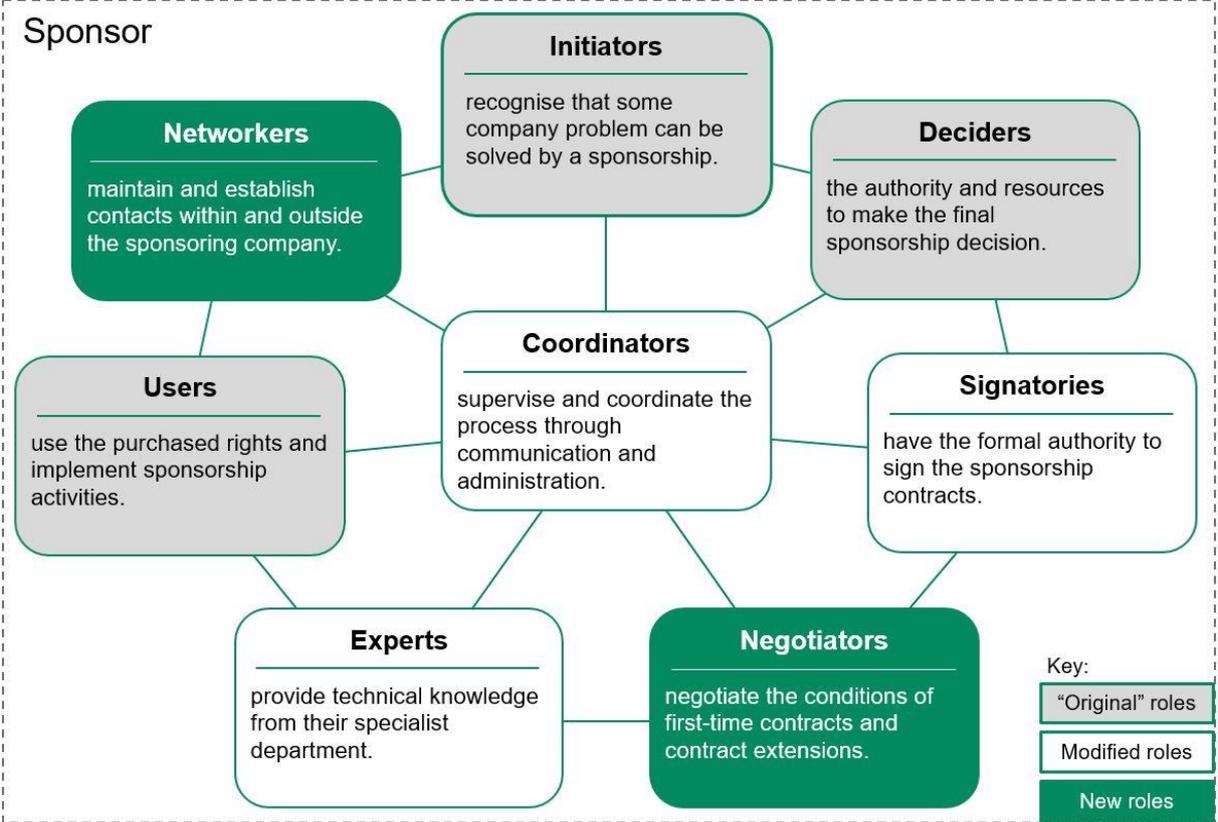


Figure 1: The Roles of the Sponsors’ Buying Center (SBC).

How do sponsors include external partners in their decision-making?

The study of Schönberner et al. (2020) revealed the relevance of the cooperation with external partners when making sponsorship decisions. If sponsors do not have the required expertise or capacity in-house, they **outsource various roles to external partners**. External partners can be, amongst others, sport marketing agencies, market research institutes, consultants, distributors/wholesalers, and markets and subsidiaries (see Figure 2). Accordingly, external partners gain influence on sponsorship decision-making of companies. Therefore, the **logic of value co-creation** addresses the **importance of internal and external collaborations** better than the logic of sport products. However, not every role can be outsourced. The findings indicate that the roles of deciders and signatories always remain within the sponsoring company. Hence, the main responsibility for the decisions lies with the sponsor.

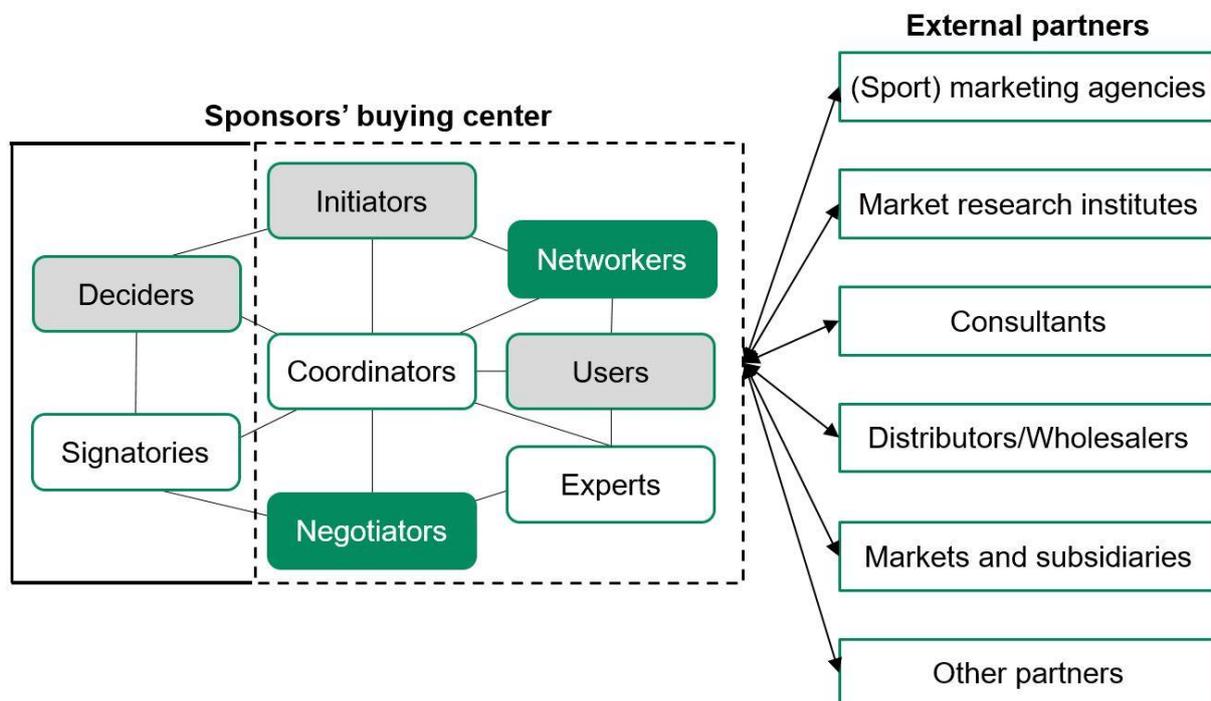


Figure 2: The Cooperation with External Partners (adapted from Schönberner et al., 2020).

How can managers use the information gained from the SBC practically?

The SBC allows **sponsors** to understand the composition of decision-making teams better. The knowledge about the roles and their specific tasks supports sponsors **to assign their staff appropriately to fitting roles**. If sponsors lack human resources to occupy all roles, they can **outsource specific roles** to external partners.

The identification of the roles of the SBC is significant for **sponsees**, as it leads to **more efficient ways of communication** (Wood, 2005, p. 272). Addressing the right role with a

sponsorship proposal **saves time and effort** for both parties and **increases the prospect of success** for the sponsee.

To put it in a nutshell:

1. **Most approaches** in the sponsorship literature assume that **individual decisions** represent sponsors' decision-making processes.
2. From the perspective of **value co-creation**, this **assumption is limited**.
3. Sponsorship decisions are usually **group decisions**.
4. In industrial marketing, **buying centers** are introduced as group decision-making processes.
5. Sponsorship decisions have some **special characteristics** because sponsorships are **collaborative** and **customised** services.
6. The sponsors' buying center contains eight different roles with different task sets, namely **coordinators, deciders, users, initiators, signatories, experts, negotiators**, and **networkers**.
7. Especially the **newly** introduced role of **networkers** emphasises the **importance of the logic of value co-creation** in sport management.
8. Sponsorship decisions include **internal** as well as **external collaborations**.
9. Sponsors **cooperate with external partners** in sponsorship decision-making by **outsourcing** specific roles.
10. Sponsors can use the knowledge of the SBC for appropriate **human resource allocation**.
11. Sponsees can generate more **efficient and promising ways of communication**.

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