UNDERSTANDING THE SPONSEE'S EXPERIENCE: AN ASSESSMENT OF THE SPONSOR-SPONSEE RELATIONSHIP

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Abstract

Sponsorship is the fastest-growing marketing communication tool, both in terms of volume and complexity. The two central players in any sponsorship arrangement are the sponsor and the sponsored institutions’ (sponsee). Sponsors are gradually increasing the amounts that they invest in sponsorships and elevating outcome requirements for their investments, as reflected in the large body of research dedicated to sponsors’ needs in terms of brand awareness, consumer loyalty and evaluation of results. On the other hand, the sponsees needs are relatively neglected, especially in the arts sector, where there has been little research focused on what arts sponsees require from a sponsorship arrangement. This research fills this gap by investigating the sponsorship process that arts sponsees go through and provides the first theoretical model of this process. Because of the need to inductively explain the process, taking into account its causes and consequences, the grounded theory method is used to develop a substantive theoretical model. In-depth interviews with 31 arts sponsorship managers, globally dispersed and with demonstrated experience in sponsorship, were collected, and they indicate that the arts sponsee’s reciprocity with a sponsor in a sponsorship interaction is a highly complex experience that involves both the internal arts sponsee and external sponsor’s actors. Within the complexity of the experience, the relationship is arguably not a developmentally normal experience, given arts sponsees’ professional situations. The conclusion is that the reciprocity that arts sponsees experience throughout the sponsorship interaction is often not acknowledged or understood and would benefit from further empirical research.
Keywords

Sponsorship, Art sponsorship, Sport Sponsorship, Grounded theory, Uncertainty, Making possible, Reciprocity
At the beginning nothing comes,
In the middle nothing stays,
At the end nothing goes.
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CHAPTER 1

This chapter introduces the subject area of this thesis: arts sponsorship. A background to arts sponsorship is presented, followed by an overview of recent developments, opportunities, and challenges for arts sponsorship. The problem area discussion and a research purpose follow. The chapter closes with a brief overview of the structure of the thesis.

1.1 Introduction to Research area

Meenaghan (1983) defined sponsorship as "the provision of assistance, either financial or in-kind, to an activity by a commercial organization (Sponsor) for the purpose of achieving commercial objectives." Sponsorship is the fastest-growing marketing communication tool, both in terms of volume—with a predicted worldwide growth of 4.7% as of 2016 (Andrews, 2016)—and in complexity, as it has developed from a purely commercial activity into a holistic tool used to attract benefits (Meenaghan, McLoughlin and McCormack, 2013). The two central players in any sponsorship arrangement are the sponsor and the sponsored institutions (sponsees).

Sponsors invested US$60.2 billion in sponsorship in 2016 (Andrews, 2016), gradually increasing the amounts that they invest in sponsorship and elevating outcome requirements for their investments, as reflected in the large body of research covered in the literature review in this thesis. In the process of doing this research, of the 186 papers found on sponsorship and published in the top 106
journals (having more than 0.5 as an impact factor) (Reuters, 2015), 159 are
dedicated to sponsors’ needs in terms of market benefits such as brand awareness
and consumer loyalty, and overall evaluation of sponsorship results. Out of those
same 186 papers, only 27 are about sponsees, whose needs are relatively
neglected, especially in the arts sector where there has been little research focused
on what arts sponsees require from a sponsorship arrangement. So despite the
value of previous research, research on sponsees is conspicuously absent.
Sponsees are a central player in sponsorship, and their voices need to be heard.
Furthermore, arts sponsorship represents 4% of the total amount spent on
sponsorship in North America totalling US$994 million (Sponsorship.com, 2017),
which accounts for 3% of the global sponsorship market (Sponsorship.com 2016a).
But sponsors keep investing steadily with a preference for sports, which is uniformly
considered the most important category (Andrew, 2015). However, arts also have
considerable numbers of attendees each year and in some cases are comparable
to attendee numbers at football stadiums. For example, the Tate and the British
Museum had more than 12 million visitors in 2012 (The Guardian, 2012). That almost
equals the entire attendance of the UK Premier League, which had 13 million
spectators (ESPN, 2012). Furthermore art seems to favorably influence consumers’
perception compared to an equally decorative non-art image (Hagtvedt & Patrick
2008a), and visual art could be an alternative marketing tool to luxury and to its
important strategic implications (Hagtvedt & Patrick 2008b). Overall, the arts
represent an under-researched and growing area of opportunity when it comes to
sponsorship.
Although this research aims to address the lack of knowledge about sponsees’ perspectives, as background it is first necessary to examine and understand sponsors’ perspectives. After all, both the sponsor and sponsee are central players in any sponsorship arrangement. The number of and growth in investments related to sponsorship have led to increased interest in this topic over the last 15 years, resulting in more research on the factors that contribute to successful sponsorship (Nickell, Cornwell and Johnston, 2011). More than 300 papers on sponsorship have been written over the last decade, indicating heightened interest in the academic study of sponsorship, similar to that which already exists for investments in other marketing platforms (Cornwell and Humphreys, 2013). In the 186 articles published in impactful journals (in this case, I define impactful as being a journal with an impact factor of more than 0.5) (Reuters, 2015) as of 2016 that were reviewed in the current research, several streams of research were identified, some with well-developed and rich accumulated bodies of knowledge; others with only one or two studies.

1.2 Research problem: the arts sponsee dynamic with the sponsor

The main players in the sponsorship process are the sponsor (and the sponsor’s brand), the sponsee and attendees, customers or consumers. The sponsor’s brand leverages the image of the sponsee, hoping to influence consumers’ perceptions of their brand. The papers examined in this thesis’s literature review are conceptually organised with reference to these key players and concepts placed into two groups:

- The participants in the sponsorship process: the sponsor and the sponsor’s brand, the consumers and the sponsees; and
- The outcomes of sponsorship: brand awareness, brand image, attitude towards the sponsor, and purchase intention.

Because of the emphasis of the majority of existing research, these two groups of literature focus primarily on the sponsor's perspective. Companies engage in sponsorship, taking into account six factors: broad corporate objectives, product-related objectives, sales objectives, media coverage, guest hospitality, and personal objectives (Meenaghan, 1983). These objectives are another indicator of the complexity of sponsorship and how its orchestration requires every sponsorship manager to climb a steep learning curve (Cornwell, Roy and Steinard, 2001). Despite the challenges, sponsors still invest in sponsorship (Andrews, 2015) knowing that consumers appreciate the sponsors’ role in financing an event and for the increased consumers’ learning outcome resulting from the sponsorship initiative (Becker-Olsen, 2003).

For example consumers often consider advertising banners more annoying than sponsored content advertisers (Becker-Olsen, 2003). Furthermore, sponsors not only provide the platform for or at least partially support an event, but sponsorship also supports the perception that an event is held for the audience’s pure enjoyment (Quester and Thompson, 2001). And, despite the fact that the cognitive effort required to understand sponsored content is more intense than that required for advertising content, the sponsor is still perceived positively for the learning outcome associated with the sponsorship initiative (Becker-Olsen, 2003).
Because scholars have given such importance to advertising, sponsorship was not considered a subject of study until the 1980s (Meenaghan, 2001a). Prior to the 1980s, the lack of a clear distinction between sponsorship and advertising was due to the fact that they seemed to share many similarities. However, the differences between the two are crucial (Hastings, 1984). As stated, commercial sponsorship is considered to be beneficial to society; therefore showing a company’s human face lowers consumers’ resistance to commercial promotion and benefits the corporate brand. On the other hand, advertising is perceived ambiguously. It is seen as self-serving, not beneficial to society, and aimed only at selling a product (Meenaghan, 2001a).

Sponsorship is an extremely powerful tool to improve consumers’ attitude and purchasing intentions towards the sponsor’s brand (Close et al., 2006). While at an event, consumers need to be aware of the sponsor and actively engaged with the event in order to develop brand loyalty towards the sponsor (Sirgy et al., 2008). Being engaged with the consumers’ community seems to be so important that local ties are preferred to renowned international or global sponsee brands (Quester et al., 2013; Meng-Lewis, Thwaites and Pillai, 2013) because consumers who are involved with sponsored activities can easily recognise a sponsor that is engaged with them, but only if the sponsor is prominent. Otherwise a sponsor’s involvement may not be completely clear (Wakefield and Bennet, 2010). The prominence of a sponsor does not impact first-time audiences that may have a stronger will to engage with a new sponsor and to develop a positive attitude and stronger purchase intentions towards it (Sneath, Finney and Close, 2005).
Therefore sponsees have to be knowledgeable about what they can offer their sponsors and endeavour to establish stronger emotional bonds with their audiences, as this is the unique strength of sponsorship. One of the distinguishing selling points of sponsorship is that it can establish that bond with a sponsor’s global brand and not just a sub-brand or a product, as advertising does (Harvey, Gray and Despain, 2006). Therefore, sponsees should be very proactive in recommending ways to enhance the outcomes of sponsorship programmes (Farrelly, Quester and Burton, 2006). Merely being commercially aligned with the sponsor is not sufficient; sponsees must seek strategic opportunities together with the sponsor rather than demonstrating the opportunistic behaviour that very often results in termination of contracts (Farrelly and Quester, 2005b). This is a challenge for sponsees since the sponsorship matching process is complex and unbalanced as evidenced by the privileged position of the sponsor, which typically receives proposals while it is exclusively the sponsee team’s job to make proposals (Athanassoupolu and Sarli, 2013). Sponsees generate, prepare and communicate new sponsor targets through market research and sponsor screening, because sponsors are interested in consumers’ recall of their brands (Cornwell and Humphreys, 2013), and this is why brand recall is an important outcome measure. It is one of the main measures of impact and is instrumental in understanding how people remember sponsorship communication (Cornwell et al., 2012). Although many agree that emotions generated by a sponsored event (Cornwell, 2008) can be measured by memory recall (Tripodi et al., 2003), sponsorship recall is a challenge since it is a complex process that requires a substantial degree of reconstruction (Johar and Pham, 1999). Easy recall is the manner desired by the sponsor without the possibility of
misinterpretation or confusion. However, the research is clearly sponsor-dominated. The sponsee's recall requirements should be taken into account as well (Crimmins and Horn, 1996).

Engagement in sponsorship events is a powerful tool for linking consumers' positive attitudes to a sponsor's brand (Close et al., 2006), and the level of event involvement appears to be correlated with the degree of positivity towards the sponsor (Meng-Lewis, Thwaites and Pillai, 2013). Congruity theory suggests that an audience's favourable attitude toward a sponsee is inversely related to dislike of the sponsor. In other words, the more the sponsor is disliked, the less the sponsee will be liked (Dean, 2002) as per the recent findings suggesting that image may transfer from sponsors to sponsees (Prendergast, Paliwal and Mazodier, 2016).

A sponsee's ability to influence audience purchase intention enhances its ability to recruit new sponsors (Cornwell and Coote, 2005). As with brand awareness and attitude, the research on purchase intention has focused on purchase intention for the sponsor's brand and not on the sponsee's perspective. What are the consequences for the sponsee? Would being a sponsee of a given sponsor impact the sponsee's event attendance? Would being a sponsee of a given sponsor result in a reduction (on increase) in funding from other sources such as donors?

Although sponsorship is not just about image (Becker-Olsen, 2006), the image boost achieved through association with a sponsee is definitely a primary goal for corporate sponsors (Witcher et al., 1991). Failure to achieve mass participation can
damage corporate image (Javalgi et al., 1994). Brand image can also hurt sponsees if they do not ensure the complementarity of their image with the chosen sponsor, by, for example, focusing solely on the economical advantage offered by the sponsor and not considering the context of the relationship (Wilson Stavros and Westberg, 2008). There is a risk of a consequent negative image transfer from sponsors to sponsees (Prendergast, Paliwal and Mazodier, 2016). Brand image outcomes are based on many variables, and many companies choose to maintain large sponsorship portfolios in order to optimise brand image outcomes (Cliffe and Motion, 2004).

To conclude sponsorship is no longer seen as an incrementally exposing form of media. Rather, it has become an independent marketing tool, representing a strategic choice made by companies to expend less on paid media and more on existing promotional channels (Cahill and Meenaghan, 2013). Understanding the research on sponsorship (which, as previously discussed, is primarily devoted to the sponsor’s side of the sponsorship dyad) is necessary in order to inspire any theory building of the sponsees’ perspective and to highlight gaps in knowledge in terms of the sponsees’ perspective.

The literature review presented in Chapter 2 concludes with a synthesis of all of the impactful research previously conducted on arts sponsorship, which is the context of study for this thesis. This is followed by an overview of the gaps in the research, particularly in relation to the viewpoints of sponsees, the arts industry, and the sponsorship process. Despite the central role of sponsees in any sponsorship relationship, and despite arts sponsorship being worthy of research, the research
gaps in relation to sponsees and the arts remain. This thesis addresses these research gaps, with the central research problem being:

What is the process that arts sponsees go through when selecting, and managing the relationship with, a sponsor?

Related to this research problem, the following three research questions were addressed:

- RQ1: What are the factors that sponsees consider when selecting a sponsor?
- RQ2: What are the consequences of selecting an appropriate sponsor and the consequences of choosing an inappropriate sponsor?
- RQ3: Within this process, what are the distinctive features to emerge?

1.3 Research Scope

Scientific research in a new field requires the use of a method that allows for the identification of an explanation and the development of a provisional model that does not simply describe what happens, but also explains why (Corbin and Strauss, 2015). This research, as anticipated in the “Research Design and Methodology” paragraph in this Chapter 1 and further explained in full details in Chapter 3, is based on an inductive interpretive investigation that focuses on experts in the field, namely arts sponsee managers (Creswell, 2013). As there is no prior research in this specific area, this thesis has an exploratory character and seeks to understand the sponsorship process viewed from the sponsee perspective. Specifically, it is proposed that grounded theory methodology be used, with the result that this thesis is based on a combination of research methodologies:
- 1. Definition of the domain of interest through a literature review;

- 2. Interview of arts sponsees managers;

- 3. Semantic study of transcribed interviews

The first part of the thesis focuses on using a rigorous literature review to define the concept of arts sponsorship and relate it specifically to arts sponsees. It also explains why arts sponsorship cannot be viewed through a sports sponsorship lens. The primary research relied on in-depth interviews with arts sponsee managers, because the nature of the research problem requires an inductive and interpretivist philosophy. More specifically, as reflected in the literature review and resulting research questions posed by this research, arts sponsorship has not been thoroughly researched, and there is no theoretical model that explains how arts sponsees manage the arts sponsorship process, beginning with the factors that arts sponsees consider when selecting a sponsor through to the consequences of choosing the right or wrong sponsor, and including follow-up actions to address sponsorship consequences as well as any moderating and mediating variables. This study aims to fill this gap by trying to propose a substantive model that addresses the above-mentioned research questions. Figure 1 gives an overview of the scope of this research.

1.4 Research Motivation

The absence of a theoretical model of the process on how the arts sponsees manage the sponsorship relationship is considered significant for the following reasons:
Sponsorship is the fastest-growing marketing communication tool, both in terms of volume—with a predicted worldwide growth of 4.7% as of 2016 (Andrews, 2016)—and in complexity, as it has developed from a purely commercial activity into a holistic tool used to attract benefits (Meenaghan, McLoughlin and McCormack, 2013). Sponsorship seems to be growing faster than other marketing tactics, such as advertising, because it responds to consumer sentiment that companies should return to them some of the benefits received through revenues (Kotler and Scheff, 1997), whereas advertising is instead perceived as self-serving (Meenaghan, 2001a).
Figure 1: A graphical scheme of the scope of this research
• Sponsors have gradually increased their investments; in 2015, US$57.5 billion was invested in sponsorships, and US$60.2 billion in 2016 (Andrews, 2016). Sponsors, typically being very commercially focused, are also raising their expectations of superior value from sponsees (Farrelly and Quester, 2004), desiring to create brand meaning and customer affiliation (Cliffe and Motion, 2004), and to actively use communication to produce an impact (Crimmins and Horn, 1996). Sponsors invest in sponsorship as the establishment of a relationship with the sponsee so as to ensure that consumers recall their brand (Gwinner and Eaton, 1999, Cornwell and Humphreys 2013, Meenaghan 2001b). This view is confirmed by a study that mentions the rarity of anonymous sponsorships (Abratt, Clayton and Pitt, 1987), and this also explains why sponsorship is different from donations.

• Although based on the level of investment, the sponsorship economy (including arts) is growing due to the favourable economic conditions (Sponsorship.com 2016a).

• Arts have considerable numbers of attendees each year and in some cases are comparable to attendee numbers at football stadiums (The Guardian, 2012; ESPN 2012). Art seems to be an alternative marketing tool to luxury and has important strategic implications (Hagtvedt and Patrick, 2008b).
1.4.1 Why is this thesis focused on the Sponsee?

Despite the growth of the sponsorship investments, sponsored institutions’ (i.e. sponsees) needs are largely neglected in the research and are only seen from the sponsor’s point of view.

As discussed in detail later in Chapter 2, out of 186 papers on sponsorship in the top 106 journals (having more than 0.5 as an impact factor) (Reuters, 2015), only 27 are about sponsees, whose needs are relatively neglected, especially in the arts sector where there has been little research focused on what arts sponsees require from a sponsorship arrangement. So despite the value of previous research, research on sponsees is conspicuously absent. Sponsees are a central player in sponsorship, and their voices need to be heard.

For example, sponsors constantly require sponsees to sacrifice their network positions (Cobbs, 2011), yet sponsees must know their audiences to better serve sponsors (Herrmann, Kacha and Derbaix, 2016). Sponsees are responsible for making proposals to sponsors (Athanassoupolu and Sarli, 2013) and these relationships are perceived as being more beneficial for sponsors (Cornwell and Humphreys, 2013; McAlister et al., 2013).

Sponsors have specific requests; therefore sponsees must know what they want. To provide information regarding how consumers perceive a given event, organizers/sponsees might take it upon themselves to conduct polls or studies and use the results to recruit potential sponsors, optimize sponsorship initiatives, ensure they do not find themselves strangers at their own events (Gwinner, 1997), and avoid losing independence by being absorbed in a greater communication campaign.
orchestrated by the sponsor (Walliser, 2003). Building on this, the sponsee-sponsor relationship should not be vertical, i.e., in which the sponsee has little power to influence the sponsor’s behaviour, like that between a supplier and reseller. Rather, it should be a horizontal relationship based on trust, a very influential factor in ensuring mutual cooperation in the sponsorship relationship (Farrelly and Quester, 2003), and on commitment, which can help in predicting renewal contracts (Farrelly and Quester, 2004).

1.4.2 Why is this thesis focused on arts Sponsees?

Within sponsees as a group, arts sponsees are almost totally neglected, as there has been few studies on what they require in terms of sponsorship or how the sponsorship process is viewed through their lenses. But arts sponsorship represents 4% of the total amount spent on sponsorship in North America totalling US$994 million (Sponsorship.com, 2017), which accounts for 3% of the global sponsorship market (Sponsorship.com 2016a). Arts also have considerable numbers of attendees each year and in some cases are comparable to attendee numbers at football stadiums. For example, the Tate and the British Museum had more than 12 million visitors in 2012 (The Guardian, 2012). That almost equals the entire attendance of the UK Premier League, which had 13 million spectators (ESPN, 2012).

This study provides new insights into the dynamics that arts sponsee professionals experience when they interact with companies and how reciprocity is related to uncertainty and making possible, the two theoretical categories that constructed/identified the marketing aspects of the arts sponsorship interaction. Such interaction
influences how arts sponsee professionals select sponsors, i.e., how they approach, enact and understand potential sponsors. Furthermore, these aspects of the study findings identified that reciprocity is an active feature of the sponsorship marketing process, regardless of the behaviours the potential sponsor may evince in sponsorship meetings. The core category identified that reciprocity is central to arts sponsorship and influences how arts sponsees respond to companies within the sponsorship interaction. This study adds a novel contribution to the evidence base in terms of theoretical and empirical insights through the identification of processes potentially inhibiting arts sponsees’ reciprocity; hence, the findings deliver new insights into how arts sponsees engage in a process of sponsorship. Therefore, this research is valuable because it offers a grounded theory of the sponsorship process through the lens of the arts sponsee. The conclusion is that the reciprocity in arts sponsees experience throughout sponsorship interaction is often not acknowledged or understood and would benefit from further empirical research.

1.5 Sponsorship in the arts sector

Arts sponsorship is growing at 4% (Sponsorship.com, 2017), but is under-researched compared to sport, even though the effects of arts sponsorship on consumers are considered to be more positive than commercial sponsorship (Mazodier and Reezae, 2013). These two points: the growth of arts sponsorship and the paucity of research on arts sponsorship (despite it having positive potential in areas that conventional “commercial-orientated”, such as sports sponsorship, cannot) are important and will be elaborated more in the following sections.
The concept of arts sponsorship begins with a working definition of art. Aristotle appears to have been the first to define art, suggesting that art is what is simply made or is made serviceable (Barnes, 2014). A post-industrial revolution and very modern vision offered by Colbert (2014), starting his definition by depicting multiple copies made at the same time. He suggests that the arts sector should focus on prototype production, the outcome of which is not intended to be reproduced. This probably comes closest to a definition that can be used nowadays, and will be used hereafter as a reference in this research, since, despite so many definitions of art and the arts, the sponsorship literature does not offer a specific definition of “arts sponsorship”.

No definition of arts sponsorship has been found in the titles or abstracts of studies that are concerned with arts sponsorship. Furthermore, there is a lack of specificity on which institutions pertain to arts. Olkkonen and Tuominen’s (2008) work of cultural sponsorship is about a museum, but it does not provide a specific definition of what cultural sponsorship is. Gardner and Shuman (1987) define arts sponsorship as a subgroup of cultural sponsorship that includes orchestras, museums, dance companies and theatre groups. Therefore, this thesis considers all of these categories, a choice confirmed by the separation arts and festivals made by the International Entertainment Group (Sponsorship.com 2016a) or arts and cultural events by Cornwell and Maignan (1998).

1.6 Thesis structure

Owing to the nature of the research questions, this doctoral thesis is organized in a monograph format, which means it follows the traditional thesis chapters.
The manuscript has five chapters:

Chapter 1 presents a holistic view of the research problem, theoretical underpinnings, methodology, and contribution to the body of knowledge. It describes the problem situation; introduces the problem background, definition, significance, research objectives, questions, design and focus, and thesis disposition. This chapter is the most important part of the thesis because it encapsulates the rationale for the “why,” “how,” and “what” that has been analyzed during the six-year doctoral research.

Chapter 2 provides critical analyses to previous studies, theories, concepts, models, frameworks, and methodologies. The aim of this chapter is to provide a theoretical frame of reference to the research problem. It also provides a critical examination of the research gap. The literature review provides a broad understanding of the theoretical underpinnings of the research questions, arguments, and methodologies.

Chapter 3 highlights the design aspects of the research problem, such as the research philosophy, research approach, and methods for collecting data, data coding, and data analysis techniques. It also discusses the validity and reliability aspects of the conducted research.

Chapter 4 presents the empirical data collected through interviews.

Since it is important to relate the findings of the scientific research to the existing literature, Chapter 5 discusses the findings in the light of the flexibility theories that guided the empirical part. This chapter also concludes the thesis by outlining the
contribution of this research to the body of knowledge as well as the limitations. It ends with the theoretical and practical implications and suggests directions for future research.
Figure 2. Schematical representation of the thesis

Problem definition:
Chapter 1, Introduction

Problem Positioning:
Chapter 2, Literature Review

Problem Setting:
Chapter 3, Methodology

Problem solving:
Chapter 4, Data presentation and findings

Contribution:
Chapter 5, Conclusions

Research area and problem, Scope, Motivation, Methodology, Structure

Literature Review
- Literature survey
- Theoretical gap
- Research framework

Research Question

Research Design, Research strategy, Methods of data collection and analysis

Theoretical Categories and Core Category, Substantive model

Answer to Research question, Research limitations, Suggestions for future research
CHAPTER 2. Literature review

This chapter introduces the context of this thesis: sponsorship and the arts sector. The reasons why sponsorship exists and its main elements are explored, followed by an overview of recent developments, opportunities and challenges for sponsors and sponsored institutions (which are referred to as sponsees) in general. The bulk of this discussion is from the sponsor’s perspective, as that is the main path of the extant literature. A final paragraph is dedicated to analysing the limited research that exists to-date relating to the sponsee’s (particularly the arts sponsee’s) perspective of sponsorship, with a discussion of the research gaps in the literature.

2.1 Sponsorship

Sponsorship is the fastest-growing marketing communication tool, both in terms of volume—with a predicted worldwide growth of 4.7% as of 2016 (Andrews, 2016)—and in complexity, as it has developed from a purely commercial activity into a holistic tool used to attract benefits (Meenaghan, McLoughlin and McCormack, 2013). Sponsors have gradually increased their investments; in 2015, US$57.5 billion was invested in sponsorships, and US$60.2 billion in 2016 (Andrews, 2016). Sponsors, typically being very commercially focused, are also raising their expectations of superior value from sponsees (Farrelly and Quester, 2004), desiring to create brand meaning and customer affiliation (Cliffe and Motion, 2004), and to actively use communication to produce an impact (Crimmins and Horn, 1996).
This research literature review is based on empirical or conceptual investigation of sponsorship as a marketing communication instrument in 186 papers published in the top 106 journals, which have more than 0.5 as an impact factor (Reuters, 2015). The papers were identified as having “sponsor” or “sponsorship” in their titles and are mainly focused on sponsors’ needs. Sponsors are motivated to engage in sponsorships to reinforce brand meaning and promote customer affiliation (Cliffe and Motion, 2004). On the other hand, sponsored institutions’ (i.e. sponsees) needs are largely neglected in the research and are only seen from the sponsor’s point of view. For example, sponsors constantly require sponsees to sacrifice their network positions (Cobbs, 2011), yet sponsees must know their audiences to better serve sponsors (Herrmann, Kacha and Derbaix, 2016). Sponsees are responsible for making proposals to sponsors (Athanassoupolou and Sarli, 2013) and these relationships are perceived as being more beneficial for sponsors (Cornwell and Humphreys, 2013; McAlister et al., 2013). Furthermore, within sponsees as a group, arts sponsees are almost totally neglected, as there has been few studies on what they require in terms of sponsorship or how the sponsorship process is through their lenses. Therefore, this research is valuable because it offers a grounded theory of the sponsorship process through the lens of the arts sponsee. The research objective is to develop a theoretical model of the process on how the arts sponsees manage the sponsorship relationship. Because of the need to inductively explain this process, grounded theory methodology is used to develop the substantive theoretical model. In-depth interviews with 31 arts sponsorship managers globally dispersed and with demonstrated experience in sponsorship were collected, analysed and their significance is explained.
2.1.1 Defining sponsorship

To understand the context of sponsorship, it is necessary to understand the term. Meenaghan (1983), one of the most prominent academics in the field, defined sponsorship as "the provision of assistance, either financial or in-kind, to an activity by a commercial organization for the purpose of achieving commercial objectives." For Sandler and Shani (1989), sponsorship is "the provision of resources (e.g., money, people, equipment) by an organization directly to an event or activity in exchange for a direct association to the event or activity. The providing organization can then use this direct association to achieve either their corporate, marketing, or media objectives." Cornwell (1995), another prominent academic in the field, defined sponsorship as "the orchestration and implementation of marketing activities for the purpose of building and communicating an association (link) to a sponsorship." Cornwell went on later to define "link" as being articulation.

The International Events Group (Sponsorship.com 2000), a worldwide consulting company, defines sponsorship as "a cash and/or in-kind fee paid to a sponsee (typically a sports, entertainment, non-profit event or organization) in return for access to the exploitable commercial potential associated with that sponsee."

Sponsorship is widely considered one of the fastest-growing platforms in marketing (Meenaghan, McLoughlin and McCormack, 2013). The concept of sponsorship has developed from a merely commercial activity into a holistic tool that is used to attract a wide range of benefits.
Global sponsorship spending is steadily growing. In 2012, it accounted for a worldwide expenditure of US$51.1 billion with a growth of 5.1% (Sponsorship.com 2013a). In fact, the average growth in sponsorship investments, as measured by worldwide expenditure, has been around 4%, reaching US$57.5 billion in 2015 (Andrew, 2015) and US$60.2 billion in 2016 (Andrews, 2016). Sponsorship seems to be growing faster than other marketing tactics, such as advertising, because it responds to consumer sentiment that companies should return to them some of the benefits received through revenues (Kotler and Scheff, 1997), whereas advertising is instead perceived as self-serving (Meenaghan, 2001a).

2.1.2 Why do sponsors engage in sponsorship?

The primary reason sponsors invest in sponsorship is the establishment of a relationship with the sponsee so as to ensure that consumers recall their brand (Gwinner and Eaton, 1999, Cornwell and Humphreys 2013, Meenaghan 2001b), as depicted in Figure 3. This view is confirmed by a study that mentions the rarity of anonymous sponsorships (Abratt, Clayton and Pitt, 1987), and this also explains why sponsorship is different from donations.

Instead of investing in advertising, companies engage in sponsorship, taking into account six factors: broad corporate objectives, product-related objectives, sales objectives, media coverage, guest hospitality, and personal objectives (Meenaghan, 1983).
Broad corporate objectives refers to an aggregation of multiple objectives, such as using corporate image to increase community involvement, promoting public awareness of the company, altering public perception, reassuring policy holders, countering adverse publicity, assisting staff relations, assisting in staff recruitment, identifying with a particular market segment, facilitating prospecting for sales staff, and improving public perceptions of the company (Meenaghan, 1983).

These objectives are another indicator of the complexity of sponsorship and how its orchestration requires every sponsorship manager to climb a steep learning curve (Cornwell, Roy and Steinard, 2001).

The second objective, product-related, is very similar to the corporate one in that it aims to increase product and brand awareness and does not seek to function as a substitute for advertising. Sales objectives are the third group, and, even if companies hope to achieve short-term improvement in sales through sponsorship, its limitations are very similar to those of other components of the marketing

Figure 3: Sponsorship effects (Meenaghan, 2001b)
communication mix. Media coverage is the fourth group and is a common strategy used by the tobacco and alcohol industries. Recently, due to social media, the scope of media-based sponsorship has expanded (Do, Ko and Woodside, 2015). Guest hospitality is the fifth objective. And, finally, there is the sixth, a personal objective, referring to when strong personal interest on the part of top management is the key reason for the selection of a certain sponsorship (Meenaghan, 1983).

Sponsorship is no longer seen as an incrementally exposing form of media. Rather, it has become an independent marketing tool, representing a strategic choice made by companies to expend less on paid media and more on existing promotional channels (Cahill and Meenaghan, 2013).

2.1.3 The extant literature in sponsorship
Most of the existing research on sponsorship has focused on sponsors’ perspectives rather than sponsees’ perspectives. Although this research aims to address the lack of knowledge about sponsees’ perspectives, as background it is first necessary to examine and understand sponsors’ perspectives. After all, both the sponsor and sponsee are central players in any sponsorship arrangement. The number of and growth in investments related to sponsorship have led to increased interest in this topic over the last 15 years, resulting in more research on the factors that contribute to successful sponsorship (Nickell, Cornwell and Johnston, 2011). More than 300 papers on sponsorship have been written over the last decade, indicating heightened interest in the academic study of sponsorship, similar to that which already exists for investments in other marketing platforms (Cornwell and Humphreys, 2013). However, there have only been 186 articles published in impactful journals (in this
case, I define impactful as being a journal with an impact factor of more than 0.5) (Reuters, 2015) as of 2016. Several streams of research were identified in these papers, some with well-developed and rich accumulated bodies of knowledge; others with only one or two studies.

Many sponsorship-related themes have been explored in the literature. Examples include guest hospitality and brand awareness, which have lately also been suggested as important criteria to be considered by managers when allocating budgets (Scott, 2015). Crimmins and Horn (1996) and Thjømøe, Olson and Bronn (2002) have studied the personal motivation of a sponsor’s management, which is seldom irrational, in the selection of sponsees. However, to provide an overview of the most important academic research done on sponsorship, an analysis of 186 papers published in the top 106 journals that have an impact factor of greater than 0.5 (Reuters, 2015) is presented. In this section 186 papers are cited that mention “sponsorship,” “sponsor,” “sponsored,” and/or “sponsee” in their titles and/or abstracts (referring to the concept of sponsorship previously identified) (Meenaghan, 1983; Sandler and Shani, 1989; Cornwell, 1995; Sponsorship.com, 2000).

The main players in the sponsorship process are the sponsor (and the sponsor’s brand), the sponsee and attendees, customers or consumers. The sponsor’s brand leverages the image of the sponsee, hoping to influence consumers’ perceptions of their brand. The papers examined in this literature review are conceptually organised with reference to these key players and concepts into two groups:
- The participants in the sponsorship process: the sponsor and the sponsor’s brand, the consumers and the sponsees; and

- The outcomes of sponsorship: brand awareness, brand image, attitude towards the sponsor, and purchase intention.

Because of the emphasis of the majority of existing research, these two groups of literature focus primarily on the sponsor’s perspective. Understanding this research is necessary in order to inspire any theory building of the sponsees’ perspective and to highlight gaps in knowledge in terms of the sponsees’ perspective.

The literature review concludes with a synthesis of all of the impactful research previously conducted on arts sponsorship, which is the context of study for this thesis. This is followed by an overview of the gaps in the research, particularly in relation to the viewpoints of sponsees, the arts industry, and the sponsorship process.

2.2. Participants in sponsorship

2.2.1 The sponsor

Sponsors are largely modern companies with strong market orientations that seek to build regional or global brands (Andrews, 2016) and see sponsorship as a holistic tool to integrate within their marketing strategies. Increasingly, they prefer to become sponsors instead of advertisers because it is more contemporary. Being sponsors requires the use of advanced techniques, such as social media, and more sophisticated ways of measuring outcomes (Meenaghan and O’Sullivan, 2013).
The companies that invest in sponsorship in the U.S., the biggest sponsorship market (Andrews, 2016), and can serve as examples, are listed by category and in alphabetical order.

Auto
Bank
Beverages
Chemicals
Business Tech
Consumer Tech
Credit Card
Food
Fuel
Insurance
QSR
Retail
Sport Apparel
Telecom
Travel

According to Crimmins and Horn (1996), these companies invest in sponsorship programmes following a specific six-step process that includes the following stages. First, the company must identify a clear target and message, whether it is about its brand, its function or its image. Second, the company must ensure that congruence exists between the sponsee and the marketing objectives. An example could be ensuring that the sponsee’s audience demographic is the sponsor’s target market.
Third, sponsors should begin publicly aligning with the sponsee well in advance of a sponsored event. Fourth, once congruence is ensured, sponsors should forge a link between the audience and the brand using every touch point and opportunity for communication. Fifth, sponsors should articulate a strong message to the target, making it clear how sponsorship benefits them without leaving room for misinterpretation. Sixth, sponsorship messaging must be memorable and create an impact. A specific campaign must be developed to create a link with the audience, which may otherwise not perceive the intended level of awareness of and behaviour towards the sponsor (Herrmann, Kacha and Derbaix, 2016)

However, despite general agreement on the brand benefits of awareness and image building (Gwinner, 1997) that are derived from sponsorship, becoming a sponsor is extremely challenging. For example, the increased costs of sponsorship programmes have made them less appealing to stock markets (Mazodier and Reezae, 2013). Also, title sponsorship has been blamed for increased market-clearing fees (Clark, Cornwell and Pruitt, 2009), meaning that it forfeits the financial benefits offered by sponsorship. Sponsors face a challenge in being specific about brand dimension through their choice of sponsees (Grohs, 2016) seeking congruence (a degree of similarity between the sponsored entity and sponsor), which may enable consumers to make more reasonable and less intuitive decisions (Zdrakovic and Till, 2012). A sponsor’s perceived sincere behaviour is the key driver that motivates consumers to purchase their products (Meng-Lewis, Thwaites and Pillai, 2013), a perception that is best conveyed by not demonstrating overtly
commercial behaviour (Deitz, Myers and Stafford, 2012) and maintaining a horizontal relationship with the sponsee (Farrelly and Quester, 2003).

These challenges are real, but still sponsors keep investing steadily (Andrew, 2015), with a preference for sports, which is uniformly considered the most important category. Yet despite fan support for particular teams and consequent purchase intention, sport sponsorship is losing its lustre. Increased ticket costs, player misconduct, team relocation and player strikes have contributed to a decline in fans’ positive attitudes towards sponsors (Madrigal, 2001) and made companies question whether this is the best approach for future development (Thwaites, 1995).

Furthermore, sponsors are not engaging at a regional level, but increasingly are engaging in global campaigns that require a networking approach to the overall initiative (Olkkonen, 2001). In some cases, the sponsor has its own global network ready to use. One example is the Spanish global bank BBVA (Banco de Bilbao, Vizcaya Argentaria), which communicates with consumers via a screen installed in ATM machines, reaching 42,000 users a week without the use of any traditional advertising methods (Sponsorship.com, 2014b).

Those companies that use sponsorship on an international scale must consider even more carefully the complexity of the effects of sponsorship because, depending on customer nationality, cultural elements may influence the outcome of a sponsorship initiative (Lee, Sandler and Shani, 1997). Thus, successful global sponsors must implement country-specific strategies (Walraven, Bijmolt and Koning, 2014) because country-of-origin effects are context-specific (Ruth and Simonin, 2006), a dimension
that may persuade sponsors to view sponsorship of a local team as more beneficial in promoting local sales than sponsoring a foreign team (Meng-Lewis, Thwaites and Pillai, 2013).

Despite the challenges, sponsors still invest in sponsorship (Andrews, 2015) knowing that consumers appreciate the sponsors’ role in financing an event and for the increased consumers’ learning outcome resulting from the sponsorship initiative (Becker-Olsen, 2003).

2.2.2 The sponsor’s brand

In the past, when companies were faced with difficult decisions in managing a brand, sponsorship was considered one of several communication strategies rather than a valid strategic management tool in its own right (Gwinner, 1997).

More recently, marketers’ views of sponsorship have evolved and they no longer consider it just another form of advertising that focuses exclusively on brand awareness and image (Becker-Olsen, 2006). For sponsorship, it is good news that advertising is generally perceived negatively, as self-serving and intrusive. Consumers often consider advertising banners more annoying than sponsored content advertisers (Becker-Olsen, 2003). Furthermore, sponsors not only provide the platform for or at least partially support an event, but sponsorship also supports the perception that an event is held for the audience’s pure enjoyment (Quester and Thompson, 2001). And, despite the fact that the cognitive effort required to understand sponsored content is more intense than that required for advertising
content, the sponsor is still perceived positively for the learning outcome associated with the sponsorship initiative (Becker-Olsen, 2003).

Because scholars have given such importance to advertising, sponsorship was not considered a subject of study until the 1980s (Meenaghan, 2001a). Prior to the 1980s, the lack of a clear distinction between sponsorship and advertising was due to the fact that they seemed to share many similarities. However, the differences between the two are crucial (Hastings, 1984). As stated, commercial sponsorship is considered to be beneficial to society; therefore showing a company’s human face lowers consumers’ resistance to commercial promotion and benefits the corporate brand. On the other hand, advertising is perceived ambiguously. It is seen as self-serving, not beneficial to society, and aimed only at selling product (Meenaghan, 2001a). Although there are differing perceptions of sponsorship and advertising, currently it is not clear whether similar levels of cognitive processes generate different levels of persuasion when provoked by pure advertising or sponsored content (Becker-Olsen, 2003).

Nowadays, sponsorship is believed to build brand meaning and customer affiliation, but only through specific experiential opportunities, such as activation (Cliffe and Motion, 2004). In fact, partnering with a sponsee alone is not enough to create brand meaning; sponsorship now involves leveraging activating activities (Nickell, Cornwell and Johnston, 2011; Farrelly, Quester and Burton, 2006; Cahill and Meenaghan, 2013) and association with a communication campaign in order to produce an impact (Crimmins and Horn, 1996). Communication is necessary, but it has to be aligned with the sponsor brand’s product category because it may inadvertently create new
associations between the sponsor’s brand and an event, which can distract attention from the sponsor brand’s product category (Ruth and Simonin, 2003).

How sponsorship actually works, however, is still under-researched. Repeated exposure to a brand name in certain event contexts may create stronger brand preferences (Walraven, Bijmolt and Koning, 2014), but there is no evidence to indicate that this has an effect on purchasing behaviour in general (Cornwell and Humphreys, 2013), except for consumers who have not previously purchased that particular brand (Papadimitriou, Kapanidou and Papcharalampou, 2015).

Sponsorship is a central driver for defining a sponsor’s brand strategy (Cliffe and Motion, 2004) especially for sectors that have a poor public image, such as the insurance sector (Yang and Ha, 2014), which, under the condition of sponsorship congruence, can enhance their brand equity through consumers’ perception of the brand name (Groza, Cobbs and Schaefers, 2012). For example involvement in corporate social responsibility (CSR) activities can have positive effects on a sponsor’s brand, as these activities boost brand credibility, resulting in improved consumer perception (Ulrich, Koenigstorfer and Groeppel-Klein, 2014), although they do not seem to influence a product’s quality and uniqueness (Dean, 1999), limiting the sponsorship impact to the brand and not the product (Cliffe and Motion, 2004).

Building on this, a sponsor’s brand image is processed based on information provided to the consumer in a holistic or analytical way (Kim, Stout and Cheong, 2012). Therefore, specific objectives for the image must be defined. For example,
the image of a high-quality brand should be supported by sponsoring a prestigious or exclusive sponsee. For a modern and fresh image, a sponsor should choose a sponsee with those characteristics. Research suggests that choosing inappropriate sponsees limits brand dimension specificity. Therefore a pre-/post-sponsorship analysis should always be conducted in order to confirm a sponsorship decision (Grohs, 2016). One key tool for evaluating potential congruence with a sponsee candidate is the ability to develop goodwill, which ranges from harmonic alignment, such as being headquartered in a particular region, to a more strategic and aggressive marketing or sales tool (Pappu and Cornwell, 2014).

Another measure of appropriate brand affiliation is the image associated with the sponsee among the brand’s target consumers. An image with no clear substitute, such as the Olympic rings or any unique artwork (Colbert, 2014) ensures an advantage over competitors (Jensen, Cobbs and Turner, 2016). Also referring to mass events, data show that the number of participants may have an effect on both brand awareness and brand image, and not just on awareness as previous research suggested (Woisetschläger and Michaelis, 2012).

To conclude, sponsors benefit from sponsorship through association with the sponsees’ brand, but it can also be true that the sponsee’s brand may take advantage of the sponsor. This issue will be revisited later when this review addresses the sponsees’ perspective.
2.2.3 Brand congruence

Central to branding and sponsorship are the concepts of brand image transfer and perceived congruence between sponsor and sponsee. Previous studies in this area have examined the impact of congruence or incongruence at very high, moderate or negligible levels. Brand image transfer works well when a sponsored event reflects congruence for the sponsor (Yang and Ha, 2014), and research suggests that transfer of association is primarily driven by congruence, which fosters consumers’ more reasonable and less intuitive decisions (Zdrakovic and Till, 2012). This is why congruence is considered an important construct in pairing a sponsor and a sponsee. Congruence may predict the outcome of a sponsorship initiative (Olson and Thjømøe, 2011), specifically as a useful predictor of brand awareness (Walraven, Bijmolt and Koning, 2014). Congruence also contributes to processing fluency, in which aesthetic pleasure is thought to be part of the processing dynamics that facilitate decision-making and recognition (Cornwell, 2008; Chien, Cornwell and Pappu, 2011).

In general, congruence occurs when a sponsor’s brand is positively and integrally associated with a sponsee’s product category. For example, the McDonald’s fast-food restaurant chain might work well as a sponsor of the Olympic games given that both are global brands. But McDonald’s perceived link to obesity makes it a poor match for congruence with a sports event. Congruence in sponsorship relationships should always ensure that there is a level of similarity between the partners (Pappu and Cornwell, 2014) because sponsoring a congruent sponsee can be extremely
useful in improving the images of firms that lack consumer trust and/or those who are associated with scandals (Rifon et al., 2004).

For a sponsorship portfolio, using congruency criteria is also useful for specifically identifying the categories that sponsees belong to. For example, the Rugby World Cup and Greenpeace shows a higher level of congruence than the Rugby World Cup and the Red Cross would because Greenpeace are considered “rainbow warriors,” implying that they share some similarity with rugby players’ ruggedness (Chien, Cornwell and Pappu, 2011). Each sponsee generates a specific outcome. Sponsoring a team encourages fan identification with the sponsor and simultaneously targets a larger number of supporters, while investing in a charitable event will foster image transfer and goodwill development (Cornwell and Coote, 2005). Attributing altruistic motives to a sponsor to strengthen its credibility in the eyes of consumers (Rifon et al., 2004), enhancing memory recall (Rodgers, 2004), and predicting the stock market’s acceptance of a listed company’s new sponsorship agreement (Clark, Cornwell and Pruitt, 2009) are all outcomes of congruence.

Context can determine two classes of congruence: functional congruence and image congruence. The two terms are mutually exclusive; in fact congruence does not seem to be multidimensional and should thus be compartmentalized (Prendergast, Poon and West, 2010). At the extremes, a product shares functional similarities with an event when the product is (or potentially could be) used in the event. A product shares image similarities when the image of the event is related to the image of the product (Gwinner, 1997). Functionally congruent sponsorship, based on the audience’s thinking processes, occurs when “the sponsor’s product is intrinsically
aligned with the event.” As a result, functional congruence seems to have a positive impact on communication outcomes but not on consumers’ purchase intentions, and it is limited to the cases of sponsors that offer “thinking” services, such as consulting companies (Prendergast, Poon and West, 2010). In contrast, image congruence is based on the audience’s emotional processes and occurs when the image of the sponsee is relevant to the image of the brand. An example would be a luxury brand sponsoring a luxury event. The latter seems to have a positive impact on communication and also on consumers’ purchase intentions but only for sponsors that offer “feeling” services, such as restaurants (Prendergast, Poon and West, 2010). Later studies indicate that image congruence improves when a sponsor and sponsee share high functional similarity (Kwon, Ratneshwar and Kim, 2016).

Furthermore, the global dimension of sponsorship generates a new national or regional dimension of congruence (Groza, Cobbs and Schaefers, 2012), so therefore congruence can be category-specific, referring to functional, national or image, or target-specific, referring to sponsors which provide thinking or feeling services.

Some studies have examined situations when only incongruent sponsors are available to the sponsee. In some instances a sponsee may be forced to accept an incongruent sponsor for budgetary reasons. In such cases, extra spending should be allocated to the sponsorship in order to generate perceived congruence in the eyes of consumers (Becker-Olsen, 2006), and enhanced communication, which is already instrumental in sponsorship (Crimmins and Horn, 1996), should be used. A communication campaign can improve consumers’ beliefs about a sponsor, and
thereby improve (Madrigal, 2001) or at least reduce the negative impact of incongruence on consumers’ attitudes (Simmons and Becker-Olsen, 2006). It is the role of the sponsors' managers to help an audience make sense of an incongruent sponsorship programme through positive messaging regarding the sponsor’s brand (Dean, 2002), although Becker-Olsen (2006) suggests that developing the message should be only sponsees’ work.

Another variable that may reduce incongruence is time. There is evidence that an incongruent sponsorship may become congruent over time (Woisetschläger and Michaelis, 2012), so time is a possible vehicle for improving brand affect in consumers’ minds (Nickell, Cornwell and Johnston, 2011). In fact, negative congruence before an event can evolve into positive brand image after the event (Woisetschläger and Michaelis, 2012), but if adequate time is not available, a sponsee may opt to quickly add a second sponsor to promote favourable evaluations and lessen the negative impact of the first sponsorship deal (Ruth and Simonin, 2006). This confirms the popular wisdom that long-term sponsorship relationships may improve perceptions of brand equity (Cornwell, Roy and Steinard, 2001), but only if supported with further stimuli that maintain brand affect, traditionally high only in the early stages of incongruent sponsorship, also at later stages (Mazodier and Quester, 2014).

Although the bulk of prior research suggests that congruence is beneficial for communication outcomes, there is a school of thought that some incongruence provokes more cognitive effort on the part of the consumers, as they need to make more sense of an incongruent sponsorship programme (Deitz, Myers and Stafford,
Incongruent sponsorship arrangements can create a positive perception when consumers’ attention is strategically directed towards the sponsee’s cause (Menon and Kahn, 2003), and it may enhance brand affect for the sponsor (Mazodier and Quester, 2014) because the audience needs to somehow solve the incongruence perceived by emotionally linking to the brand. But in the view of Nickell (2011), only extreme levels of congruence or incongruence link to brand recognition, and brand affect may suffer or be neglected, as in the following imaginary example. If the fashion brand PRADA would sponsor NASCAR, a car race in the USA, this sponsorship will definitely be remembered because it is highly incongruent, but it will probably not impact the audience’s brand affect and/or purchase intentions.

Further studies suggest that consumers do not cognitively process incongruence. In fact, visual processing might be a tool to develop positive attitude despite an incongruent sponsorship. Visual supports such as logos may help consumers strengthen the link between the quality of the event with an enhanced attitude towards the sponsor (Close et al., 2015). In fact, the cognitive process can be likened to the visual process that visual consumers use to perceive the quality of an event. Brand managers should therefore pay attention to the target by carefully and strategically positioning their brand logo (Close et al., 2015). Together with exclusivity and emotive connection, visibility may help the audience understand what true sponsorship is. Visibility is guaranteed if the sponsor’s logo is large enough and well positioned enough to be clearly seen. With regards to emotive connections, any gift should have its own value and should not just function to promote a brand or to hard-sell advertising for the sponsor (Harvey, Gray and Despain, 2006).
In comparison to extreme levels of congruence-incongruence that lead to high levels of recognition, moderate levels of congruence may have greater impact on consumer attitude under two conditions. The first condition is expectancy, meaning that a brand is seen to act as a sponsor. The second condition is relevancy, which is determined by the congruence of the sponsor’s product category with the event (Fleck and Quester, 2007). In fact, when sponsors have to decide which target group will better elaborate their brand message, they should choose individuals closely associated with a sponsee because they may more easily consider sponsor motives and therefore identify a basis of congruence between the sponsor and event (Deitz, Myers and Stafford, 2012).

In contrast, there are also cases when sponsorship has no impact on any target group, such as when sponsorship does not take into account leveraging or activation activities (Cornwell and Johnston, 2011), very often because the budget for sponsorship is set without taking these extras into account (Farrelly, Quester and Burton, 2006), or because image congruence is leveraged for a “thinking” service and functional congruence for a “feeling” service. Because of this mismatch, neither seems to have any impact on communication outcomes nor on consumers’ purchase intentions (Prendergast, Poon and West, 2010).

2.2.4 The consumer

The consumer is neither a sponsor nor a sponsee, but a focus of sponsorship communication and behavioural outcomes. Sponsorship productivity refers to a cognitive, affective or behavioural change in consumers as a result of the sponsorship arrangement. Consumers may be influenced by a sponsorship because
they feel an affiliation with one or both parties in the sponsorship arrangement, or they may actually be directly engaged in sponsored activities such as sports and arts events. Art seems to favorably influence consumers' perception compared to an equally decorative non-art image (Hagtvedt & Patrick 2008a), furthermore visual art could be an alternative marketing tool to luxury and to its important strategic implications (Hagtvedt & Patrick 2008b).

This is an extremely powerful tool to improve consumers' attitude and purchasing intentions towards the sponsor’s brand (Close et al., 2006). While at an event, consumers need to be aware of the sponsor and actively engaged with the event in order to develop brand loyalty towards the sponsor (Sirgy et al., 2008). An example of how loyalty development is a relevant dimension in the sponsorship sphere is offered by O2, the above-mentioned telecommunications company operating in the UK, that has successfully reduced the level of “churn” (the number of customers switching to another telecommunications operator) amongst customers who actively engaged in O2-sponsored activities compared to those who did not participate (Cahill and Meenaghan, 2013). Being engaged with the consumers’ community seems to be so important that local ties are preferred to renowned international or global sponsee brands (Quester et al., 2013; Meng-Lewis, Thwaites and Pillai, 2013) because consumers who are involved with sponsored activities can easily recognise a sponsor that is engaged with them, but only if the sponsor is prominent. Otherwise a sponsor's involvement may not be completely clear (Wakefield and Bennet, 2010). The prominence of a sponsor does not impact first-time audiences that may have a
stronger will to engage with a new sponsor and to develop a positive attitude and stronger purchase intentions towards it (Sneath, Finney and Close, 2005).

Personal taste is a decision driver towards a sponsor’s product, but self-congruence also seems to have a significant impact when the consumer is active, enthusiastic and knowledgeable about the sponsor’s product (Close et al., 2006). Self-congruence occurs when the brand concept perceived by the consumer and her/his self-image is projected onto a product. This type of congruence can be related to the sponsor’s brand much more effectively via social media (Do, Ko and Woodside, 2015). Therefore, the personal taste and self-congruence of active, enthusiastic and knowledgeable consumers may change their purchase intentions towards a sponsor’s brand according to its clear commitment to corporate social responsibility (Close et al., 2006). If active involvement of consumers in the sponsored activity is desirable because it may reduce their self-perceived lack of congruence and also relate positively to attitudes transfer toward the sponsor (Meng-Lewis, Thwaites and Pillai, 2013), passive exposure to a brand is detrimental to the brand’s image (Grohs and Reisinger, 2014). Active customers who experience services, use public property or enjoy events may view them as their possessions, thereby generating a sense of extended self (Sartre, 1943), and this sense of extended self may enhance a sense of reciprocity towards a venue or an event and, by extension, towards the sponsor (Becker-Olsen, 2006).

Even consumers who are active, knowledgeable and enthusiastic rarely feel a strong passion towards a product. It is more likely that they will feel passion for a cause or event, which offers opportunity for a sponsorship programme to achieve a “sharing
of hearts” rather than just simple awareness (Madrigal, 2000). The event itself and interactions with other attendees can create a very powerful experience. However, attending a memorable event with few participants may negatively influence participants’ evaluation of the event (Gwinner, 1997), and brand awareness would likewise be negatively affected by the exposure of few consumers to the brand (Aaker, 1997). Consumers can be passionate and are more likely to improve their opinion of a sponsor that has actively participated in a community-related activity such as an arts event (Madrigal, 2000), confirming that sponsorship can be a powerful tool for engaging with customers (Close et al., 2006). For this reason, in addition to sponsorships, companies also invest in brand activation events that invite customers to register for sponsored activities so as to actively expose them to the company’s brand (Cahill and Meenaghan, 2013).

A sponsor that engages with consumers through an event burnishes its brand and may exert additional positive indirect impact on the audience’s purchase intention, if perceived as sincere (Meng-Lewis, Thwaites and Pillai, 2013); an indicator of a sponsor’s sincere motives is its perceived genuine relationship with the sponsee (Kyoum et al., 2011). Sincerity, together with sponsor-sponsee congruence, can be fostered by promotions that make public the level of congruence and the sponsor’s sincerity in supporting the sponsee (Speed and Thompson, 2000). It is a simple but not obvious strategy, given the lack of formal communication of a sponsor’s sincere motives to consumers (Rifon et al., 2004). A sponsor that promotes its financial contributions, such as scholarships, support for community-based programs and tickets for underprivileged groups (Deitz, Myers and Stafford, 2012), or sponsorship
of small, needy or worthy sponsees (Olson, 2010) positively contributes to consumers’ perception of the brand’s sincerity. The opposite is also true when a sponsor focuses on mass-market and famous sponsees (Deitz, Myers and Stafford, 2012) or demonstrates overtly commercial behaviour (Olson, 2010). In some situations, consumers negatively perceive corporate sponsorship, either damaging a company’s image or worsening an already poor company image (Javalgi et al., 1994).

Therefore, research advises managers to prevent any negative perception by investigating customers’ existing views before engaging in sponsorship programmes by pre-testing consumers’ attitude towards a possible sponsorship programme (Dean, 2002). For example, if a sponsor supports a charitable organisation with the sole intention of improving its own image, this may be perceived as self-serving. Consequences could range from candidates no longer seeking jobs with the sponsoring company to investors ceasing to invest in the firm to consumers abandoning its products to general negative word-of-mouth comments about the firm. Pre-testing can also establish whether the target audience perceives a sponsor as sincere (Olson, 2010) and can allow potential sponsors to predict how many consumers they may reach through a sponsorship programme (Gwinner, 1997). Target consumers could also be internal to the sponsor company. Employee satisfaction, particularly at the corporate HR level, may be bolstered by sponsoring an event or cause that employees are passionate about, so it is important that corporate decision-makers take into account not only the opinions of consumers but also those of their employees (Cliffe and Motion, 2004).
Having examined sponsors and consumers as participants in sponsorship programmes, I now turn attention to the third main player: the sponsee. This discussion, in particular, examines the factors that make the relationship between sponsor and sponsee successful, the challenges for sponsors and sponsees (particularly in the arts sector), and why these challenges exist.

2.2.5 The sponsee

This research confirms that the sponsorship literature has overwhelmingly focused on sponsors. The small amount of research previously mentioned that refers to sponsees is from the sponsor’s perspective and mainly highlights the importance of sponsee sacrifices (Cobbs, 2011), service to sponsors (Herrmann, Kacha and Derbaix, 2016), better proposals to sponsors (Athanassopoulou and Sarli, 2013) and how sponsor-sponsee relationships are perceived as being more beneficial for sponsors (Cornwell and Humphreys, 2013; McAlister et al., 2013). In the 186 papers reviewed in this study, using the syntactic research tool of the software ATLAS.ti, I found that the words “sponsee,” “property,” and “sponsored” together appeared only 3479 times, just 20 per cent as often as the word “sponsor” was used in the sponsorship literature reviewed.

Although sponsees’ responsibilities to sponsors have been investigated, despite the progress and the level of sophistication achieved in the research of sponsorship, it appears that research on sponsees has remained static, as if nothing has changed over time (Farrelly and Quester, 2005b).
The website sponsorpitch.com (2014) identifies and classifies companies and organizations that engage in sponsorship on a yearly basis, listing 4,530 worldwide sponsors in 33 categories and 5,265 sponsees that are subdivided into 19 groups (Table 1). The list cannot be fully representative of what takes place at every single sponsored event, but it certainly reflects the major trends in sponsorship.

<table>
<thead>
<tr>
<th>Type of Sponsees</th>
<th>Events</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports</td>
<td>2675</td>
<td>50.81</td>
</tr>
<tr>
<td>Fair and festival</td>
<td>879</td>
<td>16.70</td>
</tr>
<tr>
<td>Education</td>
<td>455</td>
<td>8.64</td>
</tr>
<tr>
<td>Music</td>
<td>252</td>
<td>4.79</td>
</tr>
<tr>
<td>Non-art Museum</td>
<td>176</td>
<td>3.34</td>
</tr>
<tr>
<td>Art Museum</td>
<td>25</td>
<td>0.47</td>
</tr>
<tr>
<td>Cause</td>
<td>198</td>
<td>3.76</td>
</tr>
<tr>
<td>Trade Groups &amp;</td>
<td>133</td>
<td>2.53</td>
</tr>
<tr>
<td>Fashion</td>
<td>103</td>
<td>1.96</td>
</tr>
<tr>
<td>Digital Content</td>
<td>84</td>
<td>1.60</td>
</tr>
<tr>
<td>Theatre</td>
<td>73</td>
<td>1.39</td>
</tr>
<tr>
<td>Media &amp; Networks</td>
<td>57</td>
<td>1.08</td>
</tr>
<tr>
<td>Municipal Sponsees</td>
<td>53</td>
<td>1.01</td>
</tr>
<tr>
<td>Gaming</td>
<td>31</td>
<td>0.59</td>
</tr>
<tr>
<td>Theme Parks</td>
<td>27</td>
<td>0.51</td>
</tr>
<tr>
<td>Social Networks</td>
<td>18</td>
<td>0.34</td>
</tr>
</tbody>
</table>

Table 1: Distribution of sponsee types (Source: Sponsorpitch.com, 2014)

Sports sponsorship in 1 makes up half of all sponsorships. Mazodier and Merunka (2012) indicated that in 2010 sports accounted for 68% of the sector’s global spending. Sponsorship.com (2016a) assigned 70% of North American sponsorship spending to sports in 2016 (Figure 4). These data confirm a decrease from sports’ 80% share in 1995 (Thwaites, 1995) and suggest that other sponsorship categories
such as arts are becoming popular. Yet while sports sponsorship may be losing share, it has not declined in growth. In 2012, it had a growth rate of 5.1% (almost double that of arts sponsorship (Sponsorship.com 2013a).

Sponsees have to be knowledgeable about what they can offer their sponsors and endeavour to establish stronger emotional bonds with their audiences, as this is the unique strength of sponsorship. One of the distinguishing selling points of sponsorship is that it can establish that bond with a sponsor’s global brand and not just a sub-brand or a product, as advertising does (Harvey, Gray and Despain, 2006). Therefore, sponsees should be very proactive in recommending ways to enhance the outcomes of sponsorship programmes (Farrelly, Quester and Burton, 2006). Merely being commercially aligned with the sponsor is not sufficient; sponsees must seek strategic opportunities together with the sponsor rather than demonstrating the opportunistic behaviour that very often results in termination of contracts (Farrelly and Quester, 2005b). This is a challenge for sponsees since the
Sponsorship matching process is complex and unbalanced as evidenced by the privileged position of the sponsor, which typically receives proposals while it is exclusively the sponsee team’s job to make proposals (Athanassoupolu and Sarli, 2013). Sponsees generate, prepare and communicate new sponsor targets through market research and sponsor screening. Thus, the first stage seems to be the sponsee’s responsibility, while the final decision lies with the sponsor’s top management, a post hoc situation that often characterises the final direct commitment by top management (Amis, Slack and Berrett, 1999). In contrast to this model, it seems that major sponsors are modifying their view of sponsorship from merely an opportunity for exposure to an experiential tool that can be used to engage consumers. Sponsees should take advantage of this shift by trying to change the relationship dynamics (Harvey, Gray and Despain, 2006).

Sponsees that perform well attract the best sponsors and ignite a cognitive process that generates strong feelings for the sponsor’s brand in consumers’ minds (Wakefield and Bennet, 2010). Farell and Quester (2005b) explain that sport, for example, is a “potent alliance between those who market sport with those who market through sport.” Despite the power of sponsorship alliances, sponsees, including sports sponsees, still face the challenge of measuring sponsorship outcomes. Some 86% of corporate sponsors require validated results from a sponsorship agreement (Sponsorship.com 2012), and there still remains a need to understand how results should be measured (Meenaghan and O’Sullivan, 2013). There is a perception that the effects of most sponsored events remain unmeasured (Cornwell and Humphreys, 2013). The problem is a lack of consensus between
sponsorship professionals regarding the metrics used to evaluate the outcomes of sponsorship. The focus on sponsorship awareness and how a brand is lodged in an audience member’s memory has to be reconsidered (Meenaghan and O’Sullivan, 2013). Because of the lack of generally accepted sponsorship outcome measurements, some sponsorship professionals have started trusting the efficacy of finance-developed methodologies that may help to answer key questions concerning the overall value of major marketing programs and provide input on the best approach for measuring sponsorship outcomes (Cornwell, Pruitt and Clark, 2005).

Whereas U.S. sporting events are operated mainly by professionals interested in generating greater profits, European sporting events are traditionally run by non-professionals and funded by states (European Commission, 1999). This may explain why U.S. sporting events first developed sponsorships and why in 2010 U.S. sponsorship spending accounted for 34% of the global total (Sponsorship.com 2011; O’Reilly and Seguin, 2011; Mazodier and Rezae, 2013)

Others sponsorship professionals use both unprompted and prompted responses to gauge audience awareness. The unprompted approach asks audience members to identify the sponsor, in some cases with the help of a list. The prompted approach provides respondents with the sponsoring brand’s name and then asks for a confirmation. This approach may be unreliable due to educated but insincere positive responses (Meenaghan and O’Sullivan, 2013). Further to the lack of a commonly accepted method for gauging awareness, the methods used previously have been used to know more about the sponsor’s brand recall but not specifically about the sponsee’s brand.
Among the sponsee services most valued by sponsors are support in measuring return on investment (ROI) and return on objectives (ROO) as well as findings on audiences’ purchasing intentions (Kotler and Scheff, 1997). Most sponsor preferences concerning services relate to audience, and specifically audience intentions. Therefore, if a sponsee knows its audience’s tastes and demographics, a sponsor would find this useful, as suggested by Kotler and Scheff (1997). In fact, if a sponsee has information regarding consumer purchase intent, it can use this to recruit new sponsors (Cornwell and Coote, 2005). Sponsor preferences regarding services offered by sponsees are shown in Table 2.

Although this table refers to sponsors, it confirms that sponsees need to know their audiences in order to serve sponsors. A high level of identification with the audience can also help attract new sponsors and act as a catalyst in developing positive consumer impressions of a sponsor (Herrmann, Kacha and Derbaix, 2016).

Identification also seems to have an effect on purchase intent, and this makes it even more useful as a marketing tool for sponsees. Sponsees can use audience bio data to help optimise the identification campaign.

For example, cancer patients may require less effort in terms of promoting identification since they already identify with any cancer-related event (Cornwell and Coote, 2005). Moreover, if identification with the sponsee is perceived as a group norm, purchase intention seems to increase (Madrigal, 2000).
Sponsor’s Preferences | Percentage of Sponsor’s preferences
--- | ---
Assistance in Measuring ROI/ROO | 42%
Research on Audience’s Propensity to Purchase | 42%
Research on Audience’s Recognition/Recall | 34%
Research on Audience’s Attitude/Image | 32%
Post-Event Report/Fulfilment Audit | 32%
Leveraging Ideas | 25%
Audience Contact Information | 21%
Research on Audience’s Buying Habits | 18%
Third-Party Evaluation Statement | 13%
Tracking of Promotional Offers | 12%

Table 2: Sponsors’ preferences regarding sponsee-provided services (Sponsorship.com 2014d)

Sponsors expect excellent sponsee service as well as superior value from the sponsee itself (Farrelly and Quester 2004). This is normally a result of the sponsee’s market orientation and well-defined modus operandi, but the sponsor’s own market orientation influences the trust and commitment to a relationship. Therefore, a sponsee should thoroughly investigate a sponsor before selecting it (Farrelly and Quester 2004). Table 3 indicates that the highest priority sponsors seek is category exclusivity as it ensures the inimitability of the resource that the sponsee may supply. This goes beyond the sponsee’s services provided and shown in Table 2. This inimitability ensures that no competitor can simultaneously self-associate with the sponsee (Jensen, Cobbs and Turner, 2016).
<table>
<thead>
<tr>
<th>Sponsors’ desired Sponsorship Output</th>
<th>Percentage of Sponsors’ preferences Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category Exclusivity</td>
<td>58%</td>
</tr>
<tr>
<td>On-Site Signage</td>
<td>43%</td>
</tr>
<tr>
<td>Broadcast Ad Opportunities</td>
<td>42%</td>
</tr>
<tr>
<td>Rights To Sponsee Marks And Logo</td>
<td>41%</td>
</tr>
<tr>
<td>Title Of A Proprietary Area</td>
<td>31%</td>
</tr>
<tr>
<td>Access To Sponsee Content</td>
<td>30%</td>
</tr>
<tr>
<td>Spokesperson/Access To Personalities</td>
<td>28%</td>
</tr>
<tr>
<td>Tickets And Hospitality Access To Sponsee</td>
<td>27%</td>
</tr>
<tr>
<td>Mailing List/Database</td>
<td>25%</td>
</tr>
<tr>
<td>Right To Promote Co-Branded Products/Services</td>
<td>23%</td>
</tr>
</tbody>
</table>

Table 3: What sponsors want from partners (Sponsorship.com 2014d)

Table 3 indicates a preference for features that go beyond mere visibility. The talents and personalities associated with sponsees are considered to be much more beneficial, together with access to their databases (Sponsorship.com 2014d).

Sponsors have specific requests; therefore sponsees must know what they want. To provide information regarding how consumers perceive a given event, organizers/sponsees might take it upon themselves to conduct polls or studies and use the results to recruit potential sponsors, optimize sponsorship initiatives, ensure they do not find themselves strangers at their own events (Gwinner, 1997), and avoid losing independence by being absorbed in a greater communication campaign orchestrated by the sponsor (Walliser, 2003).

Building on this, the sponsee-sponsor relationship should not be vertical, i.e., in which the sponsee has little power to influence the sponsor’s behaviour, like that
between a supplier and reseller. Rather, it should be a horizontal relationship based on trust, a very influential factor in ensuring mutual cooperation in the sponsorship relationship (Farrelly and Quester, 2003), and on commitment, which can help in predicting renewal contracts (Farrelly and Quester, 2004).

When a company decides to invest in a sponsorship, it should consider the level of commitment that exists in its target market toward the sponsee (Madrigal, 2001). The opposite may be true for a sponsee. Beyond the need to know its audience (Gwinner, 1997; Cornwell, Pruitt and Clark, 2005; Herrmann, Kacha and Derbaix, 2016) a sponsee should consider its audience’s reaction to the sponsor and know the sponsor beforehand (Kotler and Scheff 1997; Farrelly and Quester, 2004; Cornwell and Coote, 2005).

Considerable research has been done on sponsors and consumers involved in sponsorship programmes. Much less research has been done on sponsees, and what research has been done has tended to focus on how sponsees can better support their sponsors. No consideration has been given to the interests of sponsees and how sponsees should go about selecting sponsors that best serve their interests. More research is needed in this area.

**2.2.6 Sponsorship relationship**

Sponsorship services are considered complex business-to-business, relationship-based processes (Athanassoupolu and Sarli, 2013). Sponsorship complexity has been mentioned previously (Meenaghan, McLoughlin and McCormack, 2013); however, it is important to address the structural and situational triggers that
positively or negatively influence a sponsorship relationship over time as these may damage or cause a decline in the relationship between sponsor and sponsee. Sponsorship managers often take the possibility of a relationship fading for granted. In order to prevent fading, they could establish a reciprocal exchange not just in the form of contracts but also in cooperative activities beyond contract clauses (Olkkonen and Tuominen, 2008).

The longer the relationship between sponsor and sponsee, the better, as long-term relationships enhance the spontaneous memory effect (Cornwell and Humphreys, 2013). For example, when a new incoming sponsor B takes over an event that has for a long period of time been associated with sponsor A, the audience still tends to associate the event with sponsor A. The new sponsor should be especially pro-active in tracking how customers perceive the new relationship (Cornwell and Humphreys, 2013; McAlister et al., 2013).

Cooperation should be emphasized from the beginning because too often little effort is dedicated to the initial matching process, when partners who have not exchanged knowledge first meet. For example, in the case of the UBS/Team Alinghi alliance, both partners’ reciprocal exchange of knowledge occurred only at a later stage of the partnership between the two organizations, implying that the alliance was forged without a clear plan of how it was going to function (Urriolaigotia and Planellas, 2007). This defeats the need to know the target and the partner principle (Gwinner, 1997; Cornwell, Pruitt and Clark, 2005, Herrmann, Kacha and Derbaix, 2016, Kotler and Scheff, 1997, Farrelly and Quester, 2004; Cornwell and Coote, 2005). Olkkonen and Tuominen (2008) discuss the importance of information exchange and the way
information is communicated. He notes that partners should allocate adequate human resources to communications; too little may stymie the relationship but too much could lead to relationship fade, especially in the case of a cultural sponsorship which is not the sponsor’s the core competence. A suggestion from Athanassoupolou and Sarli (2013) indicates that new deals have a greater chance of being successful if a semi-formal approach is used by both sides.

Measuring the audience’s levels of awareness regarding a sponsorship programme over time shows a likely increase and a frequent peak in the second year of sponsorship, leading to the conclusion that sponsorship deals should last at least two years (Walraven, Bijmolt and Koning, 2014). In contrast, once a sponsorship contract is signed, investments in promotional activities should start immediately and should be co-managed by both the sponsee and sponsor (Crimmins and Horn, 1996). This is particularly important in event sponsorships. Co-management serves as a measure of long-term sponsorship commitments (Chadwick and Thwaites, 2005). Investments made by a sponsor indicate commitment (Farrelly and Quester, 2005a) and are important in predicting intention to renew a contract, unlike trust which has been described as a variable that only helps to ensure cooperation in a relationship (Farrelly and Quester, 2003).

Apart from requiring time, as stated above, sponsorship relationships require sacrifices from the sponsee, especially when it is a sponsor-dominated vertical relationship (Farrelly and Quester, 2004). Sponsees may sacrifice their network positions to develop a relationship-marketing agenda that incorporates sponsors into
their networks, compensating for the dispersion of social capital with the benefits offered by the relationship (Cobbs, 2011).

Another challenge in sponsorship involves management of a losing team because, while such a team may no longer incentivise purchase intention, the sponsor cannot simply just pull out of the contract. One proposed strategy is to increase the level of team identification among consumers and trying to make them avid fans of the losing team (Ngan, Prendergast and Tsang, 2011).

However, there is disagreement about whether a winning team or a sponsee’s general appeal provides sufficient motivation for a sponsorship. The outcomes of sponsorship programmes must be carefully planned as bidirectional corporate relationships with, ideally, long-term orientation (Chadwick and Thwaites, 2005). The sponsorship “halo effect” that was considered a guarantee of positive reflection on a brand seems to have been replaced by more modest objectives of brand awareness and goodwill (Dean, 1999). Only active management can succeed in distinguishing a brand from its competitors and adding financial value (Cornwell, Roy and Steinard, 2001). The same applies when a sponsor is replaced. An incoming sponsor may suffer from consumers recalling the previous one if it does not actively make the new sponsorship event unique (McAlister et al., 2013).

Although a bidirectional relationship is desirable, another obstacle to double direction is the ego of a sponsor’s top management (Crimmins and Horn, 1996). This may be a critical consideration for companies that engage in sponsorship, as it can impact the objective evaluation of sponsorship results. An irrational sponsee
selection process, which relies on personal connections as criteria, may lead to embarrassment if the results of the sponsorship are disappointing (Thjømøe, Olson and Bronn 2002). Cooperation is a key building block of customer affiliation, but is not enough without activation (Cliffe and Motion, 2004). Data suggest that 30% of sponsorship fees should be invested in activation activities, as extra collateral investments and leverage are instrumental in distinguishing a sponsor’s brand from those of its competitors (Cornwell, Roy and Steinard, 2001). Brand managers understand the importance of activation and can become frustrated if they cannot activate for lack of budget (Farrelly, Quester and Burton, 2006), especially when they face the challenge of defining the brand personality for each sponsee from the target client’s point of view before making a sponsorship decision. The decision seems to focus mainly on congruence and assessing whether the sponsee’s personality is in harmony or in conflict with the sponsor’s goals (Cornwell et al., 2006).

In the case of an incongruent relationship, sponsee marketing managers with no option but to accept the sponsorship of a poorly perceived company may compensate by giving greater weight to financial considerations over concerns regarding perception and reputation (Ruth and Simonin, 2003). Pruitt, Cornwell and Clark (2004), whose studies have revealed that sponsors increased their wealth to over US$300 million after new sponsorship contract announcements, suggests that financial considerations are extremely important in sponsorship partnerships. To support this view, Cornwell, Pruitt and Clark (2005) reports a US$257 million increase in a sponsor’s stock price after sponsorship announcements and benefits for sponsored products. Renewal announcements are not as profitable for
shareholders as initial announcements (Mazodier and Reezae, 2013), making long-term contracts less appealing from the shareholder point of view, although they are beneficial for both the sponsor and sponsee’s brands (Becker-Olsen 2006; Cornwell and Humphreys, 2013; McAlister et al., 2013). Furthermore, sponsorship announcements are not equivalent. For example, providing sponsorship for premier leagues has a greater effect on consumer perception than sponsorship of discontinuous events such as the Olympic Games. Consequently, the latter are considered poor marketing investments (Deitz, Evans and Hansen, 2013). In disagreement, Jensen, Cobbs and Turner (2016) found that Visa, the credit card company, increased awareness, market share and global perception relative to American Express thanks to its Olympic sponsorship. In fact, stock markets seem to react negatively to sponsorship announcements unless the three variables of event differentiation, sponsor’s country and sponsee category are taken into consideration (Mazodier and Reezae, 2013).

All of the situations and motivations discussed here indicate the need to move toward a sponsorship relationship that creates value for all parties (Farrelly, Quester and Burton, 2006). This does not refer to the overall performance of the relationship, such as its impact on target consumers, objectives and marketing strategy, but to reduced inequity in sponsor-sponsee interactions. A sponsee might perceive inequity due to a vertical relationship with the sponsor (Farrelly and Quester, 2004), and sponsors may blame a sponsee for being too passive when they feel that opportunities for branding are lost. As a result, the sponsee may be excluded from
key decisions, including discussions about renewal of the contract (Farrelly and Quester, 2005b).

A problem in the sponsor-sponsee relationship may also arise from outside the sponsorship partnership. An example is ambush marketing, defined by Meenaghan (1996) as when “another company, often a competitor, intrudes, thereby deflecting attention to itself and away from the sponsor.” This can lead to a competitor’s brand being associated with an event despite not having a relationship with the sponsee (Farrelly and Quester, 2005c). An ambusher can attract attention simply by displaying an advertisement that features mountains and snow, suggesting that the ambusher’s brand sponsors the Winter Olympics without this actually being the case.

Preventing this behaviour is becoming easier. For example, the International Olympic Committee (IOC) has an anti-ambush policy, and there are laws to protect bona fide sponsors. But sponsorship experts suggest that brand managers need to maintain a high level of involvement with a sponsored event, from passively monitoring to actively leveraging it. In general, ambush attacks will not come in an anticipated form, so managers need to expect the unexpected. This applies to both competitors and sponsees, as the latter may not keep their word and governments are not always supportive (Meenaghan, 1996).

Generally, customers do not care about clashes between brands, so overreaction on the part of brand managers is not supported by customers. Instead of being reactive to ambush, brand managers can be proactive in activating the sponsorship
behaviour that has, furthermore, a greater impact over the sponsorship outcome overall (Pitt et al., 2010). A sponsor that is overly aggressive in defending its rights from an ambusher can undermine the consumer’s perception of the sponsor’s sincerity in partnering with the sponsee (Speed and Thompson, 2000). This is a difficult topic to address, as consumers may develop negative attitudes toward an ambushing brand, but there is no evidence that these translate to generating brand-related behaviour against ambusher brands (Cornwell and Humphreys, 2013).

Problems may arise also when sponsors or sponsees behave unethically or ignore tenets of a sponsorship’s code of conduct (Klincewicz, 1998). Also, transgressions by sponsored athletes—whose behaviour cannot be controlled by sponsors—can create major problems for a brand, although Wilson (2008) suggests that in some cases it may have a positive impact on the sponsor. In any case, an appropriate strategy must be implemented, such as a prevention programme that defines the code of conduct together with the sharing of behavioural information at the local and global levels. In addition, communication after the event should continue, and the brand manager’s relationship with the media maintained (Wilson Stavros and Westberg, 2008; Westberg, Stavros and Wilson, 2011).

Reduced fan reciprocity as a result of player misconduct can be improved by encouraging fan identification with the team. Examples of this include youth training camps and player appearances (Madrigal, 2001). Celebrity endorser scandals are problematic, but their effects can be minimized when consumers are highly identified with the celebrity. In general, consumers with high levels of brand commitment have a more positive attitude towards the brand and higher purchase intention (Um, 2013).
On the other hand, sponsee requests related to time or financial resources, which arise as a result of sponsees’ limited resources, are often considered excessive by sponsors, underscoring once again the disparity in priorities that characterises the sponsor-sponsee partnership (Becker Olsen, 2006).

2.3. Sponsorship outcomes

This research confirms that the sponsorship literature has overwhelmingly focused on sponsors, and although this can easily demonstrate the minimal interest researchers take in sponsees, I need to contextualise the sponsee concept within an academic framework to justify a robust and well-rooted introductory investigation into this subject. It seems that sponsorship research bridges sponsees as a conceptual context by implying that sponsorship is a partnership (Cornwell and Humphreys, 2013; McAlister et al., 2013), and therefore insights about the implications of sponsorship for sponsees can be deduced by examining literature that has studied sponsorship from the sponsor’s perspective.

Based on the sponsor’s perspective, Cornwell and Maignan (1998) and Walliser (2003) finalised their literature review of sponsorship by limiting the outcome of sponsorship to awareness, which remains the richest area of sponsorship outcome research, and image. Since then, two additional categories, attitude and purchase intention, have been taken into consideration in several papers. The findings are presented below, together with more recent learnings about brand awareness and image. As with the bulk of sponsorship research, however, these outcomes are mainly from the sponsor’s perspective. So as this literature review unravels, it becomes increasingly clear that research is needed from the sponsee’s perspective.
2.3.1 Brand awareness

Sponsors are interested in consumers’ recall of their brands (Cornwell and Humphreys, 2013), and this is why brand recall is an important outcome measure. It is one of the main measures of impact and is instrumental in understanding how people remember sponsorship communication (Cornwell et al., 2012). Although many agree that emotions generated by a sponsored event (Cornwell, 2008) can be measured by memory recall (Tripodi et al., 2003), sponsorship recall is a challenge since it is a complex process that requires a substantial degree of reconstruction (Johar and Pham, 1999). This arises because brand perception refers to the brand associations held in memory (Keller, 1993), which makes its measurement difficult. This complexity is amplified by marketing managers’ dual roles, since they are accountable for investment in both sponsorship and advertising to the same degree. Therefore, most managers opt for a surrogate measurement tool, such as recall, for evaluating sponsorship outcomes (Tripodi et al., 2003). As a result, sponsorship measurement sophistication has increased, and increasingly it involves academic and practitioner research, with both seeking more complete and explanatory models of the effects of sponsorship (Cornwell and Humphreys, 2013).

In order to quantify brand awareness, according to Quester (1997), there are two different kinds of recall: aided and unaided. Both focus on identifying the successful creation of awareness and share similarity with free and cued recall. “Free” is when no support is offered to help recall, while a list of potential sponsors is offered to assist “cued” recall. The level of accuracy of free recall seems to be higher than that of cued recall. A list of potential sponsors is offered as a cue, but the results still differ
depending on the extent to which a sponsor is involved in activities and its prominence within its field (Wakefield, Becker-Olsen and Cornwell, 2007).

Tripodi et al., (2003) suggests four approaches to measuring awareness. The first refers to a prompt related to event sponsorship and asks which sponsor comes to mind when considering event X. The second involves a brand sponsorship prompt: “Which sponsor comes to mind when considering brand Y?” The third involves a category sponsorship prompt: “Which sponsor comes to mind when considering category Z, such as sport or classical music?” The fourth and final focuses on brand recognition recall: “Which brand comes to mind when considering certain sponsorships?”

Building on this model, the deliberate effort to recall might be a task of the explicit memory while implicit memory refers to automatic recall. Under this classification, it seems that sponsorship has a similar effect to that which has already been demonstrated for advertising: it increases the chances that the product will enter consumers’ stimulus-based consideration set, whether or not they are conscious of the sponsorship deal. Therefore, with sponsorship, the absence of competitors’ brands increases the likelihood that consumers’ implicit memory will isolate the sponsor’s brand. This is not the case with advertising (Herrmann, Walliser and Kacha, 2011), although there is still some confusion about how the human memory retains concepts and relates them to previous experiences (Cornwell and Humphreys, 2013).
Because of the suggestion to isolate the sponsor’s brand to achieve better recall (Herrmann, Kacha and Derbaix, 2011), the influence of context can play an important role in explicit memory recall or other kinds of recall. Research focused on contextual cues demonstrates that during an event audience members create various kinds of links between a sponsor’s brand and the sponsee’s event, including explicit links. But “implicit” or “weak” memory must also be identified and tested with no reference to the learning episode. For example, in the case of a sponsored event, identifying spectators who are able to recognise sponsoring brands they are already aware of (Cornwell and Humphreys, 2013). A practical example of this discovery is how perceptual cues play a key role when consumers choose a product from a supermarket shelf that is full of unusual brands. The choice is often thought to be related to sponsorship activities (Herrmann, Kacha and Derbaix, 2011).

Measurement is incomplete without another element influencing recall, i.e., time (Cornwell, Roy and Steinard, 2001). If sponsor B invests in sponsee A, and, after a period of time, sponsor D replaces B, consumers will recall D in the short-term, but in the long-term the A-B partnership will be recalled (Cornwell and Humphreys 2013). O2, the telecommunications company sponsor of Arena, a multi-use theatre in Dublin, has shown that brand awareness and recall increase significantly when promoted over longer periods of time (Cahill and Meenaghan, 2013). But since sponsors may change and be replaced over time, incoming sponsors need to actively make their new sponsorship event unique (McAlister et al. 2013) in order to prevent consumers from recalling the previous sponsor. Even prominent brands need to organise unique, semantically related events with a sponsee, since
relatedness influences recall more than a brand’s prominence in the marketplace (Johar and Pham, 1999). However, prominence may still be an advantage under difficult learning conditions where audiences are more likely to recall a prominent brand rather than an actual sponsor, intuitively matching the event’s image with a congruent brand. This may be because they rely more on a brand’s visual presentation than the sponsor’s messaging (Pham and Johar, 2001). For example, the prominent Chinese Li Ning brand was often incorrectly identified as the official sponsor during the 2008 Beijing Olympic Games (Pitt et al. 2010).

Other studies confirm that context influences memory recall. International sponsorships that strive to achieve a given level of recall in different countries is especially challenging (Walraven, Bijmolt and Koning, 2014). In fact, global sponsorship campaigns are prone to memory recall issues because, depending on a customer’s nationality, cultural factors can sway the outcome of a sponsorship initiative. Sponsorship recall, the key measure of how people remember a sponsoring brand, is affected, for example, by consumers’ level of tolerance towards commercialisation (Lee, Sandlers and Shani, 1997). Thus, international sponsorship campaigns require country-specific strategies in order to achieve universal levels of sponsorship recall (Walraven, Bijmolt and Koning, 2014) and achieve similar incremental brand value in different countries (Kourovskaya and Meenaghan, 2013).

Sponsors know that association between a brand and a sponsored event may cause a spectator to link attributes of the event to the brand in his or her mind. Celebrity endorsement is similar (Gwinner, 1997) in that it allows a celebrity’s image to be associated with a brand. His or her personal characteristics give rise to greater
“meaning” for a product, as opposed to the use of models, whose lifestyles and habits are totally unknown to the public (McCracken, 1989). However, image transfer has traditionally been neglected as a rationale for sponsorship (Gwinner, 1997), as brand awareness was instead considered the main focus. Furthermore, congruence has also been neglected in memory recall research despite its demonstrated ability to enhance memory recall not only during attended events but also in a web context where sponsored products are seen as relevant to the publishing website (Rodgers, 2004).

Within the field of sponsorship, there are conflicting opinions about whether memory retention has an effect on attitude and behaviour. But in other fields, such as marketing and psychology, there is evidence that unbidden memories can impact behaviour. An example is the use of stem completion tests that have been introduced in advertising but not in sponsorship for measuring the effects of memory retention (Cornwell and Humphreys, 2013).

Yet the possibility that consumers’ implicit memory may better isolate a sponsor’s brand could have managerial implications and encourage companies whose brands do not normally achieve a high level of recall and recognition to engage in sponsorship activities (Herrmann, Walliser and Kacha, 2011) because of the supremacy of relatedness over prominence in the marketplace (Johar and Pham, 1999).

To conclude, how sponsors evaluate sponsorship outcomes in terms of brand awareness is a recurrent theme in sponsorship research. A link that has a clear and
strong impact on the audience should be created between the brand and the sponsee. This link should allow for easy recall in the manner desired by the sponsor without the possibility of misinterpretation or confusion. However, the research is clearly sponsor-dominated. The sponsee’s recall requirements should be taken into account as well (Crimmins and Horn, 1996).

2.3.2 Attitude towards the sponsor

Engagement in sponsorship events is a powerful tool for linking consumers’ positive attitudes to a sponsor’s brand is (Close et al., 2006), and the level of event involvement appears to be correlated with the degree of positivity towards the sponsor (Meng-Lewis, Thwaites and Pillai, 2013). Community events in particular can strengthen consumers’ positive attitudes about a sponsor’s brand, thus suggesting that a sponsor should choose a community-linked sponsee (Quester et al., 2013). Attitude transfer from sponsee to sponsor can be facilitated by congruence, including both functional congruence that enhances attitude towards sponsors with cognitive services and image-based congruence that enhances attitude towards sponsors with more “feeling” services (Prendergast, Poon and West, 2010). A brand’s personality is reflected in the partnership (Gross and Wiedmann, 2016) and partnership with a specific sponsee can have a positive impact on the brand’s image transfer (Grohs, 2016). Depending on the brand’s features, a consumer may employ either affective or cognitive decision-making in assessing the sponsor’s service/product. This duality could inhibit a company’s view of a sponsorship initiative, but a predictive a tool called integrated product relevance (IPR) can facilitate a holistic view of sponsorship by evaluating the congruence
between the potential sponsorship initiative and its potential arrangements (Poon and Prendergast, 2006).

Consumer attitude can also be enhanced through use of focused communication that better underscores traits that are well perceived by the consumers (Simmons and Becker-Olsen, 2006). For example, attitude towards a sponsor can be enhanced by supporting a popular or highly respected sponsee’s cause (Menon and Kahn, 2003), especially when consumers attribute altruistic motives to the sponsor (Rifon et al., 2004) and perceive sincerity (Kyoum et al., 2011). Therefore communication is necessary because processing sincerity and goodwill information is a complex process requiring a basic level of maturity, as suggested by Grohs, Wagner and Steiner (2012) who studied the ability of children 12 and up to comprehend a sponsor’s attempt to influence consumer attitude and behaviour. Children in general demonstrate a naïve behaviour toward a sponsor’s disguised and convincing message (Simões and Agante, 2014). A sponsor’s brand can be promoted with the help of visual processing. Visual support, such as logos, may help the consumer to “see” the congruence and facilitate the cognitive process involved in establishing a link between brand and event (Close et al., 2015). These studies are very important not only in cases of incongruence, but also when brand managers must address issues such as the high cost of tickets to events or scandals involving sponsored celebrities, factors that negatively affect existing positive attitudes (Madrigal, 2001).

Attitude can also be influenced by expectancy, meaning that the brand acts as a sponsor in the mind of the consumer, and relevancy, which is determined by the product category of the sponsor and how it fits with the event (Fleck and Quester,
2007). Other findings consider novelty as another variable impacting attitude, since first-time audiences are keener to develop a positive attitude towards a sponsor (Sneath, Finney and Close, 2005), and time, since the longer the brand-sponsee association, the stronger the attitude towards the brand on the condition that the sponsor is directly investing in the event production (Bloxham, 1998) and that consumers perceive congruence (Verhellen et al., 2015). Attitude towards a possible sponsor can be pre-tested (Dean, 2002), but, in general, a high level of brand commitment will ensure that the audience develops a better attitude towards the sponsor’s brand (Um, 2013) especially if consumers perceive self-congruity with the brand (Do, Ko and Woodside, 2015). Again, the bulk of research on attitude has referred to attitude towards the sponsor. But attitude towards the sponsor and attitude towards the sponsee are not mutually exclusive. Congruity theory suggests that an audience’s favourable attitude toward a sponsee is inversely related to dislike of the sponsor. In other words, the more the sponsor is disliked, the less the sponsee will be liked (Dean, 2002) as per the recent findings suggesting that image may transfer from sponsors to sponsees (Prendergast, Paliwal and Mazodier, 2016).

2.3.3 Purchase intention

A sponsee’s ability to influence audience purchase intention enhances its ability to recruit new sponsors (Cornwell and Coote, 2005) through consumer identification with the sponsee, especially in the case of not-for-profit (NPO) organizations and those holding organisational prestige, as, for example, arts institutions. In fact, event audiences may link purchase intention with the sponsor’s brand especially when
corporate social responsibility is involved (Close et al., 2006), for women targets (McDaniel, 1999), for highly informed groups aware that the sponsor is underwriting the event (Preuss, Gemeinder and Seguin, 2008), or when a highly congruent banner is supported by a promotional inducement (Becker-Olsen, 2003). These findings confirm that purchase intention, contrary to recognition that is easily achieved by additional exposure, can only be strengthened by specific (Olson and Thjømøe, 2009), highly congruent (Becker-Olsen, 2003) and sensitive exposure (Close et al., 2006; Lacey, Close and Finney, 2010). Overexposed sponsorship that focuses on name recognition is instead detrimental to purchase intention (Olson and Thjømøe, 2009), especially if the sponsor’s campaign employs explicitly commercial behaviours (Menon and Kahn, 2003). Building on this, another conditional driver of purchase intention is when consumers belong to a group highly identified with the sponsee and are keen to increase their purchase intention. This applies only if there is a high level of group norms; otherwise it should be the sponsor’s goal to generate social moments to reinforce the link with their consumers (Madrigal, 2000). In fact, although purchasing brands enhances self-esteem by congruently linking the user image with the ideal self (Sirgy et al., 2008), it cannot be demonstrated that increasing sponsorship awareness increases purchasing intention (Herrmann, Kacha and Derbaix, 2016) or that image transfer impacts it (Gwinner, 1997).

Using celebrity endorsers ensure a higher level of identification and therefore purchase intention, but purchase intention can be negatively affected too (Um, 2013). In the case of sports, a winning team can enhance purchase intention, while a losing team decreases consumers’ intentions to purchase (Ngan, Prendergast and
Tsang, 2011), and there is no evidence that communication can help in the case of attitude transfer (Madrigal, 2001; Simmons and Becker-Olsen, 2006).

More complex is the case of international sponsorship that has to factor in not just winning teams, but also country-of-origin effects, which are context-specific (Ruth and Simonin, 2006). Consumers have different tolerance levels based on their cultures (Lee, Sandler and Shani, 1997); therefore sponsoring a local team may be more beneficial to purchase intentionality since this promotes sales better than sponsoring a renowned foreign team (Meng-Lewis, Thwaites and Pillai, 2013; Quester et al., 2013).

In contrast to the concept of highly identified fans (Madrigal, 2000), first-time consumers are also of interest to a sponsor, as they may have a strong will to engage with the sponsor and develop greater purchase intention (Sneath, Finney and Close, 2005). The sponsor’s brand may have a direct impact on the purchasing intentions of potential new consumers (Papadimitriou, Kapanidou and Papcharalampou, 2015) or on children whose naïve and altruistic view of the world is still susceptible to the disguised message of the sponsor (Simões and Agante, 2014).

Purchase intention depends also on the kind of sponsor: those that offer “feeling” services may have more interest in sponsoring arts in order to create image congruence, with a suggested outcome of promoting purchase intention (Prendergast, Poon and West, 2010). This is further confirmed by the idea of matching a specific kind of sponsor with a specific team (Ngan, Prendergast and
Tsang, 2011), but contrasts with Nickell’s (2011) finding that purchase intention does not seem to be related to congruence.

Measuring purchase intention is difficult and further complicated by sponsorship measurement impact to an extent that researchers might choose to use a “nonpurchase evaluative scale” in marketing measurements (Olson and Thjømøe, 2011), confirming the highly complex context where purchase intention lies.

As with brand awareness and attitude, the research on purchase intention has focused on purchase intention for the sponsor’s brand and not on the sponsee’s perspective. What are the consequences for the sponsee? Would being a sponsee of a given sponsor impact the sponsee’s event attendance? Would being a sponsee of a given sponsor result in a reduction (on increase) in funding from other sources such as donors?

2.3.4 Image

Sponsorship is not just about image (Becker-Olsen, 2006), but the image boost achieved through association with a sponsee is definitely a primary goal for corporate sponsors (Witcher et al., 1991). Meenaghan (1983) listed corporate image as one of the main reasons for investment in sponsorship. The benefit of association with a sponsee’s image is one of the six steps involved in choosing a sponsee (Crimmins and Horn, 1996), because image is one of the two brand benefits sought by sponsorship, the other being awareness (Gwinner, 1997). This explains why sectors that have a poor image, such as insurance companies, are especially keen to engage into sponsorship (Yang and Ha, 2014). However, image objectives score
4th in sponsors’ preferences about sponsee-provided services (Sponsorship.com 2014d).

Consumers are the intended targets for a sponsor's brand perception and for the reception of information made available in a holistic or analytical way (Kim, Stout and Cheong, 2012). This is why in this section consumers will be mentioned, but only in reference to the brand’s image perception (references to image from a congruence point of view were discussed in the brand congruence section).

Image benefits derived by sponsorship are very attractive to brand managers (Gwinner, 1997). For example, consumers’ positive perceptions of a website helps develop a positive image for the website’s sponsoring brand (Rodgers, 2004). However, the sponsor must be clearly defined since exclusivity ensures an advantage over competitors. A brand for which there is no clear substitute may have less risk of being replaced in consumers’ minds by a competitor’s brand (Jensen, Cobbs and Turner, 2016). On the other hand, firms that lack consumer trust and those that have experienced scandals may opt to use a different strategy than simply positive perception and seek image improvement by sponsoring congruent sponsees (Rifon et al., 2004). In fact, consumers seem to know if a sponsor supports a charitable organization only for purposes of improving its image, and they often consider such a sponsoring company to be self-interested (Olson and Thjamøe, 2010).

A sponsor’s specificity about brand dimensions is another determinant of success in building brand image. Luxury brands favour high-end or exclusive sponsees, while
modern and fresh brands would more likely choose contemporary, cool sponsees (Grohs, 2016). In fact, image impacts vary according to the type of sponsor. Those that offer “feeling” services accrue more benefit by the effects derived from image (Prendergast, Poon and West, 2010). But image benefits are sensitive to exposure, and sponsorship pairing may be limited to discrete brand exposure, since over-exposure can be detrimental to a brand’s image (Yang and Ha, 2014).

Discrete exposure is not appropriate for most mass events, but it may have a positive impact on brand image for that proportion of participants who are positively impact (Woisetschläger and Michaelis, 2012). But failure to achieve mass participation can damage corporate image (Javalgi et al., 1994). Brand image can also hurt sponsees if they do not ensure the complementarity of their image with the chosen sponsor, by, for example, focusing solely on the economical advantage offered by the sponsor and not considering the context of the relationship (Wilson Stavros and Westberg, 2008). Here is a risk of a consequent negative image transfer from sponsors to arts firms (Prendergast, Paliwal and Mazodier, 2016). Brand image outcomes are based on many variables, and many companies choose to maintain large sponsorship portfolios in order to optimise brand image outcomes (Cliffe and Motion, 2004).

To summarise this section on sponsorship outcomes: while previous research has been useful, for obvious (profit-driven) reasons it has focused on sponsors’ outcomes for a total of 85% of the sponsorship literature reviewed. Whether this literature mentioned “sponsee”, “property” or “sponsored”, it was for the sponsor’s benefit (Cobbs, 2011; Herrmann, Kacha and Derbaix, 2016; Athanassoupolu and Sarli, 2013). Fortunately, however, I can use the sponsor’s literature to contextualise
the sponsee concept within an academic framework based on the fact that sponsorship is a relationship (Cornwell and Humphreys, 2013; McAlister 2013). Therefore, to address the absence of and a need for research about the potential sponsorship outcomes for sponsees, insights will be obtained by examining the literature that has studied sponsorship from the sponsor’s perspective.

2.4. Arts sponsorship

2.4.1 Arts sponsorship definition

Why examine art sponsorship? The answer is two-fold. Firstly, art sponsorship is growing at 3.3% and thus is an interesting element in a sector growing at 4% (Sponsorship.com, 2017). Secondly, art sponsorship is under-researched compared to sport, even though the effects of arts sponsorship on consumers are considered to be more positive than commercial sponsorship (Mazodier and Reezae, 2013). These two points: the growth of arts sponsorship and the paucity of research on arts sponsorship (despite it having positive potential in areas that conventional “commercial-orientated”, such as sports sponsorship, cannot) will be elaborated more in the following sections.

The concept of arts sponsorship begins with a working definition of art. Aristotle appears to have been the first to define art, suggesting that art is what is simply made or is made serviceable. Aristotle distinguished between arts that make a production from art that uses a production (Barnes, 2014). An early evolution of this definition of art is the distinction between liberal and servile arts (Smith, 1946). This distinction refers to two kinds and two sources of art: the practical intellect maker of
liberal art and the body devoted to servile arts. But this distinction creates a problem in the classification of music or other forms of art that require the body, as they are labelled servile. So liberal arts are later distinguished by their mode or purpose, but not quantity, a variable pertaining to another kind of art, the sermocionales, that includes architecture, for example (Smith, 1946). The definition of art continued to evolve, and was defined in *Minima Moralia* as “Magic delivered from the lie of being truth” (Adorno and Jephcott, 1951). *Minima Moralia* was not only a philosophical work on the arts, but more of “an inverted tourist guide, in which the European begins to understand himself through exile” (Claussen, 2006) linking arts to sociological elements.

Dwelling on the functional aspects of art, it has “the defining purpose of rewarding an aesthetic interest,” or favouring institutional elements, art is art “only if it is created within an informal institution, an arts world, with roles or practices allowing suitably placed members to confer the status” (Davies, 1990). In contrast, the Arts Council of Great Britain avoids any definition and relies on the idea that art should be created for its own sake (Jowell, 2004).

Further definitions of art and the arts are available based on a distinction between highbrow art and lowbrow art. Theatre plays, classical music and works exhibited in museums are considered highbrow, while popular arts forms may be labelled lowbrow. This does not greatly enhance our working definition of the arts, unlike a post-industrial revolution and very modern vision offered by Colbert (2014). His starting point for his definition depicts multiple copies made at the same time, suggesting that the arts sector should focus on prototype production, the outcome
of which is not intended to be reproduced. This probably comes closest to a definition that can be used nowadays, and will be used hereafter as a reference in this research.

Despite so many definitions of art and the arts, the sponsorship literature does not offer a specific definition of “arts sponsorship”. In fact, papers that focus on arts sponsorship have referred to it only as a practice that is becoming more popular due to the “1000 businesses sponsoring arts interest” (Jefkins and Yadin, 2000). In one of the few papers found on arts sponsorship, Quester and Thompson (2001) only mention that arts audiences are different from sports audiences.

No definition of arts sponsorship has been found in the titles or abstracts of studies that are concerned with arts sponsorship. Furthermore, there is a lack of specificity on which institutions pertain to arts. Olkkonen and Tuominen’s (2008) work of cultural sponsorship is about a museum but it does not provide a specific definition of what cultural sponsorship is. Gardner and Shuman (1987) define arts sponsorship as a subgroup of cultural sponsorship that includes orchestras, museums, dance companies and theatre groups. Therefore, this thesis considers all of these categories, a choice confirmed by the separation arts and festivals made by the International Entertainment Group (Sponsorship.com 2016a) or arts and cultural events by Cornwell and Maignan (1998).

Having defined the conceptual domain of arts sponsorship, what follows is a review of its most relevant data and context. Arts sponsorship represents 4% of the total
amount spent on sponsorship in North America, although this percentage reflects a
global trend in sponsorship amounting to US$994 million (Sponsorship.com, 2017).

In contrast to the too few arts sponsorship research papers, many studies have
examined sports sponsorship from a variety of angles, such as how event attendees
recall a sponsor’s brand (Cornwell and Humphreys, 2013) to how to measure returns
on investment (Meenaghan and O’Sullivan, 2013), although based on the level of
investment, the sponsorship economy (including arts) is growing due to the
favourable economic conditions (Sponsorship.com 2016a).

The website Sponsorpitch.com (2014) indicates the extremely low interest of
sponsors in arts museum and theatre, with only 98 out of 5,265 sponsored events
subdivided into 19 groups. Fairs and festivals attracted the second-largest group of
sponsors, 879, although it was not specified how many were in the arts field
(Sponsorpitch 2014). This confirms the decision to not include them among the arts
sponsees investigated in this research.

2.4.2 Arts sponsorship vs. Sports sponsorship

Many companies are becoming more aware that they tend to mainly sponsor sports
and are starting to question whether this is the best approach for future development
(Thwaites, 1995). Sport sponsorship is becoming more risky because, as previously
noted, while association with a celebrity star of a winning team may enhance
purchase intention, the opposite may also be true. As a team experiences loss, this
may decrease consumers’ intention to purchase, and a sponsor cannot simply
abandon the contract to limit damages without being labelled as opportunistic (Ngan, Prendergast and Tsang, 2011).

The image objective achieved by sponsoring a sponsee is definitely a primary goal for corporate sponsors. But in a sponsorship programme, there is a distinction between arts, which is normally subsumed under a public relations framework, and sports, which is used primarily as a marketing tool (Witcher et al., 1991). For example, when discussing image transfer, an arts sponsee could be considered safer than a sport sponsee, as culture is traditionally less subject to scandal than sports (Wilson, Stavros and Westberg, 2008; Westberg, Stavros and Wilson, 2011).

Despite the numbers indicating that sponsorship of the arts is a small industry, arts sponsorship has huge growth potential. Its targeting potential is still heavily under-valued. Two museums, the Tate and the British Museum, totalled over 12 million visitors in 2012 (The Guardian, 2012), which nearly equals the entire attendance of the UK Premier League, with its 13 million spectators (ESPN, 2012). Data for the Spanish football tournament in 2014 indicated attendance slightly above 10 million spectators (ESPN, 2014), whereas there were 4 million visitors to the Prado Museum alone in 2012 (Museo del Prado, 2014) and nearly 60 million attendants to Spanish museums overall in 2012 (MCU, 2012). These data indicate a comparable magnitude of attendance between museums and football stadiums in countries such as Spain and the UK, both of which host major football leagues (ESPN, 2014).

These data are limited to mass-attended events, but their magnitude suggests that sponsors could activate millions of visitors through arts sponsorship and investing in
audience engagement (Quester and Thompson, 2001). Another advantage of sponsorship initiatives is that sponsors can engage on a face-to-face level and can also engage consumers with both the sponsored brand and its product offerings (Lacey, Close and Finney, 2010). Furthermore, within sponsored events that seem more suited to engaging with consumers who are likely to think more positively of the sponsor because of their community engagement (Close et al., 2006), arts events have a special place because of audience loyalty (Olson, 2010). Building on that, arts organisation websites may attract interesting sponsorship opportunities as a result of their appeal, but they lack critical internet traffic volume and cannot offer the demographic extension needed to incentivise sponsors to invest (Kotler and Scheff, 1997). Another reason that may account for relatively low investment in arts sponsorship is concern about the level of emotion generated at events. Emotional response and the consequent enhanced memory recall, which is a main outcome measure, is considered to be more favourable with sports sponsorship (Cornwell, 2008; Tripodi et al., 2003). Arts sponsorship does not engender either the mass audience emotion of sport (Cornwell and Humphreys, 2013) or the returned goodwill of social causes and environmental sponsorship programmes (Meenaghan, 2001a). However, there is no consensus of agreement on the predominance of emotion in sports, as investigated by Olson (2010) who denies any difference in the impact of arts and sports sponsorships on the audience. Cornwell and Humphreys (2013) herself has questioned the relationship between emotion and memory recall due to lack of clarity about how emotion supports memory.
Despite the lack of consensus, there is a general belief that arts sponsorship has limited impact on mass audiences when compared to sports and that the degree of affect intensity is greater for sponsored teams or individuals than for events. Event sponsors do not seem to engender the same level of sponsorship awareness that teams or athlete sponsors do (Walraven, Bijmolt and Koning, 2014). However awareness is only one sponsorship outcome, and sponsoring arts offers other kinds of advantages. For one thing, it is less risky because arts cannot lose a match and thereby cannot decrease purchase intention (Ngan, Prendergast and Tsang, 2011). Moreover, while sports accounts for most sponsorship contracts, this category also accounts for 87% of discontinued sponsorship contracts (Copeland and Frisby, 1996), which, percentage-wise, is more than the total budget for sports sponsorship. Meenaghan (1983) notes that there is a long list of sport sponsorship failures, and, because salespeople often have little or no training, sponsorship sales are undervalued and delineating the benefit of sold sponsorships is difficult to measure. Furthermore, lack of sales expertise can negatively affect customer-seller relationship (Palmatier et al., 2006).

Besides awareness, arts sponsorship attracts a low number of investments because it is not thought to convey emotion to a mass audience (Cornwell and Humphreys, 2013). This is problematic because being emotionally connected to the audience is a desirable outcome for a sponsor (Cahill and Meenaghan, 2013).

In conclusion, the current data suggest that although sponsorship of the arts is relatively minimal when compared to sports sponsorship, the potential for growth is
enormous. But the existing research on sports sponsees does not apply to arts sponsees for several reasons:

1) The avidity of sports fans and the higher level of affect intensity achieved by sport teams or individuals (Walraven, Bijmolt and Koning, 2014; Madrigal, 2001) are not found in the realm of arts;

2) Scandals such as player misconduct pertain almost exclusively to the world of sports (Madrigal, 2001; Wilson Stavros and Westberg, 2008; Westberg Stavros and Wilson 2011);

3) In sports, there are winners that can foster purchase intention, but also losers that reduce it (Ngan, Prendergast and Tsang, 2011);

4) Sport sponsees succeed in encouraging audience identification, but do not do so well at goodwill and image transfer (Cornwell and Coote, 2005);

5) Sports sponsorship is used as a marketing tool, whereas arts is used for public relations (Witcher et al., 1991); and finally,

6) Arts and sports do not have the same demographic or socioeconomic reach (Quester and Thompson, 2001).

2.4.3 Arts sponsors

Having accounted for why research on sport sponsees cannot be applied to arts sponsorship, I shift to a different angle by investigating the main sponsors in the arts sector.
The global picture in 2016 is as follows: North America is the main market for sponsorship (Sponsorship.com 2016a), accounting for US$22.4 billion. Europe follows with US$5.9 billion out of the world’s total of US$60.2 billion. Arts sponsors in 2017 in the USA account for US$994 million in total (Sponsorship.com, 2017).

Table 4 shows the likelihood of investing in the arts sector by business sector (e.g., banks are 22.3 times more likely to invest in the arts than the average sponsor).

Banks are the major providers of funding to the arts sector (Sponsorship.com 2014a).

<table>
<thead>
<tr>
<th>Type of sponsor</th>
<th>Relative intention to invest in the arts</th>
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<tbody>
<tr>
<td>Banks</td>
<td>22.3</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>5.9</td>
</tr>
<tr>
<td>Hotel/Automotive</td>
<td>4.1</td>
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<tr>
<td>Airlines</td>
<td>3.8</td>
</tr>
<tr>
<td>Media</td>
<td>3.6</td>
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<tr>
<td>Telecommunications</td>
<td>3.3</td>
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<tr>
<td>Brokerage</td>
<td>3.2</td>
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<tr>
<td>Retail</td>
<td>2.7</td>
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</tbody>
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Table 4: Arts sponsors ranked by sector in the USA (Source Sponsorship.com, 2014a)

Banks score 19 out 25 in the overall view of consumers (Gallup, 2016), facing the same problems as insurance companies that invest in sponsorship for the purposes of improving their public image (Yang and Ha, 2014). Banks invest specifically in arts sponsorship because it strengthens public relations more than sport sponsorship (Witcher et al., 1991). The banking sector is not only the largest arts sponsor, but
banks are also four times more likely to sponsor arts institutions than the second-ranked sector, insurance companies, which was highlighted by Yang and Ha (2014) as suffering from its poor image. Banks account for more than 17% of the arts sponsorship budget (Sponsorship.com 2014a), more than three times the average 5% of arts sponsorship budget spent globally (Sponsorship.com 2016b).

Another category that is also highly involved in arts sponsorship is telecommunications, which ranked 6th for intention to invest in the arts yet contributes only 4% of its total budget to arts sponsorship. However, this sector is broadening its portfolio, spending a below average of 59% on sport, an above-average 14% on festivals, and 10% on entertainment (Sponsorship.com 2014b).

Regardless, arts sponsorship is on the rise. In North America, US$914 million was spent on arts sponsorship in 2013, US$927 million in 2014 (Andrews, 2015), and the forecast for 2016 was US$970 million (IEG 2016a). The reason could be that many mature/high-equity brands are interested in promoting their images in different contexts through sponsorship programmes (Tsiotsu, Alexandris and Cornwell, 2014).

Financial institutions are engaged with many different types of sponsees. As a result, they are among the lowest investors in sports, which receives the largest amount of sponsor funds (Sponsorship.com 2016b). Managing a very large sponsorship portfolio, as banks typically do, can also have unintended consequences, since sponsoring the arts can be negatively interpreted as just another marketing technique (Cornwell, 2008). But it can also have positive effects of promoting brand
awareness and image, providing positive experiences and goodwill (Cliffe and Motion, 2004). A large portfolio may dilute the sponsor-sponsee relationship and limit the attention given to developing basic forms of sponsorship exchange that are key to avoiding relationship fade (Olkkonen and Tuominen, 2008). Exchanged resources might be a way for arts sponsees to affirm their commitment to the sponsor (Farrelly and Quester, 2005a).

Thus, arts sponsees should make it clear to sponsors that there are multiple ways of maintaining a positive relationship after a contract terminates (McAlister et al., 2013). Before, during and after the relationship, sponsorships should be marketed by the sponsoring company in the manner suggested by Crimmins and Horn (1996), since sponsorship that is not marketed is not sponsorship (Abratt, Clayton and Pitt, 1987).

Arts organisations must become increasingly skilled at comprehending and fulfilling sponsors' commercial priorities to prevent competition for sponsorship. A priority for sponsees in obtaining and maintaining long-term sponsorship contracts is to be empathic with their investors and show a sensitive understanding of their needs. It is increasingly important that arts institutions develop a stronger marketing and management mentality, reducing the tactical effort expended on informal relationships that do not affect long-term goals (Kotler and Scheff, 1997).

Arts managers should be involved with and consult their sponsors' managers at all levels of promotional activity, keeping in mind that a sponsee gains immediate benefits from the sponsor's investment, while their contributions to the donor's brand
image are more difficult to identify and assess (Kotler and Scheff, 1997). Forward effects of a sponsee’s brand on the sponsor’s brand are believed to have a large impact; by comparison, the backward effects of the sponsor’s brand on the sponsee’s brand are considered minor, but still significant (Tsiotsu, Alexandris and Cornwell, 2014). Therefore, arts sponsees should not focus only on obtaining resources from sponsors; they should also take into account the effects the partnership can have on their reputations (Becker-Olsen, 2006). This confirms the findings suggesting sponsees refrain from partnering with a brand that may lead to concerns about bias. Although financial support is important, there is still need to ensure a congruent relationship (Pappu and Cornwell, 2014).

Sponsee managers need to understand their audience’s attitudes about their events and also whether the population considers an event important, as this will determine which sponsors should be approached. This information will help in adding value to the sponsorship relationship (Speed and Thompson, 2000). Public attitude can be both strengthened and weakened, because it is not a fixed perception on the part of the consumer (Rifon et al., 2004).

To conclude, it is evident that a number of angles from the sponsee’s perspective have been ignored in the literature. A link that produces a clear and strong impact on the audience should be created between the brand and the sponsee. It should allow easy recall in the direction desired by the sponsor, with no room for misunderstanding. The opposite is also true, and the advantages for the sponsee should be taken into account (Crimmins and Horn, 1996).
Brand dimension is important for a sponsor, as not all sponsees may benefit from its image (Grohs, 2016); however, no study has been done on which brand dimensions are important for sponsees. Sponsor managers need to help an audience make sense of an incongruent sponsorship programme and shape a message in favour of the sponsor’s brand (Dean, 2002). Again, no study has been conducted on what art sponsees could do in similar situations. The sponsor’s process of deciding how to “buy” a sponsorship initiative (Crimmins and Horn, 1996) should be paired with a study of how art sponsees “sell” themselves or how they choose a sponsor. The sponsees’ brand is of crucial importance, and a coherent branding strategy is critical for the sponsor to be successful (Amis, Slack and Berrett, 1999). Arts sponsees should think strategically about their partners, as an inappropriate relationship can cause long-term damage to a brand (Cornwell and Humphreys, 2013; McAlister et al., 2013) and prove costlier than short-term financing difficulties (Becker-Olsen 2006). The overall purpose of a sponsorship relationship is not just to target consumers, achieve objectives and enhance marketing strategies, but also to reduce inequity in sponsor-sponsee interactions (Farrelly, Quester and Burton, 2006; Wilson, Stavros and Westberg, 2008).

All in all, having considered the literature reviewed to this point, it is evident that there is a need for a theoretical understanding of the sponsorship process through the lens of sponsees. Having this understanding is important because most of the research on sponsorship to-date has been focused on the needs of sponsors, largely within the context of sport sponsorship.
A model of the sponsorship process from the sponsee’s angle is needed, and developing such a model is important due to the opportunities offered by the global growth in sponsorship spending as well as the threat of the art industry becoming more dependent on resources from sponsors. There is evidence that arts sponsees, is a growing and important sector of sponsorship and academically recognised together to sports (Cornwell and Humphreys, 2013) and causes (Meenaghan, 2001a). But the group of sports sponsees, the only segment studied, do not offer insights on arts sponsee point of view as mentioned above in paragraph 5.2, and the goodwill of social causes (Meenaghan, 2001a) is not demonstrated yet to activate millions of visitors as arts sponsorship does (Quester and Thompson, 2001). For all these reasons I consider arts sponsorship a significant research topic to be addressed in understanding sponsees’ dynamics; to fill the lack of research focused on the conceptualization of the sponsorship process from an art entity’s perspective.

Although arts sponsorship can be studied from the sponsor’s point of view or from the arts sponsee’s point of view using marketing metrics, I suggest studying arts sponsorship and from the sponsee’s perspective because the data that sponsors use are usually not sponsee-specific. Banks, for example, often maintain large sponsorship portfolios in order to optimise brand image outcomes (Cliffe and Motion, 2004). Therefore, collecting data from sponsor interviewees dealing with both arts and sports sponsorship would be extremely limiting, not to mention confusing. Moreover, marketing managers have dual roles; they are accountable for investment in both sponsorship and advertising to the same degree, and could be accountable
for both arts and sports (Tripodi et al., 2003). Since sports sponsees differ from arts sponsees (Witcher et al., 1991), the latter should be representative of the arts sponsorship field for the reasons mentioned above. I therefore consider that arts sponsorship should be studied from an arts sponsee point of view, and I propose interviewing arts sponsee managers.

2.4.4 Theories used in sponsorship

The theories presented in the 186 papers analysed for this literature review are all for the benefit of the sponsor, and primarily relating to the consumer:

- Perception theory in Cornwell, Pruitt and Clark (2005), refers to the consumer perception of a product related to the market share variable, prior to the initiation of the official sponsorship.

- Classical conditioning theory mentioned by Speed and Thompson (2000) discusses the association of a sponsor with an event, and attaches the sponsor’s brand to the event in the consumer’s memory.

- Self-congruity theory in Sirgy et al. (2008) suggests that people purchase products whose image is consistent with their own self-image, so that they can reinforce their identity.

- Social identity theory in Madrigal (2000) suggests that in sports sponsorship group norms on intentions to purchase might increase with the consumer identification with the sport team. In Cornwell and Coote (2005) the same theory is used to suggest that people highly identified, i.e. with a football team, score their team very high. Meenaghan (2001) also proposes to connect identification with purchasing intention.

- Attribution theory mentioned in Rifon et al. (2004) posits that consumers cognitively assign a reason for a sponsor to support a programme, consequently developing a positive attitude towards the sponsor.
- The latter assumption derives from Heider’s (1946) balance theory, assuming that linking a low valued object with a high value will force people to explain the link by balancing their beliefs (Rifon et al., 2004).

- Schema Theory is used by Wakefield and Bennet (2010) and in Ulrich, Koenigstorfer and Groeppel-Klein (2014) to suggest that consumers elaborate prior information about a sponsor when cognitively linking the event to the brand.

- Similarly, the transfer theory proposed by Gwinner and Eaton (1998) refers to the meaning attributed to celebrities, that can be transferred to a sponsored product and then to the product purchaser, the final receiver of the meaning.

- Congruence theory in Cornwell and Maignan (1998) indicates that the storage of consumers’ memory and its retrieval are influenced by prior expectations.

- Memory and network theory by McAllister et al. (2013) is about the spontaneous recovery of information and changes over time explaining the recovery of old associations, for example when testing the recovery immediately after an event the consumer would try to make an effort, instead of allowing the flow of spontaneous recovery.

- Consumer culture theory in Farrelly, Quester, and Burton (2006) is about brands that have became the social space of the consumers and should require a lighter touch.

- Equity theory in Dean (2002) proposes that people assess equity or fairness of an exchange based on the comparing what they give with what they receive in the operation. Equity perception about the sponsor could attribute a hidden reason for the company to sponsor.

- Becker-Olsen (2003) referred to how the sponsor can be seen from consumers, as an element of the sponsorship agreement that brings value for its expertise in the field.

- Observational learning theory suggests that consumers may try to follow the sponsored event in using the sponsor's product. All these increase the
chances of the consumer’s purchasing the sponsor’s product (Poon and Prendergast 2006).

This list shows that the theories mentioned in sponsorship papers are through the lens of the sponsor, and focused on the consumer. It is evident that there is a need for a theoretical understanding of sponsorship arrangements from the sponsee’s perspective, as proposed in this thesis.

2.4.5 The arts sponsorship process

Based on the previously reviewed literature, sponsorship is conceptualised as a process that starts with the selection of a partner, to management of the partner, through to realising (or not realising) sponsorship outcomes. There has been no research to date that examines this process from the sponsee’s perspective, and certainly none in the arts industry. A model of how arts entities manage this process is required (Toscani and Prendergast, 2018). Developing such a model is important because sponsorship spending is growing globally, the arts industry is becoming more dependent on the resources provided by sponsors, and emerging research suggests that image may transfer from sponsors to arts firms (Prendergast, Paliwal and Mazodier, 2016). Apart from its theoretical value, such a model could offer a holistic and systematic process for arts firms to use when managing the sponsorship relationship.

Therefore, to address the research gap identified in the literature and deliver a meaningful theoretical and practical contribution, the following research questions are formulated:

- What are the factors that sponsees consider when selecting a sponsor?
• What are the consequences of selecting an appropriate sponsor and the consequences of choosing an inappropriate sponsor?
• Within this process, what are the distinctive features?
CHAPTER 3. Methodology and procedure

Introduction

This chapter begins by addressing an essential question: how does the nature of the research problem relate to the interpretivist philosophy? By discussing this question in the first instance, it is then possible to provide a description of how and why the grounded theory fieldwork was executed, including the sample used and the methods of data collection and analysis.

3.1 How does the research problem relate to the interpretivist philosophy?

This thesis seeks to understand the sponsorship process viewed from the sponsee perspective. As there is no prior research in this specific area, the thesis has an exploratory character and is based on a combination of research methodologies:

- 1. Definition of the domain of interest through a literature review;
- 2. Interview of arts sponsees managers;
- 3. Semantic study of transcribed interviews

The first part of the thesis focuses on using a rigorous literature review to define the concept of arts sponsorship and relate it specifically to arts sponsees. It also explains why arts sponsorship cannot be viewed through a sports sponsorship lens. The primary research relied on in-depth interviews with arts sponsee managers, because the nature of the research problem requires an inductive and interpretivist philosophy. More specifically, as reflected in the literature review and resulting research questions posed by this research, arts sponsorship has not been
thoroughly researched, and there is no theoretical model that explains how arts sponsees manage the arts sponsorship process, beginning with the factors that arts sponsees consider when selecting a sponsor through to the consequences of choosing the right or wrong sponsor, and including follow-up actions to address sponsorship consequences as well as any moderating and mediating variables. This study aims to fill this gap. To achieve this goal, it is necessary to use a method that allows for the identification of an explanation and the development of a provisional theory that does not simply describe what happens, but also explains why (Corbin and Strauss, 2015). This is based on an inductive interpretive investigation that focuses on experts in the field, namely arts sponsee managers (Creswell, 2013). Specifically, it is proposed that grounded theory methodology be used.

Before proceeding with an inductive, interpretive, investigative methodology in this research, it is first necessary to explain what a theoretical contribution is and then discuss the interpretive research paradigm and outline how it differs from the positivist paradigm.

3.2 What is a theoretical contribution?

Lewin’s (1945) assertion that “nothing is quite so practical as a good theory” sets the foundation for how research contributes to theory. Theory generation that takes a scholar out of his/her comfort zone can be distinguished from empirical or methodological progress in understanding a phenomenon when it is based on two dimensions: utility and originality (Corley and Gioia, 2011).
As illustrated in Figure 5, Corley and Gioia (2011) show the four dimensions that can enhance the originality and utility of a paper, whose apex is reached when scientific utility is revelatory and not just incremental. As said by Kilduff (2006), "theory papers succeed if they offer important and original ideas. So it is about getting involved in a problem that personally interests us. Not finding disparity in the literature, but engaging with the problems". Kilduff (2006) also suggested that a theory paper should "encompass a seamless flow of ideas" so as to have a beginning, a middle and an end, as opposed to a paper that can be practically useful and offer incremental knowledge - which is not a theory paper because it neither reveals, nor contributes scientifically (Corley and Gioia, 2011).
3.2.1 Originality

Dubin (1978) says that this perspective is rooted in the belief that what makes one theory preferred over another is advancement toward “what is believed to be true” or a state where “a group of people sharing an interest in some set of observations come to agree that one theoretical model best provides understanding or permits accurate predictions about the observational set.” Another explanation is that it “allows us to see profoundly, imaginatively, unconventionally into phenomena we thought we understood. . . . theory is of no use unless it initially surprises—that is, changes perceptions” (Mintzberg, 2005).

3.2.2 Utility

The concept of utility has been described as “improv[ing] the current research practice of informed scholars” (Whetten, 1990). Theory can advance science by providing cohesion, efficiency and structure to research questions and design (Kerlinger, 1973; Van de Ven, 1989). In a very practical sense, good theory helps identify what factors should be studied and how and why they are related. A high quality theory also states the conditions and boundaries of relationships (Hitt and Smith, 2005).

Theory “provided revelatory insights … not so much by introducing new concepts, as the typical editorial depiction would have it, but much more often by offering a novel approach to integrating prior thought and research into some model or framework that constituted a different way of understanding some phenomenon” (Corley and Gioia, 2011).
The theoretical framework holds meaning that can be understood by those who understand the social context of the research. By being general, it can be applied to different conditions and situations in the relevant setting (Locke, 2001). Scholars should embrace the fact that they are in a job (academia) studying another profession (management), so “the orientation toward theoretical contribution should include an explicit appreciation for applicability.” (Corley and Gioia, 2011)

Theory (and theoretical contribution) may also be viewed from the angles of interpretivism and positivism.

3.2.3 Interpretivism vs. positivism

Positivism refers to a strict belief in cause and effect, while interpretive frameworks do not believe only in cause and effect (Creswell, 2013). Examples of interpretive frameworks are: post positivism, social constructionism, interpretivism, transformative frameworks and pragmatism (Denzin and Lincoln, 2011).

Within interpretive frameworks, post positivists occupy a special position because, although not strictly focused on cause and effect, they may still adopt a scientific approach when stating the probability of something happening. Social constructivists or interpretivists “seek understanding of the world where they live and work” to generate a personal view of reality. The use of a transformative framework is indicated either when post positivism criteria apply to outlying conditions or interpretivists propose real supporting initiatives. Postmodern perspectives aim to transform ways of thinking, but do not advocate real support for generating
transformation beyond concepts. Pragmatists are more concerned with the focus of a study and its related questions than on the methods used (Creswell, 2013).

The research in this thesis could be quantitative, following the positivist and post positivist tradition, or qualitative, following the interpretivist tradition (Tashakkori and Teddlie, 1998). The quantitative approach is based on reliability, validity, generalizability and objectivity, while the qualitative approach is based on credibility, dependability, transferability and confirmability (Sinkovics and Ghauri, 2008). The main difference between quantitative and qualitative research is not in quality; rather, it is in the methodology. Quantitative research is based on statistical tools and measurements that are not employed in qualitative research (Ghauri and Grønhaug, 2005). Thus, qualitative interpretative data cannot be statistically analysed and interpreted to the same extent as quantitative positivist data (Weber, 2004), although links exist to possibly bridge the gap between quantitative and qualitative research. In fact, efforts are continually made to reduce the gap between those who organise science by discipline and those who do so by object (Latour, 1987).

This research is based on the interpretivist approach, which implies theory-building rather than theory-testing. Before moving to its explanation, it is first necessary to outline the differences between the positivist and interpretivist research paradigms based on ontology, epistemology, research objects, methods, theory of truth, validity and reliability, as shown below in Table 5 (Weber, 2004). This discussion helps to further support the use of interpretivist methodology in this research.
Interpretivism is “closely associated with the political philosophy of liberalism. Liberalism posits a world of autonomous individuals, each guided by his or her own idiosyncratic values and goals, none of which can be adjudged more or less legitimate than those held by others.

<table>
<thead>
<tr>
<th>Metatheoretical Assumptions:</th>
<th>Positivism</th>
<th>Interpretivism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong></td>
<td>Person (researcher) and reality are separate</td>
<td>Person (researcher) and reality are inseparable (life-world).</td>
</tr>
<tr>
<td><strong>Epistemology</strong></td>
<td>Objective reality exists beyond the human mind</td>
<td>Knowledge of the world is intentionally constituted through a person’s lived experience</td>
</tr>
<tr>
<td><strong>Research Object</strong></td>
<td>Research object has inherent qualities that exist independently of the researcher</td>
<td>Research object is interpreted in light of meaning structure of person’s (researcher’s) lived experience</td>
</tr>
<tr>
<td><strong>Method</strong></td>
<td>Statistics, content analysis</td>
<td>Hermeneutics, phenomenology, etc.</td>
</tr>
<tr>
<td><strong>Theory of Truth</strong></td>
<td>Correspondence theory of truth: one-to-one mapping between research statements and reality</td>
<td>Truth as intentional fulfilment: interpretations of research object match lived experience of object.</td>
</tr>
<tr>
<td><strong>Validity</strong></td>
<td>Certainty: data truly measures reality.</td>
<td>Defensible knowledge claims.</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>Replicability: research results can be reproduced.</td>
<td>Interpretive awareness: researchers recognize and address implications of their results</td>
</tr>
</tbody>
</table>

Table 5: Interpretivism versus Positivism (Weber, 2004)
In such a world, people exist as isolated islands of individuality who choose to enter into relations that can metaphorically be characterized as foreign affairs" (Tushnet, 1983).

Positivism has a different nature; it is dualistic. The evidence is in its ontology, which states that the reality and the observer are separate. Interpretivism focuses on the subjective element by not separating the observer’s experience from his or her perception of reality but still ensuring an element of objectivity due to constant social interaction and the observer’s negotiations with others (Weber, 2004). Positivists try to build knowledge that exists beyond the human mind, while interpretivists consider the knowledge they build as a reflection of their goal. Knowledge is developed through social construction (Weber, 2004). Creswell (2013) said “The reality is multiple because it is seen through many eyes.” Thus, by building on participants’ perspectives and their multiple meanings in a context that is rapidly growing and changing, an interpretivist approach will be helpful in developing a provisional theory of how art sponsee’s manage the sponsorship process (Creswell, 2013).

3.2.4 Credibility

Credibility, which is not a positivistic term, can be demonstrated by “the weight of evidence” achieved by persuasive features of the research and the “consensual validation” obtained by consulting the opinions of others. Research exposure should generate criticism, which is instrumental in shedding light on a phenomenon (Eisner, 1991). A study’s credibility can be threatened by errors because research subjects respond with what they think is a preferred social response; that is, data are based on social desirability rather than on personal experience (Kirk and Miller, 1986).
Positivists believe that a research object has qualities that exist beyond the researcher, while interpretivists may consider themselves as a measurement tool (Weber, 2004). The second approach is highly recommended in this type of research, as the researcher is key to defining the major categories involved in the process of developing a theory. The researcher needs to decide how these categories relate to the theory that is developed, how the scope and depth of the analysis is developed, and how this contributes to a better understanding of the phenomenon (Charmaz, 2014).

Positivists also subscribe to a notion of truth that relies on a one-to-one mapping of reality, while interpretivists instead subscribe to a notion of truth that is based on the researcher’s understanding of a phenomenon. In fact, credibility, as introduced first by Lincoln and Guba in 1985, requires prolonged engagement in the field, the triangulation of methods and data sources, and a thick description of the findings to make them transferable (Creswell and Poth, 2017). Positivists prefer to start statistically analysing large amount of empirical data collected using laboratory experiments, while interpretivists tend to begin research by using a variety of methods including cases, ethnographic studies, phenomenological study, narrative research study or grounded theory (Creswell, 2013).

The features of the interpretivist approach are considered more helpful in developing a provisional theory, which is the central purpose of this thesis. But which of the interpretivist methods is most suited to address this central purpose? Cases, ethnographic studies, phenomenological study, narrative research study or grounded theory?
3.3 Method used

3.3.1 Why Grounded Theory?

The interpretivist methodology chosen for this research is due to a specific and tailor made choice based on the subtlety of the arts sponsorship field and the confirmed lack of data, as claimed in the literature review section. In order to choose the most enlightening research method, five qualitative approaches have been considered: Narrative research study, Phenomenology, Grounded Theory, Ethnographic study and Case study. The characterising features of those methods are shown in Table 6. I decided to use grounded theory methodology as the most appropriate approach to achieving the research objectives. The general structure of a study using grounded theory is: Introduction (problems, questions). Research procedures (grounded theory, data collection, analysis outcome). Open coding. Axial Coding. Selective coding and theoretical propositions and models. Discussion of theory and contrasts with extant literature.

Several reasons suggested the adoption of a grounded theory instead of an ethnographic approach that would indiscriminately embrace the research participant’s view, extend into the situational context, aggregate arbitrary data, and depend on formal arrays (Charmaz, 2014). Furthermore the focus of this research was neither on the life of an individual nor on understanding the essence of an experience nor on developing an in-depth description and analysis of a case or multiple cases.
These reasons excluded narrative research study, phenomenology and case study. Arts sponsorship has been so negligibly researched that it cannot be about an individual, or, at this early stage, about a case or an experience.

Therefore, the only two approaches that might fit are ethnography or grounded theory, and before describing and interpreting a culture-sharing group using an ethnographical approach, I felt it was first necessary to develop a theory grounded in data from the field and study a process or an interaction involving many individuals (Creswell, 2013).

Grounded theory, in fact, advances the other qualitative methodology, ethnography, by employing “useful data collection and analytical strategies,” always a critical element of ethnography analysis that separates the data collection and the analysis. In grounded theory, the rigor of ethnography is paired with the methodical control of data collection and analysis by the “open-ended approach to study the empirical world” (Charmaz, 2014). Therefore I decided to use the grounded theory approach, so the outcome of this research will be a provisional theory illustrated in a figure (Creswell, 2013).

Furthermore, the alternative interpretivist approaches did not match for the following reasons.
Table 6: Five qualitative approaches compared (Creswell, 2013)

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Narrative research study:</th>
<th>Phenomenological study:</th>
<th>Grounded theory:</th>
<th>Ethnographic study:</th>
<th>Case study:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Exploring the life of an individual</td>
<td>Understanding the essence of the experience</td>
<td>Developing a theory grounded in data from the field</td>
<td>Describing and interpreting a culture-sharing group</td>
<td>Developing an in-depth description and analysis of a case or multiple cases</td>
</tr>
<tr>
<td>Type of problem best suited for design</td>
<td>Needing to tell stories of individual experiences</td>
<td>Needing to describe the essence of a lived phenomenon</td>
<td>Grounding a theory in the view of participants</td>
<td>Describing and interpreting the shared patterns of culture of a group</td>
<td>Providing an in-depth understanding of a case or cases</td>
</tr>
<tr>
<td>Discipline background</td>
<td>Drawing from humanities including example from social sciences</td>
<td>Drawing from philosophy, psychology and education</td>
<td>Drawing from sociology</td>
<td>Drawing from anthropology and sociology</td>
<td>Drawing from psychology, law, political science and medicine</td>
</tr>
<tr>
<td>Unit of analysis</td>
<td>Studying one or more individuals</td>
<td>Studying several individuals who share the experience</td>
<td>Studying a process, an action or an interaction involving many individuals</td>
<td>Studying a group that shares the same culture</td>
<td>Studying an event, a programme, an activity, or more than one individual</td>
</tr>
<tr>
<td>Data collection forms</td>
<td>Using primarily interviews and documents</td>
<td>Using primarily interviews with individuals, although documents, observations, and art may also be considered</td>
<td>Using primarily interviews with 20-60 individuals</td>
<td>Using primarily observations and interviews, but perhaps collecting other sources during extended times in field</td>
<td>Using multiple sources, such as interviews, observations, documents and artefacts</td>
</tr>
<tr>
<td>Data analysis strategies</td>
<td>Analysing data for stories, “restoring” stories, and developing themes, often using a chronology</td>
<td>Analysing data for significant statements, meaning units, textual and structural description, and description of the “essence”</td>
<td>Analysing data through open coding, axial coding and selective coding</td>
<td>Analysing data through description of the culture-sharing groups and themes about the group</td>
<td>Analysing data through description for the case and themes of the case as well as cross-case themes</td>
</tr>
<tr>
<td>Written report</td>
<td>Developing a narrative about the stories of an individual’s life</td>
<td>Describing the “essence” of the experience</td>
<td>Generating a theory illustrated in a figure</td>
<td>Describing how a culture-shaping group works</td>
<td>Developing a detailed analysis of one or more cases</td>
</tr>
</tbody>
</table>
General structure of study of Narrative research study:


General structure of study of Phenomenology:


General structure of study of Ethnography:

- Introduction (problems, questions). Research procedures (ethnography, data collection, analysis, outcomes). Description of culture. Analysis of cultural themes. Interpretation, lessons learned, and questions raised.

General structure of study of Case study:


Having framed the philosophical assumptions in order to ensure that they are clear and that the qualitative approach to be used is grounded theory (Creswell, 2013), further explanation of key interpretivist criteria (equivalent to the positivist criteria of reliability and validity) is required: dependability, credibility, transferability, and confirmability, and how this thesis matches these criteria.
3.3.2 Dependability considerations in this thesis

Reliability "refers to the degree of consistency with which instances are assigned to the same category by different observers or by the same observer on different occasions" (Silverman, 2013). Research is reliable when results are consistent over time, accurately represent the total population under study, and can be reproduced with the same results (Joppe, 2000). From a positivistic point of view, reliability is guaranteed when research can be replicated with straightforward methodology. Interpretivists instead seek interpretive awareness and replicability (Weber, 2004). Creswell and Poth (2017) stated that instead of reliability, qualitative research investigators should seek “dependability that results will be subjected to change and instability.”

To address dependability, an auditing of the research process was performed: dependability was tested at the end of the fieldwork through a peer examination methodology. In this specific grounded theory methodology, these colleagues from IESE Business School, Spain, Bocconi University, Italy, and Ramon Llull, Spain, had not just academic experience and qualifications in qualitative methods, but also specific expertise in grounded theory including mastery and access to the ATLAS.ti software used for this fieldwork. This enabled easy sharing of the transcripts and coded outputs. Each peer examiner agreed to review one or two interview transcripts and the researcher’s code list, and had been debriefed on the goal of the research. Peer reviewers had no previous knowledge of the research outcomes and no details on the core and theoretical categories. Each of the examiners coded one or two interview transcripts using the researcher’s codebook and then compared the results.
with the researcher’s outcome to check the level of change and instability of the findings. A comparison of results of the same interview transcripts conducted by the researcher is shown and peer examiner 1 are shown in Appendix (A)

3.3.3. Credibility, transferability and confirmability considerations in this thesis

To enhance credibility, when conducting interviews I respected the four criteria developed by Miles and Huberman (1984). (A) The researcher’s network, experience, and personal interest in arts and business ensured a necessary degree of familiarity with arts sponsorship. (B) The academic professional environment and the researcher’s decade in executive education ensured involvement and interest in conceptual development of large qualitative data sets. (C) The chemical engineering background, the executive education experience and a personal passion for the arts allowed diverse theoretical perspectives. (D) A curiosity and passion for making a difference in the field of arts sponsorship coupled with discipline and perseverance enabled a rigorous literature review process and increasing experience in qualitative research methods, two papers generated by this research work are currently under review and one is in press (E) Finally, the author has considerable interest in and experience with the arts, but the bias that it might bring was bracketed during the data analysis process.

With reference to transferability, the requirement to select a proper sample of arts sponsee managers (Krefting, 1991) was guaranteed by the reputations of the arts sponsee respondents whose backgrounds are public and easily accessible through their websites.
Since neutrality is not a goal of qualitative research, confirmability can be ensured specifically for this research by the use of (a) interview transcripts, (b) memos, (c) coded projects and (d) summarising analytic memos (Lincoln and Guba, 1985).

### 3.3.4 Further checks on validity in this thesis

Although credibility and transferability address the positivist concerns for internal and external validity (respectively), further validity checks were conducted in this thesis. Interview transcripts and findings/outcomes were sent to participants for relationship engagement purposes, bearing in mind “that differing interpretations will all be valid if each is grounded in the data” (Rennie and Brewer, 1987). Therefore validity was granted, instead of by using a triangulation technique that does not apply due to the provisional character of our theory (Corbin and Strauss, 2015), by subsequent interviews realised after saturation was reached. All the respondents upheld the findings as new data were collected (Lazenbatt and Elliott, 2005).

This validation approach was further confirmed by literature: Silverman (2013) stated that “Validity is another word for truth,” so research is valid if it truly measures that which it was intended to measure (Joppe, 2000), although a certain scepticism has to be adopted before accepting the validity of any knowledge claim, since “social inquiry is an uncertain business,” (Hammersley and Atkinson, 2007). For positivists, this means measuring reality; for interpretivists, it is important to defend a claim that is supported by research (Weber, 2004). In other words, valid research is reliable, but not vice-versa. Many researchers consider reliability in qualitative research to be dependent on validity and believe that demonstrating validity is enough to ensure reliability. But positivist terminology does not favour qualitative research, which is
better matched with words such credibility, authenticity, transferability and dependability (Lincoln and Guba, 1985) or credibility, dependability, transferability and confirmability (Krefting, 1991; Sinkovics and Ghauri, 2008). Constant comparison within groups gives research credibility because the volume of data ensures theoretical sample richness and extends the generalizability of the theory reach (Locke, 2001).

The provisional nature of grounded theory research (Creswell, 2013) contradicts the intrinsic consistency of reliability over time (Joppe, 2000). Patton (1990) emphasizes the lack of prior tests for validity and reliability that reinforce the central role of the researcher's intellect to “fairly represent the data and communicate what the data reveal.” Validation is considered to neither have an impact on information nor to provide guidance for qualitative research, therefore it may make it easier to understand, rather than convince (Wolcott, 1990).

The question of how to optimize validity and the resultant reliability in qualitative research is addressed by Golafshani (2003), who recommends generalizability of results or triangulation using different data and sources, a technique that is popular in qualitative research (Creswell, 2013). Triangulation can be about theory when referring to concepts derived from diverse disciplines all useful in understanding a problem or about investigators, using a team instead of an individual (Krefting, 1991). Triangulation involves confirming evidence from different origins in order to clarify a fieldwork outcome, and, specifically in grounded theory, allocating evidence to various codes by using data obtained from different processes (Creswell, 2013). A specific method for triangulating grounded theory results is Heideggerian
hermeneutics, which involves re-reading individual interviews, summarising each of them, and comparing the final outcome with the that of the constant comparison of the grounded theory (Wilson and Hutchinson, 1991). However, triangulation is generally excluded from this type of study since these types of investigations do not seek generalizability but rather a provisional theory to explain a specific process (Corbin and Strauss, 2015) that also would oppose the use of data obtained from different processes, since the process in this specific study is unique (Creswell, 2013). The progressive nature of grounded theory data collection ensures that the researcher does not return to the respondents to test their agreement on interpretation of the findings. Instead, a new group of people determine whether the findings hold as new data are collected (Lazenbatt and Elliott, 2005). This eliminates the need to send transcripts back to interviewees for respondent validation, although it does not test the accuracy of the research findings (Murphy et al., 1998).

Other techniques are suggested by Silverman (2013) for improving the critical thinking of a qualitative analysis in order to obtain more valid findings:

- The refutability principle: refuting assumptions against data as the research progresses; it does not apply to this research since there will be no assumptions to refute. The transitive theory resulting from this thesis will be necessarily based on assumptions drawn mainly, but not exclusively, from literature review.

- The constant comparative method: comparing one case against another; following the grounded theory methodology the comparative method will be constantly used for the content of categories.
- Comprehensive data treatment: all the cases are considered in the analysis; all the four type of arts sponsorship confirmed by literature have been considered: museums, theatres, dance and orchestras.

- Deviant case analysis: discussing cases that did not fit in the pattern. All the cases that meet the research requirements, like arts festivals or arts sponsees managers without sponsorship experience, are discussed.

- Using appropriate tabulation: using quantitative figures if a mixed-method makes sense, that does not apply to our research.

### 3.3.5 Constant comparison

This iterative process of constantly comparing incoming data to collected data determined the core category, and was considered complete when category saturation was reached—in other words, when the category was fully developed (Corbin and Strauss, 2015). The constant comparison feature of grounded theory methodology offers a built-in form of data validation in this thesis, at least in the context in which it is gathered.

It is difficult to identify a single standard for conducting qualitative research, especially in a binary quantitative-qualitative debate. The success of the research in investigating important problems is the goal when choosing a method, adopting a “logic of use” criteria (Howe and Eisenhart, 1990). Thus, it is proposed to adopt specific qualitative methodological standards and their abstract and broad natures in order to allow a theory to develop. The methodology should create a solid pairing of the emerging theoretical concepts and the context researched, allocating value to each single self and to the relative data observations (Locke, 2001). Therefore, I propose the use of grounded theory as the most suitable inductive method, with the
aim of reaching an in-depth understanding of the arts sponsorship process (Creswell, 2013), viewed through the lens of sponsees.

3.4 Grounded theory

Grounded theory methodology is proposed as most suitable for this research and in this context because of the focus on the process, its original sample selection, the categories that emerge and their links to the facts, and the sample itself (Corbin and Strauss, 2015). Grounded theory offered a pragmatic approach that is useful for everybody, not only social scientists (Locke, 2001). Through the evolution of grounded theory reflected standpoints, the researcher assumed to know what reality is, making this methodology the best fit for analysing a constantly changing social world (Hallberg 2006). In fact, grounded theory is based on a dynamic relationship between sampling for data collection and analysis, which confirms the constant nature of the findings (Lazenbatt and Elliott, 2005).

This method requires a careful focus on the core category in order to resolve potential discrepancies between hypotheses (Creswell, 2013). The core category consists of the main ideas and high-level concepts that are derived from the data analysed (Corbin and Strauss, 2015). The interactions of the substantive codes, their multivariate hypothesis and conceptualisation originate the next level of theoretical codes, an inductive process where no data are forced, but instead emerge from a combination of constant comparison and sorting (Tossy, 2016). Categories in general are defined as themes and “represent relevant phenomena” that “enable analysts to reduce, combine, and integrate data (Corbin and Strauss, 2015). The categories derived have to be analytic and also sensitizing, meaning
comprehensible so the reader can relate and almost reach a voluntary level of redundancy to his own context and experience and thus visualize the situations that the theoretical framework refers to.

The generating questions to support the conceptual naming of data are:

- What is happening?
- What is the problem faced by the actors?
- What category or what aspect of a category does this incident suggest?
- What does this incident suggest in terms of theory?

Formal assignment to a theoretical category can be very useful, but should still be understandable by any researcher outsider (Locke, 2001). In the grounded theory approach, the concepts that emerge from the research must be integrated into a broader perspective that will ultimately become the theory. This is why concepts cannot be chosen prior to beginning the research. The data collected are immediately analysed and will influence the following phases of data collection (Corbin and Strauss, 2015), a process that is referred to as “constant comparison.” When using grounded theory, the research question should guide the researcher in deciding what level of theory is warranted and whether a second body of literature is introduced, depending on the purposeful sampling that occurs at an early stage. If any deviation from the grounded theory method is used, it should be described (Cutcliffe, 2000). A common mistake in a grounded theory approach is that because the coding is a subjective process, the researcher can decide on what to focus on,
but instead the researcher only develops codes grounded in the basic level description of the respondent narrative (Tossy, 2016).

### 3.5 Atlas.ti: short user manual

To achieve a deeper level of analysis, the researcher employed a qualitative data analysis (QDA) software called computer assisted qualitative data analysis software (CAQDAS) (Hwang, 2008). Software does not do the researcher's work; s/he still has to perform the intellectual tasks, but software can speed up calculations and provide more accurate results, especially for large sets of data (Hwang, 2008). Atlas.ti can handle data in video and other digital formats as well as Word documents (Hwang, 2008).

The glossary of terms for ATLAS.ti includes:

- **Analysis tools**: Word cruncher, code co-occurrence tree and table explorer, the query tool and the codes-primary documents table;
- **Codes**: Mainly keywords, although not necessarily, linked to quotes;
- **Hermeneutic unit (HU)**: Referring to storing the data manipulation made by the researcher, but not the data itself;
- **Memos**: A title type and some text, linked or not to other memos or quotes, to write down ideas or thoughts;
- **Query tools**: Essential to retrieve quotes based on a combination of codes (Friese 2014).

Appendix (A) shows an example of how ATLAS.ti organizes data collected in interviews during an empirical study. The centre shows the file selected from the list on the left containing “Main documents,” i.e., transcript interviews, in this case,
memos and codes. To the right of the selected file, corresponding to each piece of text labelled by the researcher, are the codes and memos that refer to the categories identified by the fieldwork analysis. It is important to underline that since the researcher using a software may rely too much on the program to do the analysis, this may lead to a lack of relatedness with the data and of theoretical sensitivity (Goulding, 2017). Therefore, during this research, special attention is placed on maintaining familiarity and theoretical sensitivity all along the process, by constantly revising the interviewees’ transcripts word by word, although hidden by the codes of the ATLAS.ti software.

3.6 Conducting the research

A provisional theory of the sponsorship process through the arts sponsee’s lens was developed based on collected data that the researcher used to generate information about arts sponsees’ concepts. Identifying single units of information defined as theoretical categories led to the construction of a primary or core category (Creswell, 2013). This is why “concepts, not people” are sampled in grounded theory, as they generate questions that lead the researcher to collect more data and learn more about the concepts. By iterating constant comparison along the data collection process, more categories were then found, developed and linked together so as to make sense of meetings, the individuals involved, documents, information and criteria. The theory that emerged from the interviews was continually compared to the new elements provided through the interviews in a continuous dynamic process (Creswell, 2013). Theoretical categories were generated by this empirical process in a top-down process, in which scholars assign managerial meaning to the data.
through theoretical categories (Locke, 2001). The categories were intersected to generate the theory, which is usually presented in diagram format as a process: the central phenomenon, causal conditions, strategies, conditions and context, and consequences (Creswell, 2013), a structure that makes them relevant for managers and organisations.

Although grounded theory suggests homogeneous sampling, the maximum variation sampling methodology allows different perspectives, an ideal of qualitative research. For example, arts sponsorship managers with demonstrated experience in sponsorship and orchestration (Cornwell, Roy and Steinard, 2001) make up a homogeneous sample, but variation (Creswell, 2013) like global dispersion, was added to enrich the perspective. To show results in the best possible way, direct quotes from participants are listed as much as descriptions of observed interactions (Locke, 2001).

Grounded theory has its own limitations. The researcher’s assumptions and personal point of view should be made explicit from the outset. It is necessary to establish standards when discussing less robust theories and to evaluate how well the research functions in providing information and forming a basis for on going work (Creswell, 2013). Critics of grounded theory refer to the researcher’s subjective experience as the only dimension of credibility of this methodology. That can be contained by reaching a sense of reliance in theory building. This reliance is achieved by constantly analysing and comparing data and seeking a direct experience in the setting (Locke, 2001).
3.7 Procedure

The study focused on arts sponsees and their process for managing sponsorships, with the aim of capturing the perspectives of respondents and developing a model of their sponsorship process through in-depth interviews, with the goal of developing a “unified theoretical explanation” (Corbin and Strauss, 2007).

The interviews were conducted personally by the researcher with participants identified via LinkedIn professional online network and other professional and personal connections. The interviews lasted on average 40 minutes and produced a transcript of 2000 words on average (see an example in Appendix (D)). The first contact was an explanatory email, which aimed at establishing respondents’ availability for the study. The interview procedure was organised in a standard manner, starting with an informed consent letter signed by each interviewee (Creswell, 2013). The consent letter guaranteed the confidentiality of the interviewee, unless he or she specifically waived confidentiality, and specified that all recorded data would be destroyed once transcribed to prevent the possibility of voice tracking (Corbin and Strauss, 2015). The letter also stated that participation in the study was voluntary and respondents were free to withdraw at any time. A copy of this informed consent letter is in Appendix (B).

3.7.1 Theoretical sampling

Since grounded theory uses non-probability samples (Cutcliffe, 2000), the sample of individuals to be interviewed should offer varied cases that can shed light on the process being researched. The methodology chosen for this research, out of the 16 options proposed by Patton (1990), is based on a meaningful sample that facilitates
the study of a subgroup, which, in this case, consists of professionals involved in arts sponsorship (on the sponsee side). Therefore, participants in the study were deliberately selected based on being art sponsorship managers who had already worked with a sponsor.

Creswell (2013) suggests possible variations to maximize results within a homogeneous group, which is standard in the grounded theory method. In this specific case, the variation could be within arts institutions as defined by Gardner and Shuman (1987), i.e., orchestras, museums, dance companies and theatre groups. This classification is confirmed by the International Entertainment Group (Sponsorship.com 2016a) and sponsorspith.com, that separates arts from festivals. Interviewees could be sponsee managers who wish to secure sponsors from different countries, as globally dispersed institutions could ensure diverse and enriching points of view (Lee, Sandlers and Shani, 1997; Walraven, Bijmolt and Koning, 2014, 2013; Ruth and Simonin, 2006; Meng-Lewis, Thwaites and Pillai, 2013) (although this study does not intend to provide a worldwide perspective). Theoretical sampling across groups that are not intuitively pairable is a valuable methodology for generating more formal theories (Locke, 2001).

The use of a translator is required only when the researcher is not familiar with the interviewee’s language (Kapbork and Berterö, 2001). These respondents were interviewed in English and/or Spanish, both languages in which the researcher is fluent. (A) English is the working language of this PhD programme and of the researcher’s job in Universitas Telefonica, Barcelona, Spain. It was also the language of the chemical engineering programme successfully passed by the
researcher at the University College London, UK. (B) Spanish is employed because the researcher lives in Barcelona, Spain, and has been working in a Spanish language environment since 2002. These language skills allowed the researcher to avoid using a translator that might compromise validity since s/he may not have been trained in the field and/or may have summarised or altered responses (Kapbork and Berteró 2001). Furthermore, interviewees are arts sponsee managers with experience in sponsorship deals working with orchestras, museums, dance companies, theatre groups and other arts organizations (Gardner and Shuman, 1987). Therefore extracting data from these professionals led to more valid findings in the field of arts sponsorship (Silverman, 2013).

The suggested number of interviews was 30, between the recommended 20 and 60 for grounded theory (Creswell, 2013). The minimum final number of interviews conducted was defined by reaching “saturation” and not when redundancy is attained (Morse, 1999), but I exceeded the minimum number of interviews. Saturation is based on the concept of constant comparison (Bowen, 2008) and goes beyond the level of merely anticipating synthesis. Instead, saturation implies conceptual analysis and is intended to delimit the list of categories that must be coded (Glaser and Holton, 2007). To reach saturation, participants are added to the data set until it is complete, meaning “when nothing new is added” (Bowen, 2008). Completion also means replication. As Morse et al. (2002) states: “Saturating data ensures replication in categories; replication verifies and ensures comprehension and completeness.” Still, grounded theory is not a methodology to achieve verification. It may confirm ideas, but it does not fit the concept of verification as an
“entailing systematic quantitative procedure that presupposes establishing firm definitions of the phenomena before studying them” (Charmaz, 2014).

Saturation is reached through an iterative process that moves through sampling and theoretical reflection stages (Frith, 2009). The researcher understands when sampling is sufficient because the categories are specific, rich in properties, exhibit dimensional variations and are well integrated. Grounded theory looks for situations that show variation or different properties of the concept examined (Corbin and Strauss, 2015). Categories need to be applied consistently, and the researcher needs to document the procedure (“memoing”) to demonstrate that reliability has been achieved (Silverman, 2013).

The sample consists of data, and so the researcher can use any data that are useful for learning more about the research material. For this specific research, transcribed interviews were the main source of data.

In theoretical sampling, the researcher is not concerned about representing a population, as in statistical sampling, but more about representing concepts. Because the sampling decisions evolve during the research process, theoretical sampling cannot be planned in advance (Corbin and Strauss, 2015). In this sense, along with constant comparison, grounded theory is truly an emergent research design. Grounded theory researchers must be able to live in chaos, suspend judgement, increase their sense-making ability, care about relational dimensions and cultivate insight and the ability to conceptualize. Conceptualization is a process that can be achieved by logical mapping, using a simple whiteboard where unifying
elements can be linked together, or by telling the story of the research as a strategy to help identify the core category (Tarozzi, 2011).

The interviews were conducted face to face in a quiet place or via phone or video in order to enable detection of informal aspects of communication (Creswell, 2013). No insights from body language were detected in the fieldwork data collection. Audio calls provided the same level of insight as video calls, so I stopped video calling after having done two video interviews, because that did not provide any informal aspects of communication.

3.7.2 Sample characteristics

Forty-three arts sponsorship professionals from institutions selected according to Gardner and Shuman’s (1987) criteria were invited to participate, of which 31 accepted. Of these 31, three were eliminated because one gave only written answers, another one was about festivals and the third did not prove to have sponsorship experience despite the role as institution director. The name, type and country of the arts sponsee as well as the name, title of the person interviewed and number of years in the sponsorship field were reported to provide a descriptive analysis of the sample. The interviews were in either English or Spanish, as shown in the Appendix (D), transcribed by the researcher or previously translated if they were in Spanish language. They were all stored in a password-protected computer accessible exclusively to the researcher.

In this study, art museums responded more and are therefore represented more than other arts institutions such as theatres, orchestras, and dancing companies. There
are 55,000 museums in the world (De Gruyter, 2012), but there is no exact estimation of the quantity of theatres, orchestras and dancing companies. Considering the number of visitors and comparing for example the nearly 60 million attendants to Spanish museums overall in 2012 (MCU, 2012) to the decrease of performing arts spectators in Spain from 19.5 million in 2008 to 12.8 million in 2013 (Colomer, 2014), data suggests that within the arts category the major response and number of interviewees would likely be from art museums. More data on global attractions attendance published by the Themed Entertainment Association (TEA, 2016) mentions that the most visited arts museums generate more sponsor impact. For example, no single theatre, dance company or orchestra venue can compete in yearly audience with The Louvre in Paris, France, with 7.4 Mil visitors; The Moma in New York, USA with 6.7 Mil visitors or the 3.6 Mil people visiting yearly the Reina Sofia in Madrid, Spain. Reports on museums are available, but it is difficult to find data on performing art venues. Theatres in the UK had 28,042,741 spectators in 2014 and 53,486 plays (Arts council of England, 2014), indicating a wider dispersion of resources and a more difficult target by sponsors.

All of those interviewed were mainly from arts museums and had personal experience with sponsorship, and at least one of each of the four types of arts institutions were represented, i.e., M= Museum (N=20), T=Theatre (N=4), D=Dance companies (N=4) and O=Orchestra (N=3).

Given that 20 is the minimum number of interviews recommended in grounded theory (Creswell, 2013) and that I reached saturation at number 18, the data collected in the interviews offers a broad snapshot of arts sponsorship and enables
insight into the participants’ perspectives on the sponsorship process and how arts
sponsees develop specific behaviours.

<table>
<thead>
<tr>
<th>Institution Name</th>
<th>Institution Type</th>
<th>Years (years)</th>
<th>Country</th>
<th>Interview</th>
<th>Language</th>
</tr>
</thead>
<tbody>
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Table 7: Arts institutions interviewed

### 3.7.3 The interview protocol and method

An interview protocol, including questions and space for answers, was prepared prior to the interviews. During the personal interviews, I tried to be present with all five senses (Angrosino, 1994), assuming the role of a “complete participant,” which entails being entirely aware during the process. Because of the global dispersion of
the interviewees, some interviews were conducted via Skype or phone, and although
the value of face-to-face interviewing is not disputed, the fact that people are
accustomed nowadays to other means of communication makes these reliable tools
for achieving contextual naturalness, while also reducing costs. Moreover,
paralinguistic cues can be non-visual (Ward, Gott and Hoare, 2015). I confirmed this
fact during the fieldwork experience by comparing two initial videos and audio calls
and found no significant difference in insights obtained.

Each interview was semi-structured, with open-ended questions specifically relevant
to this research and focused on understanding the central phenomenon of the study
(Creswell, 2013) – arts sponsorship, its causes and its consequences. Using this
approach, while participants were limited when it came to leading the conversation,
the research “easily maintain[ed] some consistency over the concepts that are
covered in each interview,” particularly if the participants were not talkative (Corbin
and Strauss, 2015). Initially, the open-ended questions were defined according to
concepts identified in the literature review, but they were then constantly adapted
according to interviewees’ answers (Creswell, 2013).

Grounded theory is not used to test hypotheses and does not use pre-formulated
research, but instead develops a theory through collection of participant-led data
(Ccharmaz, 2014). Although I had reached saturation with the reciprocity concept by
interview number 18, I exceeded the number of interviews required, and additional
interviews only confirmed our findings (Lazenbatt and Elliott, 2005) and reaffirmed
my decision to not use triangulation since this type of investigation does not seek
generalizability but rather a provisional theory to explain a specific process (Corbin
and Strauss, 2015). Going beyond the minimum number of 20 interviews proposed by Creswell (2013) prolonged the observation period with respondents and reduced the risk of lack of credibility. Defined as “the weight of evidence” (Eisner, 1991), credibility is a qualitative research property (Lincoln and Guba, 1985) that may be threatened when interviewees respond based on social desirability instead of personal experience (Krefting, 1991). Since sponsorship is not an intimate subject, I assumed that respondents would not feel threatened by the interviews, but I still noted that sponsorship involved financial support and that some sensitivity about accepting money might appertain to the concept of sponsorship.

The constant comparison of data (Locke, 2001) ensured credibility to the category. “Arts financial support” was mentioned by respondents as the first criteria for sponsee selection of a sponsor. Other categories mentioned by a majority of respondents included “arts sponsorship understanding,” a category about previous experience in arts sponsorship, and possible “congruence,” mentioned as a favourite category but not a sponsor “select criteria.”

To ensure that there was no misinterpretation of the findings, some informants were involved in the research status and outcome while being interviewed, thus assuring “accurate translation of the informant’s viewpoint into data” (Krefting, 1991) according to the researcher’s intuition.

3.8 Data management and analysis

Analysis began immediately after the first phase of data collection (Corbin and Strauss, 2015). This practice of immediate analysis helps solve problems such as lack of clarity as to where transcribed sentences of text start and finish, which
researchers must use their judgement on (Locke, 2001). To ensure accuracy of the interview content and to help develop sensitivity, immediate coding was done (Corbin and Strauss, 2015). Constant comparison and inquiry are important both during interviews and immediately after, when the first data are collected for theoretical sampling. This process of comparison involved a combination of theoretical and practical questions (Corbin and Strauss, 2015). Additional interactions or information observed during data collection were recorded as field notes, since in the grounded theory methodology memos are a source of information recognised as “prompt thinking about actions” (Charmaz, 2014).

For the purposes of this research, initial interview questions were expanded based on review and were developed into an interview list as follows:

- How do you go about choosing a sponsor?
- Who is involved in the decision?
- What criteria do you use for selecting?
- What are the consequences of selecting the right sponsor?
- What are the consequences of selecting the wrong sponsor? What actions do you take in response to these consequences?

These questions provided early insight into how arts sponsees manage the sponsor process starting from the first step which is the selection (Meenaghan, 1983), still giving room for emerging self-identified topics and allowing the questions to serve as reminders of further topics to be explored. As the process of interviewing advanced in an iterative manner, theoretically relevant data emerged beyond the list of questions (Corbin and Strauss, 2015).
The final question set, used in the final interviews, reconfirmed that saturation was reached and the categories replicated with each new respondent, although the researcher neither stopped collecting data too early nor stopped interrogating the data until the last interview (Goulding, 2017).

- What value can you provide a sponsor by offering arts sponsorship compared to other kinds of sponsorship?
- Do you think emotions derived from the arts are different from those generated by sport? What about learning?
- What are the challenges in art sponsorship? Externally and internally?
- What are the skills and knowledge required to deal with sponsors? What is your background?
- How do you go about selecting a sponsor? What criteria do you use for selection? Can you choose or just select?
- What are the benefits of selecting the right sponsor? What makes the sponsorship successful?
- What are the consequences of selecting the wrong sponsor? Your responsibility?

Credibility has been enhanced during the interview process. The reframing of questions, repetition of questions, or expansion of questions on different occasions were used to increase credibility (May, 1989). Furthermore, in order to ensure symmetry in the interviews and to ensure that they are not led according to the researcher’s agenda and point of view, Kvale (2006) suggests that the researcher distinguish truth from authenticity. The interviewer’s personal opinion, gender, status and race may influence the interview itself, but this is very different from the influence of the researcher’s intellect in determining what is valid and reliable (Patton, 1990),

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as was previously discussed. The data analysis after each interview in grounded theory methodology stimulates the thinking process and opens new avenues of inquiry, called theoretical sampling and consisting of alternating interviews and coding. This process solves the problem of not having all the questions at the beginning of the research in that when the data collection is complete and new questions arise, no more data collection is available (Corbin and Strauss, 2015). The researcher’s use of a paradigm to perform axial coding was helpful in organising and linking concepts, but this also added complexity to analysis of the Conditional/Consequential matrix because the same conditions and consequences referring to the paradigm interact and impact each other dynamically creating complexity (Corbin and Strauss, 2015). The goal was to reach integration. Concepts by themself do not make a theory.

3.9 Coding Categories

The data are considered valid because they are drawn from professionals in the arts sponsorship field (Silverman, 2013) and were fractured and analysed line by line, allowing the researcher to microscopically examine each piece of data and start assigning temporary names to codes, a practice known as open coding (Locke, 2001). Stressing gerunds in coding and the practice of memo writing were helpful tools for breaking the narrative into blocks of action and spotting emerging interactions (Charmaz, 2014).

The coded transcript in Figure 6, as an example, shows the following patterns emerging in a successful or unsuccessful sponsorship: arts sponsorship understanding, sponsor involvement and dynamic matching/partnership. From this
interview, it emerged that the arts sponsee struggles to get the sponsor to understand the value of arts sponsorship. The sponsee needs to educate the sponsor to realize that sponsorship goes beyond simply financial support and is also about sponsor involvement. The choice of the concept of sponsor involvement from the researcher, different from sponsor commitment and sponsor engagement, is due to what is suggested by Hallberg and Scaufeli (2006). They related work engagement to motivation, organizational commitment to personal attachment to the organization and job involvement that includes constructs of motivation, engagement and commitment.
5. What are the benefits of selecting the right sponsor? What makes the sponsorship successful?

- The true for us is, with ... we have a sponsor that understand the cultural sector already and that knows how we function according to a business standpoint and if they understand that they understand how they can leverage their resources. Bank of America they are very savvy, they do lots of sponsorship along the globe and we have lots of tenure, over 10 years of partnership with them. When they do an exhibition they know, they do the content already so they are already thinking on how they can position within their own asset. They already know what we can do with us. So whenever they do a sponsorship with us we already know how to get the best and to make it really successful and get very vested in the project, we get very involved in the project, there is lots of activation. The sponsor is coming, so we can make a street activation around the bridges. So they really understand form the beginning what a marketing campaign is and they are very interested on what the marketing campaign can be and I think that is a great success. Then there are other sponsors that are not so sophisticated, so they just throw a cheque and put their name on it and they do not really know what to do with. Of course we appreciate the money, the cash, but they are not taking anywhere. Those are those we are constantly thinking of how we take them back, difficult to do something on their ends, we can only do something on our end. They only get me nervous, talking about the next project and trying to see the future. People that have a sophisticated sponsorship are those that make a sponsorship successful. Bank of America is good on its own right, they are sophisticated, from the global arts sponsorship team and local, they understand how to leverage arts sponsorship.

6. Have you ever tried to make a sponsor educated? Yes ... (laughing), it is a long, I am trying to work with them, trying to educate, really feel I am serving them on the ground, I need to do a lot of education, they are kind of new to cultural sponsorship, and some other just not interested, they do not have the capacity. It is just one they do not have the education, a long stand partnership it is at the third year and it seems that is not going anywhere I have seen them being other kind of sponsorship with other company and they want to apply this here, to me that sounds fine.

6. What are the consequences of selecting the wrong sponsor? What actions do you take in response to these consequences?

- (Smiling) I never experienced disasters (laughing). If I ever had it? Yes, People that they did not know what they were getting into, just managing expectation. I learned it from the very early on with a few partners, that’s where I learned, you know, not to promise to deliver (laughing) it is the kind of tact we take. And also just transparency and honesty, you know, taking to the get go. The consequences ... you know... can be pretty severe, it has not been a disaster, but we have never been able to do anything with them again, it has been 9 years that I have been trying to repair this relationship, something the scar deep and it take time. The case is that we overpromised them and we never followed through and could not blame them for not being happy and it takes a long time to recover. It is not a problem with just one person in the company for 9 years, whatever
Figure 7: Arts sponsorship fieldwork conceptual mapping with clusters diagram
I employed familiar analytic tools to analyse the context, the relationship of events to proceeding conditions, which consists of asking questions, comparing, writing memos and coding axially, in the sense of coding by linking sub concepts according to their action-interaction within a framework (Corbin and Strauss, 2015). Coding was affected by the development of categories and also contributes to their development.

For a better understanding of the arts sponsorship process, the diagram in Figure 7 provides an overall view, but does not raise the analytical level of the categories emerging from the coding process. Emerging codes have been laid on the diagram, but then connected according to the interview’s outcome, providing a greater level of insight about the arts sponsorship process and the overall sponsorship deal from the arts sponsee’s point of view. The initial categories used in the first coded transcripts shed light on how a sponsor’s lack of understanding of arts sponsorship and the inability of the arts sponsee to show its added value cannot be solved by a contract or by a pure financial transaction, but must be based on a solid relationship that takes time and skill to build. The progression of the interviews and the consequent coding, memo writing, question updating, and on-going comparison of how arts sponsees deal with their sponsors furthered understanding of what were considered key success factors of a good sponsorship.

As the investigation advanced, the researcher developed categories using a methodology of analysis known as selective coding, which involves checking to ascertain whether the categories developed remain viable when data are specifically analysed for these categories (Lazenbatt and Elliott, 2005).
The analytical tool used to perform axial coding is defined as a paradigm and consists of conditions, actions-interactions and consequences. A typical sentence applied to a paradigm is: “When this happens, I do this with the expectation of having these results.”

Thus, the conditions point to the perceived reasons for an occurring event and are indicated by terms like “because” or “due to”. The actions-interactions are the response to the event, and the consequences represent the outcome of the response (Corbin and Strauss, 2015). In the context of an arts sponsee seeking a sponsor at the start of the sponsorship process, an example of a paradigm would be: “When we look for a sponsor (Context), we do lots of research to engage with a company (Action/Interaction) that can finance our project (Consequence).” An example of this is shown in Table 8.

Coding highlights different patterns. The first reason for sponsorship is financial support of the arts sponsee, but there is often a lack of understanding about how the financial support can be leveraged. Another trend is that the added value provided by an arts sponsee is not always clearly transmitted. The sponsor seeks brand awareness and the arts sponsee expects involvement from the sponsor to improve the sponsorship outcome.
INTERVIEW 1 (Museum)

Example of the theoretical categories in Arts sponsorship key success factors constructed with Open coding (Open codes format style))

Theoretical category: Making possible. Axial coding: Partnership

Having done the content in advance, they are already thinking about how they can position their own asset (Arts Sponsorship Understanding).

Theoretical category: Making possible. Axial coding: Dynamic matching

Theoretical category: Uncertainty. Axial coding: Relationship time

There are those we are constantly thinking of how we take them back, difficult to do something on their ends (Sponsee Marketing team). We can only do something on our end. They only get me nervous, talking about the next project and trying to see the future (Sponsor selection). People that have a sophisticated sponsorship are those that make a sponsorship successful. Bank of … is good in its own right. They are sophisticated from the global arts sponsorship team and local (Arts Sponsorship understanding), they understand how to leverage arts sponsorship.

Have you ever tried to make a sponsor educated? Yes…(laughing), it is a long…(Arts sponsee value) I am trying to work with them, trying to educate, really feel I am serving they are on the ground. I need to do a lot of education, they are kind of new to cultural sponsorship (Sponsor involvement).

INTERVIEW 2 (Orchestra)

Theoretical category: Uncertainty. Axial Coding: Relationship time

To make the project, it is the main goal, the grant continuity, to execute the Project (Arts Financial Support). Here in… I plan annually (Contract), so I need to make some adjustment (Flexibility). I
They already know what we can do, so whenever they do a sponsorship with us, we already know how to get the best (Sponsor activity) and to make it successful and become very interested in the Project (Sponsor Benefit). We get very involved in the project, and there is lots of activation (Arts Sponsorship Understanding). The sponsor is coming (Sponsor involvement), so we can make a street activation around the bridges (Arts sponsee value). So they really understand from the beginning what a marketing campaign is and they are very interested in what the marketing campaign can be (Sponsorship reason). I think that is a great success. Then there are other sponsors that are not so sophisticated, so they just write a cheque and put their name on it (Arts Financial support) and they do not really know what to do with us. Of course, I appreciate the money, the cash, but they are not taking anywhere (Arts Sponsorship reason).

Table 8: Example of data comparison between two different interviews
For example, the code ‘arts financial support’ or “brand awareness” was also labelled as “corporate sponsorship” to reflect the subtle interplay of meaning as data analysis progressed. This process became beneficial for conceptualising multiple perspectives of the arts sponsee, whilst ensuring common meanings within the engagement were defined. Concurrent memo writing merged categories, expanded analyses and built on emerging insights. The entire process is depicted in Figure 8 where the links between the initial review of literature, the data collection, the open, axial and selecting coding are shown to refine the emerging theory, and finally, after considering the literature visited earlier, the substantive theory is clearly shown.

Figure 8: Schematic representation of the core elements of grounded theory and the strategies used to enhance rigor (Pryor et al., 2009)
The emerging core category comprehensive report is unattainable due to the iterative coding and constant comparison process, so these findings are about how the analysis developed through data collection and ongoing analysis, as shown in Table 9.

### 3.9.1 Open coding

Open coding line-by-line analysis of the arts sponsees’ interview transcripts enabled the allocation of temporary codes (Locke, 2001), and an intensive comparative analysis was the main characteristic of this stage of the fieldwork.

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<td>Memos and field notes</td>
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As categories developed, codes were revisited, and sensitivity grew towards the arts sponsorship context, I gradually experienced a better understanding of sponsees’ needs during the sponsorship process. I developed the properties (as shown in Figure 9) around the emergent category of “Arts sponsee value” that interviewees related to engagement and business acumen, and not just being liked. The category was very demanding because it shows what arts sponsees are able to do about integrating resources, intangibility and the need to make “sponsor understanding
arts sponsorship” another emerging category. The very thick and rich Figure 8 contradicts arts sponsee value, which is intuitively sponsors’ requests, but also “uncertainty,” another emerging category. Within the intangible, “making possible” was mentioned very often as a characteristic of arts sponsorship.

Figure 9: Categories and properties of the emergent category “Arts sponsee value”
3.9.2 Memos

The properties of the core category are lesser concepts placed under a category that show differentiating dimensions within the overarching category. These can be integrated through the memos and can also be linked to other related categories (Corbin and Strauss, 2015). The entire development of grounded theory emerges through an integrated set of hypotheses derived by theoretical outcomes that are based on the memos (Glaser and Holton, 2007). The links between categories show the difference between the theory and a pure description. For example, in the journalism discipline, theory explains why events happen and how people make sense of and deal with events (Corbin and Strauss, 2015). Memos are as valuable as transcribed and coded monographs (Locke, 2001). For example, when referring to a war, it might be very simple to reduce soldiers’ experience to “survival” and make it the core category. But survival must be explained in terms of when and how it happens, how it is understood under different conditions, and what its consequences are, meaning that another core survival category may arise (Corbin and Strauss, 2015).

The step following saturation is based on memos (Glaser and Holton, 2007), written records of analysis that show what the researcher thinks when analysing the data (Corbin and Strauss, 2015). Memos are related to the core category, and the relationship is based on a constant review, sorting and integration of the memos with the core category (Glaser and Holton, 2007). Memos are key to stressing the researcher’s awareness of personal biases, and coupled with constant comparison,
ensure that they fit into an emerging theory. If they are not aligned, memos should be set aside (Lazenbatt and Elliott, 2005). Below is an initial memo.

This memo identifies the need to elevate the conceptual level of analysis. This need emerged by elaborating higher-level concepts that shed light on the common factors shared by different arts institutions.

Corporate Sponsorship is small (3 U$ million out of 24 U$ million donated to the museum) and requires lots of work…but the sponsees want it not just for the money, but for visibility, network and even visitors (bank of America Friday free entrance for cardholders). The obvious financial support sought by the sponsee and the brand awareness sought by the sponsor are now coupled with a new element, the visibility offered by sponsorship to the museum. The sponsor has an extensive experience in arts sponsorship, so it does understand the value of arts sponsorship and not only makes the sponsorship process more effective because it expands the message to cardholders. So there are collateral advantages beyond the financial support for the sponsee. It seems than more complicated than putting a logo in exchange of a fee. I have the impression that this museum and this sponsor have already a very advanced conception of sponsorship

Memo 1: Sponsorship conception

3.9.3 Axial coding

Axial coding is the process following the first phase of open coding and the subsequent generation of memos. Specifically, it is the process of contrasting
category construction back to code and code back to data to provide an accurate representation of participant accounts (Corbin and Strauss, 2015).

The results of the first iteration of coding seemed to contradict the most intuitive reason for seeking sponsorship, i.e., obtaining financial support.

What emerged from the fieldwork was the need to understand the actual reason for sponsorship and to understand the sponsorship process from the arts sponsee’s point of view. I started looking at the perceived collateral advantages to see if they could be underlying reasons for sponsorship. For example, sponsee visibility is sought when signing a sponsorship deal (Prendergast, Paliwal and Mazodier, 2016). In the example of visibility, codes that focused on the actors involved, partnership, belonging, dynamic matching, local community, HR employees’ strategy cut across instances. In Figure 8, it emerges that financial considerations are not the only reason for sponsorship. Promoting understanding of the arts and brand awareness are also important. For example, a sponsee can be an ideal partner for developing a sense of belonging. Therefore, the interview transcripts and the subsequent interviews started to focus on collateral advantages, which at a certain point caused the removal of the question “What is arts sponsorship?” because it led to an arid and useless definition. The same interview transcripts were reviewed again to check for statements of “tailor made offering” about personal experiences that might self-limit the arts sponsee’s and/or the sponsor’s abilities to value the sponsee’s offering.
3.9.4 Selective coding

Selective coding done subsequent to open and axial coding allowed the developed categories “sponsorship reason” and “wrong sponsor” to be checked against new data collected (Lazenbatt and Elliott, 2005), and it became apparent that elements such as the lack of sponsor involvement and/or of arts sponsorship understanding, non-renewal of the contract, and the lengthy application process had already emerged in the initial interviews and were a recurring issue for arts sponsees.

The relationship established by arts sponsees with their sponsors based on their ability to navigate uncertainty regarding future events appeared to be influenced by competition. Arts sponsees were motivated by arts sponsorship’s ability to prompt positive expectations about future sponsorship deals. By contrast, uncertainty undermined confidence in employing efficacious behaviour or the assumption that future participation would be automatically restricted. Theoretical coding coalesced these disparate lower-level concepts into a meaningful, higher-level concept, defining the self-agency of an imagined future self as being determined by an arts sponsee’s ability to make a difference.

Development of higher-level concepts was useful in order to provide new insights into uncertainty as theoretical coding progressed.

Exploring the interactions between higher-level concepts generated theoretical explanations that helped unify abstracted categories and contributed to theoretical category development, a useful outcome of the overall process and of the specific researcher hermeneutic, as explained in the following memo. Starting from this
memo, I later developed the theoretical categories of “uncertainty” and “making possible,” specific to arts sponsorship, but only emerging through comparison and contrast to sports sponsorship.

A definition of arts sponsorship was required because no formal characterization was available in the literature, as shown in our review, so I asked the respondents of the initial 14 interviews, “What is arts sponsorship?” The answers were very similar and surrounded the reciprocity concept of arts sponsees, providing the sponsor with brand awareness and receiving financial support in exchange. But according to literature, the categories that emerged in the interviews could be applied to sports sponsorship too. Therefore at the 15th interview the question, “What is arts sponsorship?” was replaced by a more comparative question: “What is the value of arts sponsorship compared to other kinds of sponsorship?” with specific reference to sports and not just to other arts sponsees. This intuition was derived from the respondents themselves, who were always mentioning a local sports sponsee in some moment of the interview, but never clearly labelling it as competitor. The intuition was progressively confirmed by the subsequent interviews and the frustrating dilemma faced by interlocutors when trying to list the differences between arts and sports sponsorship. The explanations were mutually clashing between a sense of impotence from arts sponsees compared to the magnitude of sports sponsorship financial resources and the uniqueness of arts sponsorship. The “sponsee boundaries” made by its small and elitist “target audience,” but also the sophistication and ability of “eliciting emotions” and enhancing “audience
learning” guided us toward two new categories characterised by this sense of impotence and uniqueness.

Building on these bases, I started exploring the difficulties of detailing the “arts sponsee value” and for arts sponsees to deal with the “sponsor decision maker” as much as examining the possibilities arts sponsorship has to “impact society,” enhancing “public relations,” implementing “HR employees’ strategy,” crafting “personal encounter,” fostering “audience learning,” and “eliciting emotions.”

| Memo 2: Arts vs. Sports opposition outcome |
CHAPTER 4. Data presentation and findings

4.1 Introduction

In the following, I propose a theoretical account of the arts sponsorship process that influences how arts sponsees select sponsors and manage the relationship. To allow a critical review of the analysis, the process is enriched by explaining the interpretative process step-by-step. Introduction to literature at this stage of the analysis is not problematic, as initial findings are firmly grounded in the data. Extant literature is viewed as additional data to be incorporated into the analysis to address research questions (Charmaz, 2014). Therefore, literature will be introduced at this point in the writing.

4.2 Theoretical categories

4.2.1 Theoretical category 1: Making possible

A theoretical category denotes the relationship and interaction between concepts constructed based on open coding, memo writing, axial coding, constant comparison, and selective coding.

The first theoretical category that emerged as valuable from the arts sponsees was "Making Possible," as shown in Figure 10, derived from all the categories shown in Figure 9.

The category was constructed as per the data collection and analysis.
“Making Possible” refers to the ability of arts sponsorship to bring people and events together. It is what motivates arts sponsee professionals to work using their “professional skills” to work with “flexibility” and “empathy.”

- First, it makes arts possible.
- Young people: the project was very useful to promote among young people that had never come to our venue.
- Arts sponsorship makes possible what would be completely different elsewhere since arts depends on corporate funding.
- Possibility to be linked in a culture.
- Enriching to come to the opera, even if you have never come.
Several interviewees mentioned this arts sponsorship feature that may have an impact of the future of their institutions and of society. This is reported in the following excerpt. Arts sponsees mentioned that achievements such as being part of a culture, developing critical thinking, and enjoying a show of elevated complexity like opera are only possible though arts sponsorship when public funding is not available. The insights from the fieldwork are significant because the beliefs arts sponsees formed about arts sponsorship suggest that it is not just of an entertainment tool, but a holistic umbrella to promote education, as evidenced by quotes such as “makes you think,” “impact on society,” and “elicits emotions.” It can be a win-win where a sponsor provides free entrance to a venue for its clients, and thereby helps with promotion. It can be about activation that makes an event more interesting, and about making a difference with a larger population, not just arts lovers, or about sharing a business challenge, as underlined by categories like “tailor made offering,” suggesting that only arts sponsorship can transform a sponsor’s brand. As indicated in the literature, arts sponsorship raises the “public relations” level of a sponsor. Arts sponsorship can help turn “a brand much more into an experience” or simply “create a link with the dancers.” According to the “HR employees’ strategy,” arts sponsees can make “a company look as a great employer” or simply “saving money” by paying less taxes.

As suggested by Corbin and Strauss (2015), a typical sentence to define the conditions, interactions and consequences of a category to raise the analytical level is: “When this happens, we do this with the anticipation of having these results.” In
the specific case of the “Making possible” category, this would be: “When we detect an unusually convenient opportunity for a sponsor or for a

Many respondents started mentioning the “making possible” concept once the question set was shifted to what can you offer that sports cannot. This change raised the critical level of the answers up to a situation where one of the respondents got completely stuck and could not talk anymore. Although sports is the main recipient of financial support in sponsorship, few arts sponsees consider it a competitor. Therefore, when specifically asked about the differentiating factors, the “Making possible” category emerged as a way to connect, to improve the society, to have a unique experience, to raise learning, to educate people. It seems that arts sponsorship includes the concept of making possible. But again it is intangible. There is the possibility of being a pretty woman just seating anywhere, of learning. As the interviews are progressing, I have this feeling that the less tangible the outcome of arts sponsorship, the more potential it can disclose, but also the more uncertain is the ability to show the outcome to a sceptical person.

Memo 3: The construction of “Making possible” category

potential one, we immediately offer a tailor made proposal to the sponsor to make possible becoming the best employer, reshaping the brand, linking the audience to the culture or simply saving money. As “making possible” became a solid category, the elements were linked to indicate the interrelation between the different aspects of the category, including codes, as shown in Figure 11 where the properties: the overall attributes, qualities and characteristics of making possible are listed.
Eliciting emotions, impacting the society, audience learning, HR employees’ strategy, personal encounters and public relations were properties identified as essential features that can create action-interactions, are the response to the event (Corbin and Strauss, 2015) about how art sponsees think about their ability to make things possible. The conditions that can ignite the interactions are financial support, goodwill of a tailor made offering, and human relationships, because the conditions point to the perceived reasons for an occurring event are indicated by terms like “because” or “due to” and the consequences represent the outcome of the response (Corbin and Strauss, 2015). Therefore action-interaction of these properties, under the mentioned conditions, leads to the consequences of making things possible in arts sponsorship. The use of Atlas.ti software based on the link established by the researcher for each category and then, for each relevant property, can map the links between conditions, the properties action-interactions and the consequences as shown in Figure 11.

![Figure 11: Conditions, action-interactions of properties and the consequence of making possible](image-url)
4.2.2 Making possible: conditions & properties

The following sections detail the conditions, properties actions-interactions and consequences of making possible. The following collection of quotes represents the conditions upon which the categories were defined:

- The obvious answer is cash flow, the sponsors have cash flow and if they will repeat, it is good if they have a great experience and if they come back again.

- Arts sponsorship is, when it comes to my work, when a corporation, a company provides funding for an exhibition or event, in exchange for benefits. So it is very transactional so it ultimately is a way to exercise museum functions.

Excerpt 2: Arts Financial Support. Two narratives

There are lots of intangible. We cannot measure what is the return of investment, what is the impact of putting their logo next to our activity. It has a lot to do with the goodwill of the marketing manager of the company (sponsor) understanding the value they generate internally by investing in sponsorship.

Excerpt 3: Sponsor’s understanding of Arts Sponsorship

Sometimes you think this brand matches us, matches the value of our program. They (the sponsor) sponsor not only one museum; they sponsor more. They have an institutional place to meet each other, like boards and they start to have conversation at a higher level than operational team.

Excerpt 4: Congruence
We have a marketing team dedicated to the sponsor in order to please the audience and the clients. 80% of the sponsorship is connected to human relationship. You need some history. Your sponsors do not like to work with people they do not trust. There is lots of understanding required, and we have responsibilities to please the client (sponsor) because they give us money and we give marketing, and sometimes they share their challenge with us.

Excerpt 5: Human Relationship

Research suggests that the exchange outcome is positively influenced by interpersonal relationships between dedicated staff as opposed to mere building of customer–firm relationships (Palmatier et al., 2006). This enabling logic of staff abilities is especially significant in arts sponsorship with its increasingly competitive environment, bolstering the need to push the deal beyond the contract clauses and their intrinsic coercive flat assertion of duties (Adler and Borys, 1996).

The above collection of quotes represents influences on data analysis referring to the conditions of the category "making possible." The condition of arts financial support is based on relationship time and on the (sponsor’s) cash flow available, since companies may not always be able to be financially supportive because of cash flow restrictions. A commonly observed element was the link between relationship time and financial support. This is due to the lengthy application time of at least one year which I observed as interviews were progressing. This means that if a sponsorship contract is not renewed, arts sponsees must wait at least a year before getting a new sponsor and replacing the lost financial support.
“Sponsor’s understanding of arts sponsorship” is another instrumental category that defines a condition for the success of arts sponsorship. Initial codes like “goodwill” were influencing factors that I observed in a philanthropical view of arts sponsorship in some Mediterranean and Latin American institutions, but mainly it is about a business’ view of the benefits it can derive by financing an arts sponsee. In excerpt 3, the sponsee identified the difficulty of measuring the “return on investment (ROI)” and the intangible feature of “service purchasing” by companies.

As expected, the category “congruence” emerged as an important condition due to its ability to predict the outcome of a sponsorship initiative (Olson and Thjåmåe, 2011), enhance brand awareness (Walraven, Bijmolt and Koning, 2014), promote the advantages of the sponsorship (Pappu and Cornwell, 2014), achieve ethical and evaluative consumer reactions under specific conditions (Dastous, 1999), enhance a sponsor’s image (Gwinner and Eaton, 1999), aid consumer recall (Cornwell et al., 2006), and increase the likelihood of the sponsorship being beneficial to the sponsor (Clark et al., 2009; Liu et al., 2015). In the excerpt, “congruence” is identified as a condition for “sponsor benefit” and “sponsorship reason,” but also for bringing “collateral advantages,” facilitating a “dynamic matching,” and providing a basis for “ongoing communication.”

The fourth and last condition is set by the category “human relationship,” constructed through several codes, including the more business-like “sponsee marketing team,” but also about “trust” built by the “relation time” that is quantified in the “history” code.
Six properties emerged from the comparative analysis elucidating characteristics of making possible and the influence on sponsorship interactions.

1. Eliciting emotions identified the means by which consumers, an important component of sponsorship and a reminder of the complexity of the sponsorship process, draw on a variety of stimuli to frame their emotional status and to articulate their perspective about arts sponsees.

2. Impact the society identified the means by which both sponsor and arts sponsee draw on a variety of information sources to frame their business goals and to articulate their perspectives about society.

3. Audience learning identified the means by which both sponsor and arts sponsee draw on a variety of information sources to frame their business goals and to articulate their perspectives about society, supposed to be the same.

4. HR employees’ strategy identified the means by which a sponsor draws on a variety of information sources to frame its business goals and to articulate its perspective about itself.

5. Personal encounter identified the means by which consumers draw on a variety of stimuli to frame their exclusivity status and to articulate their perspectives about arts sponsees.

6. Public relations identified the means by which a sponsor draws on a variety of information sources to frame its communication goals and to articulate its perspective about how to relate to society.

However, collectively these indicate that the formation of making possible was a multifaceted phenomenon derived from a range of sources to confirm assumptions drawn mainly, but not exclusively, from the literature review. The relationship between what arts sponsees are able to create and how they can expand under the conditions mentioned highlighted a unique insight into the basis of making possible.
When defining the code “making possible”, I had to find a way to define a concept that described what emerged from the fieldwork. In other words I believed that making possible described better the concept “to facilitate, making easier, to enable, forward, advance and promote” (Jafri, 2016), but also how art can make a difference in the lives of people (Fleming 2015) and how it can create value for society (England 2014).

In order to perform an “accurate translation of the informants’ viewpoints into data” (Krefting, 1991) and avoid any misinterpretation of the findings referring to the category “making possible,” relevant excerpts are noted in following Table 10.

- Make a difference among our competitors
- Make a difference in the challenge they have in their business
- We try to have sponsors really do something with them to make it an effective partnership
- Possibilities to manage public relations
- Want to make a promotion because they have a special event
- Make the brand much more into an experience. We can make it look like a great employer
- Values that make you think and emotions make you feel
- Make the companies saving money
- You make a special link with the dancers
- To allow audience to come by bus so opera is affordable for everyone
- Is the possibility to be linked in a culture that promotes education

(TABLE 10 CONTINUES IN THE NEXT PAGE)
Some marketing professionals do not understand how they can transform them to make arts sponsorship work for their brand.

- Making all the cardholders aware
- Making an authentic and integrated partnership
- It makes art possible

Or less direct excerpts

- Is useful because it connects with people, young people that would never go to a concert
- Wherever you sit, and especially if you are together with someone, you are “pretty woman” (Although the interview was in Spanish, the respondent used several time this English term to indicate a situation of privilege for the female audience)

Table 10: References to the category “Making possible”

In the arts world, it is very common that a production mode is characterised by discontinuity. The result is artistic activities in the form of individual projects, like a play or a concert. Therefore the producing organization must be extremely flexible and able to manage a sequential production of new products (Towse, 2011). This skillset seem to strengthen the category of making possible, constructed on the initial code “flexible,” a recurring concept along the fieldwork.

For example, recent literature confirms the fact that arts education (Prior R., 2016) has matured into a tool for learning, increasing tolerance and driving social change (Cultural Ministers Council, 2006). Arts sponsorship specifically, as already mentioned in the literature, makes possible the creation of a public relations framework that is used primary as a marketing tool (Witcher et al., 1991). This is one
of the few distinctive features commonly assigned to arts sponsorship. Rabkin and Redmond (2006) propose the use of art as a media tool to communicate content.

The use of technology applied to the arts also consolidates the making possible principle thanks to technological solutions such as personal ticketing and various database management solutions offered to consumers and sponsoring companies (Bernstein, 2014). The advancement of biology and medical technologies have improved the human condition, but a better physical environment is not the exclusivity of the sciences and technology, but also of the arts (Damasio, 2003).

Synonymous with the theoretical category, “making possible” has been used to enrich my findings with relevant literature. “Enabling” seems to have been the most relevant scholarly terms used, as in Adler and Borys (1996) indicating how “Enabling procedures help committed employees do their jobs more effectively and reinforce their commitment.” Supporting these findings, respondents talked about the role of technology and formalization as an organizational technology that could help arts sponsees and differentiated enabling procedures from their coercive counterparts. Technology and changes in market conditions are also addressed in the latest research on enabling creative endeavours and finding answers in strategic planning (Song et al., 2015).

It was already recognized in 2002 that the creative and knowledge industries were expanding sectors of the economy, with an impact that can make possible innovative solutions for neighbourhood renewal to addressing social exclusion (Reeves, 2002). Specific codes like “artist reputation,” “business development,” and “collateral
advantages” were the starting point to perceive what was specific about arts sponsorship and different from other kinds of sponsorship. Arts sponsees seemed to rely on the conviction that their offerings were different from other competitors, as in the following excerpt.

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I believe for the companies, as (art sponsee), what I can give them...is excellence, is much more subtle, there is much more emotions. The (local football club) is impressive, is the winner but is missing the sophistication point. we always say that we manage emotions. If you are not from the (local football club), is about winning or losing. It is about managing emotions. In the stadium you will have a sandwich. Here you will have access to our (exclusive area). What we contribute here is with an added value for senior people... It is much more enriching to come to (our show), even if you have never come. It elicits many more emotions. It is more. (Art) is a universal language.
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Excerpt 6: Making possible explained by a respondent

Predictable because of its extended presence in the sponsorship literature review, the confirmation of the condition “congruence” through axial coding sheds more light on how sponsor-sponsee matching should not compromise the ability of making possible things, up to a point that too much matching was not desired by the arts sponsees themselves, as reported in the following memo and confirmed by research that consumers need to make more sense of an incongruent sponsorship programme (Deitz, Myers and Stafford, 2012).
As anticipated by the literature review, congruence is a very important condition in sponsorship. Arts sponsees are aware that having a matching brand with the sponsor helps more, although is not always a possible achievement.

Most of the interviewees aim at congruence, but a different and interesting point of view was “what if the sponsor’s brand is so similar to ours (arts sponsee), what can we give?” Therefore a new question can be raised, whether too much congruence makes the sponsee less desirable?

Reconsidering this memo, written before the theoretical category “making possible” emerged, we now see the vision of the arts sponsees when they imagine offering to sponsors something unreachable by themselves (the sponsor) alone, but that could be made possible only by arts sponsorship.

The “congruence” condition provided more insight on the factors that affected “arts sponsorship understanding”, probably key for a company “having cash flow resources” to perceive the added value that arts sponsees can give. Analysis of “making possible” was significant as it highlighted that this category was complex, specific to each arts sponsee’s essence, and resulted as an outcome among all the conditions but only some of the properties, depending on the interactions identified by constant comparative analysis. Making possible appeared to influence how arts sponsees could establish the arts sponsorship raison d’être, and drew on such beliefs to prepare themselves for upcoming meetings with sponsors. The next section discusses the construction of the second theoretical category, “Uncertainty”,

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exploring how arts sponsees interacted with it, and how being in uncertainty shaped the arts sponsorship process.

4.2.3 Theoretical category 2: Uncertainty

Readings in arts management research reveal that “uncertainty” is a recurring and intrinsically related concept. Starting from uncertainty understood as “nobody knows” and referring specifically to the quality of novelty in arts productions, that explains the preponderance of contingent contracting (Towse, 2011). The “Uncertainty” theoretical category that emerged as an arts sponsee value is shown in Figure 11, with the support of Atlas.ti software and based on the links established by the researcher for each category, as per the “arts sponsee value” first category that emerged with the open coding. Figure 12 shows how the categories are related to uncertainty.
Figure 12: Uncertainty category emerged by coding

Refer to the following excerpts:

Arts sponsorship goes in two ways, gets the museum having support so it gets more activity, it is sustainable...It has a lot to do with the goodwill of the marketing manager of the company (sponsor) understanding the value they have internally by investing in sponsorship....Sometimes you think this brand matches us, matches the value of our program.

Excerpt 7: Financial support and congruence
It is about congruence. It fits more authentic and it adds to the experience. It is not tangential… We approach hundreds of companies (sponsors) because I want to secure gifts so there is a huge range to get companies involved… for example Bank… is promoting the museums by making all its cardholders aware of the museums. Like offering to come for free…each first Friday of the month.

Excerpt 8: Congruence

I do a kind of three big lists: what are the potential contacts that have money to invest. Time is limited and resources are limited, so you have to approach people that are strong and then you cross with which of these people are supporting cultural institutions….that our values are aligned with their values.

Excerpt 9: Arts sponsorship understanding

An interviewee referred to financial support as a way to make the art entity sustainable, that the sponsor has the ability of “Understanding arts sponsorship” and its value because they have the “experience,” “history,” and because of the “congruence.” They just match. All the interviewees refer to uncertainty: “goodwill,” “securing a gift,” “potential contacts.” With the analysis progressing, collecting more different kinds of data because of the evolution of the question set, theoretical sensitivity increased about the uncertainty given by the verticality of the relationship between arts sponsee and sponsor. This verticality and the survival mood may generate a certain anxiety in arts sponsee professionals as confirmed by another respondent who “cannot even imagine a big one (of the sponsor) not repeating.” The uncertainty (about the financial resource, the congruence and the experience in arts sponsorship) underlies a sponsorship deal. Behavioural (inadequate shared
frameworks among actors) and environmental (instability and unpredictability of the external environment) uncertainties stimulate complementary and substitutive dynamics between governance arrangements, joining them into reciprocally reinforcing or weakening relationships (Abdi and Aulakh, 2017).

It emerges that something is missing from the arts sponsorship criteria that might secure the deal and reduce the uncertainty. The uncertainty is a state of insecurity about what can happen if a sponsor does not renew, a recurring episode that arts sponsee professionals seem to constantly experience and that may affect how they approach future sponsors. This uncertainty often spawns a fatalistic approach that overshadows the rational marketing strategy and pushes the arts sponsee to believe more in impromptu events or even philanthropical aid. Arts sponsees either need to assume that every sponsorship is a temporary condition and rotation is part of the game or they must rely on a few highly committed sponsors, creating dependence and adding to the uncertainty that those sponsors may one day disappear. Because of the intrinsic features of the sponsorship experience, uncertainty has an impact of how arts sponsees deal with a sponsor and poses an important question about the relationship between uncertainty and relationship management. In fact, the precautions taken to prevent sponsors from withdrawing support starts with the initial contract, although contracts are not always a guarantee of ongoing support as per this excerpt.
Sometimes, well it does not happen too often. Usually you talk with them and they walk away, but sometimes a company will come along, you engage, but maybe...then someone in the company says “we should not do this” and they may not pay the fee, which is not....If we start working with them and half way through, with the advertisement done, they decide to leave, there is not so much I can do about it...we are a not-for-profit and cannot afford to pay a lawyer

Excerpt 10: Sponsor leaving

Other elements that emerged during data collection presented an alternative narrative. Instead of blaming the sponsor, at least one respondent chided arts sponsees who overpromise and under deliver.

People that they did not know what they were getting into, just managing expectation. I learned it from very early on with a few partners, that’s where I learned, you know, not to promise to over deliver (laughing) is the kind of tactic we take. And also just transparency and honesty, you know, to bring to the get go. The consequences... you know... can be pretty severe, it has not been a disaster, but we have never been able to do anything with them again, it has been nine years that I have been trying to repair this relationship, deep scar and it takes time.

Excerpt 11: Overpromising to sponsor

Therefore overselling seems to be a real occurrence and there is a consensus to avoid it, and the need to prepare the sponsor about what can happen before and during a sponsorship relationship.
This problem is often experienced by extremely innovative or disruptive arts sponsees.

So yes, we have had some of those. We had one exhibition on contemporary art and it was full of strong images, some of those related with political activities. So we said, we told you. The curator is there, you knew. But also you feel bad for them.

Following this general introduction about the theoretical category “uncertainty”, the following section will provide guidance on the category features.

4.2.4 Uncertainty: conditions & properties
Towse (2011) refers to arts managers as jugglers of the marketing mix. The conditions that precede the properties of uncertainty fall into the following categories, which have been isolated in the following Figure 13.

The art sponsorship process starts with the sponsor selection, a necessary criteria to focus on a certain company that potentially could become a sponsor (Meenaghan, 1983) and is one of the conditions that establishes a base for the uncertainty of the sponsorship outcome.

Three elements, financial support, congruence, and understanding the conditions of arts sponsorship together with the element of “making possible” are fundamental to sponsor selection, which is becoming more and more specific due to the complexity of concepts like congruence, analysed in depth in the literature section.
After the sponsor selection, uncertainty in the arts sponsorship process is then characterised by the level of competition with other institutions because the marketing mix can now be reached by several kind of institutions, as per the following excerpt.

The “economical crisis” is also a source of “uncertainty” because the first budget to be reduced by sponsoring companies is for sponsorships.

**Excerpt 13. Sponsors incrementally raise competition and uncertainty by seeking specific deals**

If I see a big company that is mainly in environment, it is not my priority, I know that they are not going to make an exception for me. Sponsorship departments (in companies) are getting very professionalised and they are really having internal thought strategy to align their sponsorship.
(Success) means that they come back. That is when I deliver the report and the pictures of the activities and they say that they will repeat, I feel myself very satisfied because I feel that I had an impact. I started something. But sometimes they do not come back also because the funds have been cut. This is the problem. Arts sponsorship is the first budget to be cut. Why art? Why do they not they cut the budget of something else? So it is not about that they did not like it, but because the budget has been reduced.

The above excerpt shows a lack of comprehension by the arts sponsee of certain sponsor behaviours, confirming sociocognitive disparities between artistic minded arts sponsees and business minded sponsors who may concurrently degrade the combination of actors’ complementary resources and expose the relationship into multiple governance difficulties (Abdi and Aulakh, 2017).

In the case of arts sponsorship, the four conditions (sponsor selection, high competition, economical crisis and application time) seem to be a determinant of uncertainty and are defined by two properties, the discreional output of the sponsor decision maker and the ability of the arts sponsee to identify its own arts sponsee value.

A respondent said “We are a business colleague, not a philanthropist”. As previously noted, when using grounded theory the research question should guide the researcher in deciding what level of theory may be prompted and whether a second body of literature introduced (Cutcliffe, 2000; Corbin and Strauss, 2015). Insight from “artist reputation,” which positively influenced the above mentioned “making
possible” category, is evidence against the uncertainty that the arts buyer seeks (Bernstein, 2014) when implicitly referring to a good reputation. By contrast, when referring to an artist's poor reputation, the insights are different, as reported in this memo.

This feature of the poor artist, which is considered one of the several “arts sponsee boundaries” encountered as research progressed, was also mentioned as a consequence of the intrinsic nature of art and its high symbolic value that makes artists poor, although arguably many artists decide to be poor and come from above average families that could support them or serve as an ultimate resource (Towse, 2011).

Uncertainty in the arts is not a novel concept. It may be explained that only young people who are intrinsically able to face a high level of uncertainty can face such uncertainty (Towse, 2011).

They think that children, teenagers, do not really need to understand art. Also they think that artists do not have a decent economical status, so it does not help to motivate people into art, because they think there is no future. Instead for sport, the future is brighter, as much as a mathematician, a physicist. But in the arts, the majority of the artists, unless they enjoy an especially favourable moment, suddenly in this moment, artist can raise, it is their moment, but this is not common, at least here.

Memo 5. On “arts sponsee boundaries”: the poor artist reputation.
However, in this research, arts sponsee professionals had good careers in sponsorship, coming, in some cases, from former careers in finance or private banking. Nevertheless, although more experienced to risky markets than many colleagues, they face the same uncertainty and have to adapt to their institution’s organisation with behaviour characterised by repeated exposure and experience (Towse, 2011).

As Kahneman (2011) says, “The asymmetry in the risk of regret favours conventional and risk-averse choices.”

Therefore, those who tend to regret their decisions will likely show a preference for conventional options. In the arts, this can result in a very conservative approach and a shift to more risk adverse sponsors, as in the next excerpt.

Excerpt 15. Risk-averse sponsors

But also there is the sponsor that does not like the activity, (with) naked (performers). I just say, “You better not come to this performance. You will not like it, and actually it can disappoint you,” and if they ask why we show these kinds of things, my answer is that we are obliged to for several reasons.

The risk-averse arts sponsor can find shelter in “complex programme notes, musicians in white ties and dowagers who hiss if one claps at the wrong time,” targeting mainly die-hard fans exclusively (Bernstein, 2014).

The two properties of uncertainty for arts sponsees are influenced by the above-mentioned variables and refer to the arts sponsee’s self-perceived value, but also another important property, i.e., the sponsor decision maker.
The rational decision-making process is thought to be structured in the following phases: *Need of recognition of a need*: there are financial resources, but no target to sponsor; *Information research*: what are the sponsee options?

The absolute dependency on sponsors emerges constantly from each respondent, up to a level where it is clearly stated that they "cannot afford to quit a sponsor." The question of verticality in the sponsee-sponsor relationship is rising again when questioned.

With the exception of "forbidden sponsors," there is no wrong sponsor. They are all welcome and it is the arts sponsee’s duty to manage the relationship. In some cases sponsees themselves assume the blame for overpromising the service offered. Some companies that do not understand arts sponsorship just provide money to receive something not well defined in exchange, very often causing an overload for the sponsee marketing department that has to produce outcomes in exchange for the "service purchased." In the case of a contemporary art exhibition that may be politically aggressive, there is a consensus on its "arts conflict creation" up to a level of public recognition that arts sponsee professionals themselves suggest the sponsor not attend the exhibition or the show to prevent a problem of just not understanding contemporary art or of focus on niche artists to maintain the comfort of a specific target audience or indication of a conservative, risk-averse approach, despite the external perception of a high disruption level?
Evaluation of alternatives: Arts or sports sponsorship? Purchase decision: we need brand recognition at a specific upstream target level and a business partner in the brand awareness challenge; Post purchase behaviour: Great choice of arts sponsee. They helped us achieve our brand awareness goal and have been supportive throughout the sponsorship period, as ideal business partners (Bernstein, 2014).

4.3 Conclusions

These last two sections explored the key aspects of the two theoretical categories (making possible, and, uncertainty) presented as emerged, and discussed some of the marketing and business processes that shape how arts sponsee professionals’ actions with a sponsor or potential sponsor are formed. First, expectations of making possible were explained as a main feature of the arts sponsorship process and also as a differentiating factor from sport, drawing on the literature to show how beliefs about possible outcomes can affect an arts sponsee’s approach to a sponsor. Then the uncertainty within the arts sponsorship process was discussed in relation to shaping self-limiting business behaviours. This led to an exploration of how uncertainty influences and how roles were adopted from a dynamic systems perspective of reciprocity theory.

The section concluded by discussing the sponsorship interaction as an experiential cycle in which business occurred. Collectively, the two theoretical categories provide new insight into some of the key processes that occur when arts sponsees select sponsors. The following section builds on these findings to identify a core category from the data, which will be shown to underpin a provisional theory of how arts sponsees select sponsors and manage the relationship.
4.4 Core category: Reciprocity

The results of iterative data analysis executed using grounded theory coding, as explained in the previous section, allowed emergence of the core category of “Reciprocity,” or mutual involvement of sponsor and sponsee in aspects of the sponsorship process. This result provided insights on how arts sponsees select sponsors and deal with the overall sponsorship process. The conditions, properties and action-interactions that describe the details of reciprocity by the arts sponsee experiences are reported to clarify the fieldwork observations.

A core category is “a concept that is sufficiently broad and abstract that summarizes in a few words the main idea expressed in the study.” It has specific features. It is abstract so as to be inclusive of the other categories and open to theoretical development, frequent so as to link to other concepts, and consistent with the data without tension (Corbin and Strauss, 2015). The core category, its theoretical construction and overview are here reported by the use of conceptual rendering of the data. Analysis revealed that reciprocity could shape the sponsorship interaction between the arts sponsee and sponsor, influencing perception of and behaviours within interactions. To better understand the whole process in its complexity and the instrumental interpretation required by fieldwork, the following paragraphs detail the core process of how reciprocity is enacted by arts sponsees, raising this concept into a substantive theory of reciprocity-moderated arts sponsorship.

Reciprocity is the mutual involvement of the parties in the arts sponsorship process, and it is the ultimate construction level and core category that emerged from the experiences reported during the interviews with arts sponsee managers. The
identified theoretical categories of making possible and uncertainty are single units of information, but reciprocity is the main core category (Creswell, 2013) which consists of the main ideas and concepts derived from the data analysis. Reciprocity is also broad enough to possibly be applied to other sponsorship populations and is considered completed because it is fully developed (Corbin and Strauss, 2015). Specifically, it can answer Locke’s (2001) questions:

- What is happening? When arts sponsees select a sponsor, they face intrinsic uncertainty due to general business instability, amplified by intrinsic features of the arts. What they offer is the possibility of making special businesses together. The theoretical categories are complementary because they emerged from external (dealing with the sponsor) and internal (dealing with the arts sponsee internal issues) data, and are transversally constructed on the arts-business axis. The insights collected by the interactions of these elements consolidates the construction of the reciprocity core category that draws on the past and projects towards the future.

- What is the problem faced by the actors here? The arts sponsees, actors in this research, face periodic financial concerns increased by uncertainty regarding sponsorship contract renewal. Sponsors are also actors to be considered because of their role as decision makers of the contract renewal stipulations. Sponsees’ best strategy for dealing with this problem is to position themselves as makers of possible policies for enhancing audience learning, HR employees’ strategy, personal encounter, public relations, eliciting emotions or impacting society.
What category or what aspect of a category does this incident suggest? As the interviews progressed, an emerging need of mutual exchange, synergy or reciprocity emerged. I refer to “reciprocity” as this is the terminology used by the interview participants themselves. Starting from the “making possible” theoretical category, there are a variety of actors involved, specifically consumers directly involved in “audience learning,” “personal encounter,” and “eliciting emotions” properties, but also the sponsor’s employees under the “HR employees strategy,” and a wider group of individuals under the “public relations” concept and the broad “impact society” group. The possible influence that arts sponsorship can have on these targets is the raison d’être for an effective arts sponsorship campaign that provides brand awareness to the sponsor and assurance of contract renewal for the arts sponsee. The second theoretical category, “uncertainty,” is generated by both external and internal factors. The first group is “sponsor decision makers,” either because of their constant rotation or because of their decisions dictated by temporary circumstances like “economic crisis.” The second is “arts sponsee’s value,” either a scarce capacity of identified self-value or the internal situation of the arts sponsee’s own staff opposing a sponsor’s involvement, considering it as a source of “invasive communication.”

What does this incident suggest this is a theory of? This incident of reciprocity tends to suggest the need for a theory. Reciprocity means that people reward kind actions and punish unkind ones. This takes into account that people
evaluate the kindness of an action not only by its consequences but also by
the intention underlying the action (Falk and Fischbacher, 2006).

4.4.1 Identifying reciprocity as the core category

The theoretical categories of “making possible” and “uncertainty” underpin the two
processes detailing the arts sponsorship process, specifically how they shape a
“tailor-made offering” organised by six relevant properties of “making possible” and
how they overcome internal and external challenges of “uncertainty” posed by
business and also by art’s own intrinsic nature. The question set tuning along the
progress of the research revealed both arts sponsorship successes and failures and
allowed the exploration of arts sponsees’ dynamics and the beliefs they formed about
the sponsorship process. The main use of these two categories is to provide insights
into the meanings that arts sponsees attribute to sponsorship process, thus
suggesting how this attribution influences their professional strategies and the
consequent business outcomes.

Revisiting codes, interview transcripts and memos used to construct our theoretical
categories revealed insights. The focus on codes such as “business development,”
“flexibility,” “partnership,” “belonging,” “dynamic matching,” “empathy,” and “on going
communication” exemplified and encapsulated a language of understanding,
iluminating reciprocity as an evaluation state associated with the kindness of an
action for its consequences as well as for its underpinning goodwill. By constant
comparison, a technique consisting of comparing labels and testing them with similar
labels (Locke, 2001), and the necessary data immersion, coding and theoretical
memos, sensitivity was developed around the business goals of the parties that could lead to a positive business outcome.

Next, memos were sorted theoretically to distinguish between arts sponsees’ lack of business vision and lack of opportunity. From these processes, the historical concept of philanthropy and its visceral nature still present in some arts professionals emerged as a limiting feature of the data, enabling insight into attitudes and behaviours that affected the business outcome. The experience of sharing business goals emerged as significant in more advanced arts sponsee narratives about meetings with sponsors. Reciprocity is about sharing and is a powerful determinant of human behaviour, but fairness norms also prevail in some business contexts. This is still different from reciprocal altruism that is characterised by the will of reciprocation under the condition of future rewards (Falk and Fischbacher, 2006).

The reciprocity core category constructed in this research is limited not just to the arts world, but to arts sponsorship, a sub-field of arts and its business features. The reciprocal action modelled by the theory is about whether the actors perceive the behavioural response to an action as kind or unkind. In other words, it involves observing the outcome of the action and understanding the basic motivation (Falk and Fischbacher, 2006).

Relationship investment seems to enhance customer relationships and improve performance and also indicates how reciprocity may impact relationship management on performance (Palmatier et al., 2006). Furthermore, in line with our findings, this explains why subjects behave differently in situations where they
experience the actions of real persons versus situations where they face actions caused by random influences.

Finally, it explains why outcomes in bilateral interactions tend to be fair whereas in competitive markets extremely unfair distributions may arise.” (Falk and Fischbacher, 2006).

The grounded theory approach has helped in finding the core category. It initially looked to be “Sponsorship reason,” then seems more to be "Relationship time." Instead, something recurring in each interview and going beyond the mere time dimension, understood as a measurable extent, was reciprocity. Reciprocity was expressed by concepts like win-win/synergy/match/being colleagues. As an interviewee said: it needs two to clap, and I could add the Spanish proverb “If you want to go fast, go alone; if you want to go far, go together.” Each sponsee that enters a sponsorship deal seems to hope to achieve reciprocity with the sponsor. Every step of the interaction arts sponsorship process explored in this research is about the reciprocity status. Which can be achieved alone as a manager or together as a team (marketing or sponsorship team), but arts sponsorship seems to be about achieving reciprocity. Arts sponsees aim to reciprocity despite the adverse conditions of the sponsee, its own internal artistic, organisational and ethical boundaries or those of the sponsor, lack of understanding the arts or, even worse, of the whole arts sponsorship concept and its branding value. Reciprocity gets very difficult when boundaries and misunderstandings grow and there is not an on going communication and a
dynamic matching. Reciprocity has some properties. It can be to limit the damage with the audience, for example, or it can be to improve benefits (another important category) or it can be to ensure a multi-year contract granting brand affect, loyalty and not just “awareness” and to both have a happy audience. A constant adjustment is necessary, an on going matching process, on going communication and accepting what it means to become partners, starting from being strangers. The “evolution” of the relationship requires “social skills” and “flexibility” since the company (sponsor) can go through a difficult time or a “financial crisis” and be unable to provide “financial support” as it used to do, or the priorities change from conservations of artefacts to educational programmes. It requires a constant adjustment because of the evolution of sponsorship itself from logo placement to experience to social media. All require the reciprocity of “time, benefits, value, understanding, reputation.” But reciprocity does not end with the contract clauses (Olkkonen and Tuominen, 2008). Strategies to cope with the sponsorship deal once the counterpart has been found and the “contract” signed require "on going communication" and "dynamic matching," but also "personal skills" like “flexibility” and “empathy." Reciprocity in sponsorship is necessary for each institution regardless to the size or the type. All the professionals are expected to perform properly by being “innovative" and able to generate “business development." Most of the people have business and / or art history backgrounds. None really experienced a "wrong sponsor," but only heard of some stories, but not directly involved. What is important is understanding the
sponsor, the “Benefit,” the “brand awareness,” any “HR policy,” and being able to cope with the “application time,” the “bureaucracy” and “high competition” before signing the contract and then other adjustments once it has been signed. Dealing with the “department.”

(MEMO 7 CONTINUES IN THE NEXT PAGE)

the evolution,” with the “target audience” and sometimes with the “wrong sponsor.” That can in be the form of the one that leaves without paying or the one that starts creating problems in the middle of the contract period. But the majority of time, it is just about the difficult ones that simply do not understand “arts sponsorship” and may consider “art sponsorship fees” too high because the sponsee also has not been able to explain the “arts sponsee value.” Not every project is worthy, not every proposal from a sponsor can be accepted. There must be coordination with the “sponsee department.” Governance and leadership inside the arts sponsee has to be excellent. Organisation and “selling” skills have to be at very high standard, and especially having a fluid conversation with the artistic departments that need to understand reciprocity, still maintaining “arts sponsee Independence,” being probably the artistic manager’s main job. “Reputation” is important on both sides, although it may lead to misunderstanding. Companies want to sponsor a famous arts sponsee for its “reputation,” but do not really know what kind of “benefits” they may accrue.
4.4.2 Constructing the core category of reciprocity

The construction of the core category of reciprocity is proposed according to theoretical categories, conditions, and properties, as shown in Figure 14 below. Since this study is globally dispersed, it cannot guarantee a global point of view and responses may be affected by cultural differences. The tendency to assume risk depends on variables related to income, suggesting deep determinants for preferences heterogeneity (Falk et al., 2015). Thus, preferences depend on country and cultural characteristics. I observed some trends from Latino respondents that differed from those of respondents in the Anglo-Saxon world. For example, perceived reciprocity in terms of kindness as a philanthropical interaction was more or less explicitly mentioned by respondents based in Spain, Italy or Latin America, especially when questioned about differences between arts sponsorship and sports sponsorship. These beliefs, expressed in the following excerpts, contradict the principles of arts sponsorship because they limit the sponsor financial support intended to serve the purpose of achieving commercial objectives (Meenaghan, 1983) to financial support focused to help the arts (a wonderful purpose, but not sponsorship).

Another aspect of the arts versus sports dualism is on the focus of sponsors “understanding arts sponsorship” that seems to be related to relationship duration, despite research suggesting that neither it nor interaction frequency are good drivers of strong business relationships (Palmatier et al., 2006).
The marketing people will explain to him (the sponsoring company president), but I will take care of inviting the president here. This is the way arts sponsorship works. It generates emotions. It is not one-shot and profit driven like sports, where you can measure a lot. Arts sponsorship is more about philanthropy, although we like to call it sponsorship. No company will come here for...they come because they understand that the arts need help.

Excerpt 16: What arts sponsorship is not: Philanthropy

I now list details of all the properties of the “reciprocity” core category:

- “Arts sponsee independence” is an important property mentioned by respondents, at risk, in the case of the arts sponsee, of being lost in huge communication campaigns orchestrated by the sponsor (Walliser, 2003).

- “Flexibility” generally defined as instrumental in changing procedures that occur in any process, is considered in this specific model an important feature for enabling logic and raising the outcome of arts sponsorship deals (Adler and Borys 1996).

- “History” seems to be related to the concept of understanding and resonates with the similar category “understanding arts sponsorship” (Palmatier et al., 2006). Another similar property was “relationship time,” providing a broader perspective under a service-dominant (SD) logic that takes into account overall resource use and the value that this generates independently of the exchange episode (Prior, D., 2016).
Figure 14: The reciprocity core category. Theoretical categories, conditions and properties
• “Empathy” from the arts sponsee can impact sponsor loyalty, but seems not to affect the objective performance (Palmatier et al., 2006)

• “Innovative” use of technology and creativity on the part of the arts sponsee can foster innovative solutions and support with more strength particularly fragile projects in areas such as impacting society and addressing social exclusion (Reeves, 2002), where arts sponsee can offer access and visibility to their sponsors.

• “Internal buying” refers to the need of the arts sponsee to be supported by their own staff, i.e. to have reciprocity by the artistic departments supporting the commercial strategy of the sponsorship or marketing department, which will then generate revenues to be invested in the artistic departments.

• “Arts and sports sponsorship differences.” To distinguish the single most important characteristic that differentiates arts sponsorship from sports sponsorship, I need to address a very sensitive issue, at least in the eyes of arts sponsee respondents. Arts is normally targeted under a public relations framework, and sports is used primarily as a marketing tool (Witcher et al., 1991).

• “On going communication” is considered one of the two most important elements, along with expertise, of a reciprocal relationship-building strategy (Palmetier et al., 2006).
• “Sponsor involvement” so the sponsoring company becomes a consumer of arts sponsorship. This should be supported by the sponsee in becoming not just the receiver, but a coproducer of a reciprocal “tailor made offering” (Vargo and Lusch, 2004).

• “Tailor made offering” and “Target audience” refer to the importance of the customised offering, the first already mentioned as intertwined with “sponsor involvement.” Both properties aligned the concepts expressed by respondents on how reciprocity could be enhanced: the sponsoring company should become a coproducer, and therefore its involvement is instrumental to maximize their needs (Vargo and Lusch, 2004).
“Sponsorship evolution” was empirically and extensively indicated by the respondents as a property having the reciprocity characteristics named in the following excerpt:

First (arts sponsorship) was about the logo, then was about a special ticket experience, now in the last 6 years is about social media. One year is just to know each other. In year two you really start moving around about interesting ideas. In year three you really think, you really get the partnership off the ground, and you hopefully go into another renewal of three years. Each time is more important to make believable the data generated by culture about what can be sponsored. Companies maybe were really interested in education before and can now be more interested in preservation or acquisition of the arts, We will always underline our savoir-faire touch, but we adapt or we perish. For example, companies seek much more return on investment in activities. In 18th and 19th century, the gallery started being artist supported. Then in the 20th century, the government seemed to be able to support the arts, but during a crisis, the first budget cuts affect always cultural institutions. The challenge is to know each other better (sponsor and sponsee) and from both sides, so we need to trust ourselves more, believe that the projects do get to the people. Why should the sponsor need to help environment, sports and arts together if it cannot be relevant in any of them?

Excerpt 17: Sponsorship evolution
Several memos reported the above-defined properties, explaining details of the findings of this research.

Participants referred sometimes to the concept of understanding of the arts. Others instead talked about the business value of the arts and wondered whether companies understand the value of arts sponsorship. Specifically, a respondent was explaining that it is not so important about people appreciating arts, or at least not exclusively, but also about understanding the value of arts sponsorship. I understood this category as an external element. The understanding is needed from the sponsor’s side, a category that is paired internally by the “arts sponsee value,” which is instead the ability of the arts sponsee to convey the excellence of their “tailor made offering” which can make arts sponsorship unique and competitive with other marketing options like sports sponsorship. Still the concept of understanding the value of arts sponsorship is not just about business or marketing, since in some extreme cases the sponsor just does not have any idea of what art can offer. The sponsorship relationship is good if there is delivery. Underperformance compromises the relationship, and there is no performing if goals are not clear about what arts can offer. Understanding the company is key, being business and arts qualified as an arts sponsee professional is helpful to be understood by the sponsor from a business point of view and not just under an arts point of view. If there is no understanding of the arts sponsorship value, there is no long term relationship.

Memo 8: Reciprocity on understanding arts sponsorship and relationship duration
A respondent referred to artistic staff’s resistance to “capitalistic” companies, an adjective literally mentioned as an example of how the “internal buying” can be opposed by the artistic staff because of certain ideological postures.

The biggest challenge here is internal instead than external. It can be unbelievable. I still have to convince people about the sponsor. People here still believe the museum is like a temple that cannot be commercialised. So whatever has to do with sponsorship is perceived as not pure, whether the sponsor is a bank or is about oil, everything wrong. Especially now that is so common to say that companies are capitalistic…… Part of my job is to educate, to change the culture, to show that it is important that is good for them. I organise meetings with sponsors and the team so they can see it is not a bank; it is a face, it is a woman.

Excerpt 18: The internal buying challenge

Sponsorship is a business market characterised by a service offering where relationship is especially critical and strong relationships appear to be more effective for building customer loyalty (Palmatier et al., 2006). Moore (1963) explained that only a limited amount of uncertainty can be tolerated, to avoid the production of a breakdown in those experiencing it. Studies about gains and losses, relevant to this study because of the theoretical category of uncertainty, indicated that perception of uncertainty may influence inter-temporal choices, with future uncertainty favouring either immediate gain or immediate losses. For example, if a bill comes with no
immediate deadline, research suggests that the preference is to pay it immediately and assume the loss now, due to future uncertainty (Hardisty and Pfeffer, 2017).

Or some other sponsor verbally commit to pay, but then they do not do that. Once the contract is signed and then they do not pay... it would be a problem because we cannot get a loan from a bank to finance a project, we do not have this option. Everything is planned in advanced and allocated, so any divergence from there would really create a big problem to us.

Excerpt 19: Verbal commiment

The intangibility of arts is constantly mentioned and it is difficult to quantify the arts sponsorship impact. Although numbers can be interpreted, still great numbers are not typical of the arts sponsorship. There is almost no knowledge of how to measure the sponsor’s ROI and people do not really believe in numbers, so if someone does not like the opera, there is no number to convince the person that hates the opera that sponsoring it is a good investment. A respondent mentioned again human relationship as a complement for the lack of metrics in arts sponsorship. Or a more rational approach about educating the sponsor to facilitate understanding of arts sponsorship as a way to overcome the difficulties of offering ROI metrics.

Memo 9: Reciprocity in human relationship or sponsor education to overcome quantitative measurement challenges
This behaviour has been confirmed by respondents who gave a technical detail that better explain arts sponsee financial behaviour, the impossibility of getting a bank loan, therefore all the expenses have to be paid based on the cash flow. This is a financing behaviour stressed by the uncertainty generated by the lack of reliability of sponsor commitment in the excerpt. Another element of reciprocity is used to solve the intangible nature of arts sponsorship, critical when referring to more quantitative issues like metrics and ROI measurement.

Reciprocity seems to influence the entire arts sponsorship outcome, including financial support continuation for the arts sponsee and brand awareness for the sponsor. The sponsor’s brand awareness is not the focus of this research, but nevertheless it is relevant for the arts sponsee.

4.5 The arts sponsorship model

The influence of the core category (reciprocity) in the arts sponsorship process and its relationship with the two theoretical categories (uncertainty and making possible) is shown in the model in Figure 15.

The model consolidates the theoretical insights of this study, bringing together theoretical categories to depict their relationship to reciprocity. The depicted categories are represented in an experiential relationship cycle that conveys the notion that reciprocity is a continual arts sponsorship process made manifest from business behaviour.
Yet, allowing the actual research to be fluid and dynamic, the complex moderation of reciprocity can best be understood as a constant state “of tensions, contradictions and conflicting codes” (Morse et al., 2016).

Figure 15: A model for sponsorship through the arts sponsee’s lens. The moderating role of reciprocity.

This is shown through black arrows leading from the specific conditions that cause and contribute to the category of reciprocity, which in turn feeds back into the category of uncertainty and making possible. Through this process, arts sponsees
constantly endeavour in their “on going communication” and “dynamic matching” to employ the most effective behaviours to engage the sponsor in “making possible” arts sponsorship.

Developing theoretical insight into how reciprocity has the potential to moderate the arts sponsorship dynamic provided new insight into a key process that potentially negates sponsor benefits and therefore removes the reasons for being a sponsor. Moreover, a working theory of reciprocity-moderated arts sponsorship suggests that such barriers can potentially be overcome by an arts sponsee professional through deliberate problem-solving strategies. This has meaningful implications for sponsee professionals who work with sponsors, and reflects a strategic shift in promoting positive business behaviours to improve arts sponsees financial outcomes.

It is argued that this is a valuable approach for working with sponsors, a way to salvage a relationship in circumstances of a negative business event, and a means of developing long-term behaviours that may have significant impact on the future by creating “a culture that values reciprocal exchange relationships over more transactional forms of exchange” (Beitelspacher et al., 2017). The exchange element in a relationship is specifically addressed in social exchange theory where personality, culture and negotiation enter the social action (Fischer, 1981). Becker-Olsen (2003) refers to how all the actors in an exchange behave in the context of sponsorship, to explain how consumers may perceive lowly involved sponsors. However, the sponsorship context of social exchange theory that Becker-Olsen
(2003) depicts is not about the sponsor-sponsee relationship, but instead underlines how the sponsor can be viewed by the consumers as an element of the sponsorship agreement that brings value for its expertise in the field.

Effectively, during the data collection process the emerging reciprocity category was linked to the concept of exchange, but also more specific categories emerged like uncertainty and making possible. These helped to better explain the art sponsee-sponsor interaction beyond social exchange theory, for the following reasons:

- Social exchange theory, in its purpose of promoting the rational choice of each actor, can limit irrational behaviours imposed by personality, culture and negotiation (Fischer, 1981), but does not consider how the uncertainty category often spawns a fatalistic approach that overshadows the rational marketing strategy and pushes the arts sponsee to believe more in impromptu events or even philanthropical aid.

- The theoretical category “making possible” is a differentiating factor from sport, drawing on the literature to show how beliefs about possible outcomes can affect an arts sponsee’s approach to a sponsor. Respondents have confirmed in the interviews the limitations, if not the damages, provoked by short term sponsorship. The collective irrationality addressed by social exchange theory does not take a step in the understanding of art sponsorship, because its proposed dimension of morality (Fischer, 1981) does not apply to the arts sponsorship case. The only alignment of social exchange theory with the
The model proposed here is offered by Wu and Lee (2017) underlying the importance of knowledge sharing between leaders and their subordinates which is an issue raised by several respondents: the lack of knowledge flow within the arts sponsee stakeholders, especially between the administrative and artistic departments.

Furthermore, by aiming to understand sponsors' behaviours, as opposed to seeking compliance with positive business behaviours, a greater focus is placed on the causal factors influencing behaviours rather than the behavioural consequences. This is meaningful for facilitating arts sponsee-sponsor interactions, as negative sponsorship dynamics that are not addressed appropriately could lead to greater problems in the future (Beitelspacher et al., 2017) also because the number of sponsors available is limited, as reported in this excerpt.

<table>
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<tr>
<th>Excerpt 20: Long-term sponsorship</th>
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<tr>
<td>There are few sponsors, 8 or 9 sponsors have been with us for 30 years, which is wonderful, wonderful. It is also true that the consequences of a mistake can be very harmful.</td>
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By acknowledging reciprocity as a moderating factor of arts sponsorship, it is possible to bring business processes to the forefront of analysis to explicate arts sponsee and sponsor behaviours.
The consequences... you know... can be pretty severe. It has not been a disaster, but we have never been able to do anything with them again. It has been 9 years that I have been trying to repair this relationship, something that scarred deeply, and it takes time. The case is that we overpromised them (the sponsor) and we never followed through and could not blame them for not being happy. It takes a long time to recover. It is not a problem with just one person in the company for 9 years, whatever committee they are presenting too. Leadership is not just one person; it could be 100 people in the (sponsor’s) company that still comment, “Oh, that project we did there, it was horrible.” It is that kind of perspective that’s really hard to change and it takes a long time.

Arts sponsee managers performing in a business market characterised by service offerings should be aware not only of the importance of relationship building strategies, but also that unresolved conflict has a greater negative impact than that of any positive strategy (Palmatier et al., 2006). To conclude, the dependability test, favoured over reliability testing by qualitative investigators (Creswell and Poth, 2017), was performed to check the level of change and instability of the findings. Peer examiners confirmed the core category of “reciprocity”, but not all of them the theoretical category of “uncertainty”, and only one coded the “making possible” theoretical category. This confirmed that the researcher developed sensitivity during the data collection (Corbin and Strauss, 2015), adapting the question set to favour
“prompt thinking about actions” (Charmaz, 2014) when the arts versus sports dualism emerged as an important concept as described in the Memo n. 2 at the beginning of this chapter. As Goulding (2017) stated: “A few unstructured or semi structured interviews do not make a grounded theory study, just as a few hours of observation do not make an ethnography”.

Another element that explains the lack of the “uncertainty” category by one of the peer examiners is that the interviewed transcription coded by the examiner was from one of the most visited arts institution in the world that, as the respondent confirmed, does not really need to seek sponsors and consequently does not experience uncertainty, an exceptional and privileged case in arts sponsorship.

4.6 Revisiting the research questions

The results of this empirical study are herein compiled and explained by having used the transcribed interviews that represent the main document that is the hermeneutic unit of this research. The relative paucity of research in sponsorship from a marketing viewpoint meant that this research involved theory generation rather than theory testing (Speed and Thomson, 2000). The results of the semantic analysis addressed the research questions posed by this thesis:

- RQ1: What are the factors that sponsees consider when selecting a sponsor?
- RQ2: What are the consequences of selecting an appropriate sponsor and the consequences of choosing an inappropriate sponsor?
• RQ3: Within this process, what are the distinctive features to emerge?

The proposed substantive model to address these research questions was illustrated in the model in Figure 15, and is discussed as follows.

4.7 Arts sponsee and reciprocity

Within the substantive area, the findings suggest that relationship building between a sponsee and a sponsor is moderated by the core category of reciprocity. Neural evidence indicates that humans are naturally inclined to reciprocity with strangers even if they never meet again (Watanabe et al., 2014). Our research and literature review suggest that the experience of reciprocity appears to fit alongside a developmental perspective of arts sponsorship and not on random encounters. This viewpoint suggests that relationship building in a service offering is evolving from a goods-centred to a service-centred concept (Vargo and Lusch, 2004).

In relation to this study, the crux of the core category analysis was the identification of the role of reciprocity in arts sponsorship relationship building, which ultimately influenced perception and business behaviour of interactions with sponsoring companies. This was an important finding as it suggested that relationship building was moderated by the process of reciprocity. There is little direct empirical evidence to support the relationship between reciprocity and arts sponsorship in the literature. However, connections can be made to studies that explore the role of reciprocity in business markets offering services on how relationships are built between actors. For example, according to reciprocal exchange, the role of socio-emotional resources,
such as “tailor made offerings”, “on going communication” and “dynamic matching”, can be exchanged or can influence economic resources (Beitelspacher et al. 2017).

Other studies relate feedback to reciprocity as a key element in trust building in the marketplace, which is thought to be very influential in ensuring cooperation in a sponsorship relationship (Farrelly and Quester, 2003), highlighting its role in the leaving, timing and content of feedback and how reciprocity influences the candour of feedback, mainly one-sided, as found on many business-to-consumer platforms (Bolton, Greiner and Ockenfels, 2013). This finding relates to sponsorship too since companies that lack consumer trust and those that have experienced scandals may seek to improve their images by sponsoring congruent sponsees (Rifon et al., 2004).

Adaptive cooperative behaviour sets time as a condition for establishing the worthiness of reciprocity, and points to the enormous benefits of reciprocity in a multi-decade collaboration (Delton, 2014) as confirmed by most arts sponsee respondents in our study and by the literature reviewed. There is even evidence that an incongruent sponsorship may become congruent over time (Woisetschläger and Michaelis, 2012), since time can potentially improve brand affect in consumers’ minds (Cornwell and Johnston, 2011). This confirms the popular wisdom that long-term sponsorship relationships may improve perceptions of brand equity (Cornwell, Roy and Steinard, 2001), but only if supported with further stimuli that maintain brand affect (Mazodier and Quester, 2014).
Another kind of reciprocity is the pay-it-forward approach, the one not driven by “myopic profit maximization.” This approach elicits emotional rewards (Watanabe et al., 2014), and “eliciting emotions” emerged as an instrumental arts sponsorship property strictly linked to the “making possible” theoretical category.

Contrary to prior research, to common beliefs or to what is depicted in the media, when no reciprocity is possible, greed is more apt to be paid forward than generosity (Gray, 2014). Research indicates that, for example, in a sponsorship dyad, if one party is unable to reciprocate, it will respond to generosity by returning less: equality instead of generosity. This asymmetry is due to the greater power of negative effects and shows how reciprocity can evolve without the need for interdependence because equality is paid forward with equality and greed with greed (Gray, 2014). These findings suggest that in circumstances of non-reciprocation, an arts sponsee should engage in equalitarian treatment of a sponsor, assuming that its generosity will be paid forward.

The available literature appears to support the notion that reciprocity can be a moderator in arts sponsorship between the threats of uncertainty and the potential of making possible. Hence, arts sponsorship outcomes may be influenced by such a relationship. It may, therefore, be valuable to understand how reciprocity is related to intrinsic motives that can seem to be opposed and undermined if not protected by contractual norms that balance extrinsic motives (Abdi and Aulakh, 2017).
However, studies on team performance show that to become a true enabler — in terms of this research, that is to become someone “making possible” — team leaders should cede decision making authority and redefine their roles as facilitators of team members’ initiatives and developers of trust. This dynamic enables team members to achieve their full potential (Hoegl and Muethel 2016). It would be useful to test if such a dynamic held true in arts sponsorship and reciprocity relationship building.

The study also found that there may be value in exploring how the notion of reciprocity negatively influences low performers that can only be motivated by incentives, i.e., conditional compensation, rather than reciprocity (Chung and Narayandas, 2015), whereas the opposite may be true with high performers that perform based on reciprocity rather than mere incentives. This was reported by a respondent asserting that some sponsors do not want to be involved once they have complied with the contractual obligations, as in the following excerpt.

A lot of the cases, they (the sponsor) give the money and you do it. I think they respect the sponsee, so they neither want to enter in the sponsees decisions, nor interfering in something they should not. But sometimes they do not have time, and they just want to have an update, a report. But what is nice is to have them participating, but it is up to us to make it happen.

Excerpt 22: Incentives vs. reciprocity
To-date, the relationship between arts sponsees and sponsors is relatively unexplored. Considering the growing attention that reciprocity has received in relation to the business and marketing sectors, it may be useful to extend these concepts to develop insight into arts sponsorship.

4.8 Aligning reciprocity with relationship building

The substantive theory suggested in this chapter provides a tentative link between reciprocity as a business tool and business processes that trigger specific arts sponsorship outcomes. This tentative link offers a novel approach to understanding reciprocity in arts sponsorship through a relationship-building perspective. This link was made by drawing parallels to a service-dominant (SD) approach that considers the exchange sponsorship process as a series of steps. Therefore the overall resource use and the value generated is independent of the exchange episode (Prior, D. 2016). The value generated independently of the exchange episode supports the “relationship time” and “dynamic matching” categories. Conversely, a transaction cost economics (TCE) approach, which also understands the exchange process as a series of steps, focuses on the attributable costs linked to the product usage stage and again supports the “relationship time” and “dynamic matching” categories. This perspective was useful to situate the moderating impact of dyadic reactions as “arts sponsee independence,” “arts conflict creation,” “communication invasive,” or “bureaucracy” to reciprocity within arts sponsorship, confirming the need for “dynamic matching” and “ongoing communication” as the properties of both
actors’ resources change over time (Prior, 2016). An example on “bureaucracy” by Adler and Borys (1996) refers to a force able to alienate ways of working, confirmed by our respondents referring to the alienating effects of bureaucracy for arts sponsee.

Critics of the “actors” approach refer to the confusion created by interchangeably using the terms “consumers” and “actors.” This is based on Gummesson’s (2016) work on the evolution of relationship marketing suggesting a strengthening link between C2C (Consumer-to-consumer) and B2B (Business to business) fields and the consequent approximation of the customer-to-customer concept to the actor-to-actor one. However, at the present stage, this theory remains explanatory of the data and would require testing, as is normal for generation of a provisional model that requires future quantitative research in order to contribute to the development of theory (Creswell 2013).

The notion of reciprocity-moderated arts sponsorship highlighted that arts sponsee reciprocity in business interactions would be better understood by understanding service dominant responses that are separate from pure transactional cost economics processes. As mentioned previously, business development occurs through maturation, as in the study of the evolution from incentives to reciprocity, suggesting the greater effect of the latter for high performing professionals (Chung and Narayandas 2015). Business development is not about arts; it is about risk.
However, there is a small corpus of literature that expounds the malevolent effect of reciprocity. Generally, this refers to norms that induce ethical compromises, especially the role of environmental uncertainty (Tangpong et al., 2016), a very sensitive subject in arts sponsorship, or to a vertically dominant power status (Farrelly and Quester, 2004) and the role of trust (Farrelly and Quester, 2003). Perceived future gained opportunity are specific malevolent mechanisms linking the reciprocity norm to ethical compromises in business exchanges (Tangpong et al., 2016). Although this malevolent reciprocity is problematic, most literature exploring reciprocity within business markets provides an insight into arts sponsorship that supports the findings within this grounded theory study; namely that dualistic uncertainty/making possible can be solved by reciprocity. Collective findings demonstrate that arts sponsees tend to utilise a reciprocity-based model for determining future actions (decision based on feelings associated with spent resources such as time or money) as opposed to logical appraisal of cause and effect.

Despite this, the study supported the notion that a process perspective of development may be useful for understanding the business processes that arts sponsees utilise in decision-making. In relation to the findings of this grounded theory study, it is helpful to note that this process has been shown to influence how arts sponsees select sponsors and make decisions, although further investigation would be required to determine if this holds true for other kinds of sponsorship.
Although limited evidence is building for a process perspective of business development, there appear to be no direct studies that explore how these systems operate in relation to arts sponsorship. Further investigation would be useful as it could provide insight into how the processes of reciprocity influences arts sponsorship relationships. Despite this, the current research is useful in linking the process perspective of business with reciprocity-moderated arts sponsorship. This grounded theory study argues that reciprocity helps to moderate arts sponsees’ business behaviours as it mitigates behaviours that detract from the sponsorship professional relationship.

4.9 Reciprocity as an arts sponsorship construct

As stated in Chapter 1, the overarching aim of this thesis is to better understand how arts sponsees deal with sponsors and examine the overall relationship building process. This resulted in an in-depth exploration of arts sponsees’ perspectives of sponsorship interactions, views of sponsors’ behaviours, and insights into the consequences of these factors on arts sponsees. This perspective suggests that the ambition of making possible through arts sponsorship is important from a business developmental perspective. Considering business behaviour as a developmental trajectory, “making possible” is a variable that has only recently been linked to strategic planning, a tool recognised as enabling employees’ creative endeavours if moderated by risk-taking and a knowledge reward based system (Song et al, 2015).
However, conformity, the adoption of “any common strategy within the interaction range at any given time,” is indicated as a network reciprocity enhancer (Szolnoki 2015), confirmed also by Kahneman’s (2011) findings on the natural risk-averse nature of human beings, and so it does not support the concept of art creating something unique and not mass produced (Colbert, 2014). In fact, the “conservative approach” of sponsors was repeatedly mentioned by respondents as a limitation to successful sponsorship of this type, characterised instead by “arts conflict creation” and leading to contract dismissals, embarrassment, or requests by arts sponsee managers themselves not to attend critical performances.

In terms of this study, this may suggest that arts sponsees make things possible by taking risks despite the intrinsic “uncertainty” posed by sponsors and strategically planning reciprocal arts sponsorship relationships. In addition, the experiences arts sponsees have with sponsors could also be said to reflect how arts sponsees are redefining their business goals and seeing themselves as autonomous and independent arts institutions with emerging business roles. Hence, strategic planning focused on reciprocity in the arts sponsorship interaction may be increasingly important. The key features of this grounded theory study highlight that arts sponsees experience reciprocity as an arts sponsorship construct, and this suggests that the arts sponsees’ business behaviours were formed in response to their subjective perspectives of the sponsor/arts sponsee dyad as confirmed by the empirical cultural differences encountered in the fieldwork.
Arts sponsorship places an arts institution at the core of a business deal. For the arts sponsee manager, this is a highly individualistic experience that calls for expertise and professionalism, personalization to each sponsor’s needs, and alignment of business strategy with marketing goals. As such, acknowledging the subjectivity of each experience can help the arts sponsee develop effective business behaviours. Within business market services for arts sponsees, this may occur by understanding the “professional skills” alongside developmental and managerial considerations. This shift recognises that psychological constructs underlying actions are important, and suggests that how meaning is constructed is as important as the action a person takes. Reed et al. (2010) suggest it is only through the elucidation of personal meaning that the lived experience can be understood, and that the subjective components behind behaviour shed insight into motivation towards action, the experience of participation, and the possibilities and potentials of a future self. This process may also influence the arts sponsee’s motivation regarding “sponsee benefit” of sponsorship, which may also limit “sponsor benefits” when a situation is seen as alienating.

In this grounded theory study, reciprocity is shown to be a useful concept for contextualising how arts sponsee managers experience their relationships with sponsors. The meaning that arts sponsees ascribe to their situations is important for reciprocity to occur. Arts sponsee managers enter into institutional environments of “corporate sponsorship,” which sees arts sponsees with normative assumptions
about boundaries and norms. How an arts sponsee reacts in these settings can enhance or impinge on the arts sponsee’s expertise and professionalism depending on individual meaning horizons. In addition, future reciprocity may also be a meaning horizon of sponsorship behaviour and may well be influenced by the extent an arts sponsee feels valued in their business role. Hence, learning to become a business partner may well be dependent on the value ascribed to the professional experience. For the arts sponsee, developing awareness of the business perspective may well be essential to engagement in sponsorship relationships, and it is possible to encourage behaviours and habits that encourage arts sponsees to work actively to enhance participation within business interactions, relationship-building behaviours and achieve sponsorship-related goals. Reciprocity in such processes may also encourage the arts sponsee to explore new ways to interact in their role as a valued professional. Collectively encouraging practices that explore business meaning may be important for more productive engagement of arts sponsee in their sponsorship interactions.

The findings of the core category suggest that dynamic matching, ongoing communication, and relationship time/history are core components of arts sponsee reciprocity within the substantive area. As indicated above, the process of reciprocity appears to align with a developmental perspective of business maturation. This viewpoint suggests that business development is a key component of arts sponsees’ value, “tailor made offering” and “internal buying.”
But understanding arts sponsorship is a recurring problem amplified by “communication invasive,” infringing “arts sponsor independence” and also a “conservative approach” or a lack of “sponsor involvement” which may overwhelm an arts sponsor’s scarce resources. In addition, a sponsor’s unclear and/or hidden goals regarding sponsorship service interactions can affect its own outcome satisfaction. Anthony and Cowley (2012) suggest that, from a long-term marketing perspective, this could be prevented by extensive scrutiny of the sponsor’s “arts sponsorship understanding” although this brings up the issues of “application time” and “bureaucracy” limitations.

In relation to this study, the crux of the core category analysis was the identification of arts sponsor concept of reciprocity, which ultimately influenced business interactions with sponsors. This was a significant finding as it suggested that arts sponsees uncertainty can be solved by reciprocity in their ambition of making possible. It is argued that the role of reciprocity is twofold, both creating possibilities and reducing uncertainty.

In relation to the literature, there is little direct empirical evidence to support the relationship between reciprocity and arts sponsorship; however, connections can be made to studies that explore the reciprocal exchange in marketing and their impact on business outcomes. For example, as already mentioned above, Anthony and Cowley (2012) explored the impact of lying when purchasing a service, that influences the own satisfaction outcome, an important finding considering that
previous studies only addressed business overselling techniques, but not service purchase lack of truth.

The uncertainty category emerged could be generated by single events like “sponsorship discontinued by contract”. Research suggests that to facilitate relationship exchange like “belonging” and “partnership” and “loyalty” and to consequently impact financial performance, reciprocity is one the three underlying transformational mechanisms (Harmeling and Palmatier, 2016). An interesting study on emotional reciprocity between parents-children shows that when parent–child negative emotion reciprocity is sufficiently frequent, it regularly depletes resources children need for different aspects of success in school (Moed et al., 2017), and this could lead to the question of how arts sponsee managers performance can be depleted by a negative emotion reciprocity. Considering also that emotion regulation is cognitively costly, the cost for arts sponsees to operate in constant uncertainty could compromise the reciprocity outcome, adding a new emotional dimension to this arts sponsorship research.

Building on our findings about the influence of the cultural dimension that sees arts sponsorship under the lens of philanthropy instead of a proper business tool, studies on the cultural dimensions of reciprocity indicate that according to the behavioural theory of the firms, reciprocity may influence the outcome. In the case of a Japanese R&D department characterised by a “communitarian” culture, findings suggest that over-performers would react to their performance excess with a reciprocity towards
less fortunate colleagues, pushing forward the overall outcome of the department (O’Brien and David, 2013). If this held true also for over-performing sponsoring companies, in specific cultures they would engage with support-seeking arts sponsees to push forward the outcome of an arts sponsorship joint effort.

Recognition is also found in the literature as a dimension of reciprocity, therefore facilitating connections between each contributor and recipient by enhancing a mechanism to demonstrate their appreciation would enhance reciprocity norms (Pai and Tsai, 2016). This finding applies to on-line communities, which were mentioned by respondents when referring to the need of “ongoing communication” - a category that could encapsulate the recognition element. In fact perceived member support strongly increases the norm of reciprocity, generating a felt obligation to share information with partners (Pai, 2016).

One last point about reciprocity is its negative perception that may lead to nefastuous behaviours like incivility (Wu et al., 2014) and arose in our research where overpromising to sponsors created long term distance (not incivility, but an incapability of fixing the damage).

All in all, this study identified that there may be value in exploring the notion of arts sponsee reciprocity and how it influences arts sponsee business behaviour with the sponsor. To date, the relationship between reciprocity, uncertainty and making possible appears to be unexplored; accordingly, considering the growing attention
that arts sponsorship has received within marketing, it may be useful to further extend these concepts to develop insight into reciprocity.
CHAPTER 5. Conclusions

5.1 Theoretical contributions

The practice of theory generation as per the grounded theory methodology is challenging “because it forces us out of our intellectual comfort zone, but then maturation (even as a field) is never an easy undertaking” (Corley and Gioia, 2011). Considering the outcome of this study being a substantive theory (illustrated in Figure 15), the push away from the intellectual comfort zone is obtained by suggesting how reciprocity moderated the uncertainty faced by arts sponsees and their ambition of making possible in the relationship with sponsors. The core category coalesced key insights from theoretical category construction to identify the arts sponsorship process through the arts sponsees' lenses. This was then aligned, within a broader business behaviour perspective, to the perspective of relationship building behaviour to explore reciprocity from the arts sponsee's point of view. The core category (reciprocity) influenced the entire arts sponsorship relationship. Reciprocity has to be considered as something of long-term value by the arts sponsee and sponsor decision maker.

I turned to the literature to discuss this construct. First, reciprocity was revisited in order to understand how the literature defines such behaviour in business exchanges. Then, the suggested substantive theory of reciprocity-moderated arts sponsorship was considered as a business process, and discussed in terms of professional meaning and the impact that this exerts on long-term outcomes.
5.2 Practical contributions

Beyond the theoretical value, this research has practical implications. Arts sponsees should make it clear to sponsors that there are multiple ways of maintaining a positive relationship after a contract terminates (McAlister et al., 2013). Before, during and after the contractual relationship, sponsorships should be marketed by the sponsoring company in the manner suggested by Crimmins and Horn (1996), who note that sponsorship that is not marketed is not sponsorship.

Arts organisations must become more skilled at understanding and fulfilling sponsors’ commercial priorities to prevent sponsors from leaving. A priority for sponsees in obtaining and maintaining long-term sponsorship contracts is to be empathic with their investors and to show sensitive understanding of their needs. It is increasingly important that arts institutions develop a stronger marketing and management mentality, reducing the tactical effort expended on informal relationships that do not affect long-term goals (Kotler and Scheff, 1997).

Arts managers should be involved with and in communication with their sponsors’ managers at all levels of promotional activity, keeping in mind that a sponsee gains immediate benefits from the sponsor’s investment, while their contributions to the donor’s brand image are often more difficult to identify and assess (Kotler and Scheff, 1997). Forward effects of a sponsee’s brand on the sponsor’s brand are believed to have a large impact; by comparison, the backward effects of the sponsor’s brand on the sponsee’s brand are considered minor, but still significant (Tsiotsu, Alexandris
Therefore arts sponsees should not focus only on obtaining resources from sponsors; they should also take into account the effects the partnership can have on their reputations (Becker-Olsen, 2006). This confirms findings suggesting sponsees refrain from partnering with a brand that may lead to concerns about bias. Although financial support is important, it is still necessary to ensure a congruent relationship (Pappu and Cornwell, 2014).

Sponsee managers need to understand their audiences’ attitudes about their events and also whether the population considers an event important, as this will influence which sponsors should be approached. This information will help in adding value to the sponsorship relationship (Speed and Thompson, 2000). Public attitude can be either strengthened or weakened, because it is not a fixed perception on the part of the consumer (Rifon et al., 2004).

It is evident that this is another sponsee angle ignored in the literature. A link that produces a clear, strong impact on the audience should be created between the brand and the sponsee. It should allow easy recall in the direction desired by the sponsor, with no room for misunderstanding. The opposite is also true, and the advantages for the sponsee should be taken into account (Crimmins and Horn, 1996). Brand dimension is important for a sponsor, as not all sponsees may enhance a sponsor’s image (Grohs, 2016); however, to-date studies have not been conducted on which brand dimensions are key for sponsees.
Sponsor managers need to help audiences make sense of incongruent sponsorship programmes and shape messages in support of the sponsor’s brand (Dean, 2002). Again, studies have not been conducted on what art sponsees should do in similar situations.

When I first came to the museum, which was the first time I joined a not-for-profit organisation, the director of the museum told me there are lots of projects to do. If you are good in doing these projects, there will be more projects to do. I think that thinking small, you focus too much on the uncertainty, and you cannot achieve a lot. So I believe it is not good to focus on uncertainty. Especially if you come from the corporate world, you will be thinking: how are we going to do this exhibition for next year? You try to control it. But this does not work in the not-for-profit world because if you do not have big ideas, if you do not have big ambitions, the money will not follow. So you need that, you need those big ideas, to transmit to those companies that those big projects will become real.

So it’s true, it seems that it is easy to say, but if you have good projects, if you have good ideas, you will be able to follow. Sometimes you tend to think small. For this exhibition I only need (x amount), but then you get zero. Instead, with ambition, you think big. You think of what you are able to do and it is much easier to reach your objective.

Excerpt 23: 3 months post interview comments on the substantive theory
A sponsor’s process of determining how to “buy” a sponsorship initiative (Crimmins and Horn, 1996) should be paired with a study of how art sponsees “sell” themselves or how they choose a sponsor. The sponsees’ brand is of crucial importance, and a coherent branding strategy is critical for the sponsor to be successful (Amis, Slack and Berrett, 1999). Arts sponsees should think strategically about their partners, as an inappropriate relationship can cause long-term damage to a brand (Cornwell and Humphreys, 2013; McAlister et al., 2013) and prove costlier than short-term financing difficulties (Becker-Olsen, 2006). The overall design of a sponsorship relationship should not just target consumers, achieve objectives and enhance marketing strategies, but also reduce inequity in sponsor-sponsee interactions (Farrelly, Quester and Burton, 2006; Wilson, Stavros and Westberg, 2008). Arts sponsees need to defeat uncertainty, as stated by one particular respondent who agreed to comment on the substantive theory of this research three months after his interview. During a post interview conducted to ensure that there was no misinterpretation of the findings or misunderstanding due to the researcher's intuition, the following excerpt was said to be an “accurate translation of the informant’s viewpoint into data” (Krefting, 1991). All in all, this research has generated a theoretical understanding of the sponsorship process through the lens of sponsees. Having this understanding is important because most of the research on sponsorship to-date has been focused on the needs of sponsors, largely within the context of sport sponsorship. There is evidence that arts sponsees, as a growing and important sector of sponsorship, need to enter sponsorship arrangements
strategically. This is the first research to focus on the conceptualization of the sponsorship process from an art entity’s perspective. The model developed in this research is particularly important due to the opportunities offered by global growth in sponsorship spending as well as the risk that the art industry may become overly dependent on resources from sponsors.

The model was rigorously developed, and followed Charmaz’ (2014) criteria (Table 11) for grounded theory studies specifically for credibility, originality, resonance and usefulness.

<table>
<thead>
<tr>
<th>Credibility</th>
<th>- I achieved familiarity with the topic through an extensive literature review and time spent with arts sponsee professionals during the fieldwork.</th>
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<tbody>
<tr>
<td></td>
<td>- The data collected merit my claims because of the number of interviews, hours spent collecting data, and interviewees’ comments on the findings.</td>
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<tr>
<td></td>
<td>- Constant comparison between categories and observation occurred at the end of each interview coding.</td>
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<tr>
<td></td>
<td>Categories cover empirical observations ranging from broad “sponsorship reason” to tools like “target audience analysis”;</td>
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<tr>
<td></td>
<td>from “social skills” and “personal network” to specific “empathy” (TABLE 11 CONTINUES IN THE NEXT PAGE)</td>
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<tr>
<td></td>
<td>- and “communication skills”; from “time” to parts like “application time”; contexts like “bureaucracy” and outcomes like “partnership.”</td>
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</table>
The logical links between the data and the arguments proposed are strong because they are understandable, recurring in all the situations analysed and validated by the participants themselves.

The extent of the reports of the data collected in this research should allow any reader to form an independent assessment and, hopefully, agree with my claims.

**Originality**

- The categories are fresh because they refer to new insights that emerge only after several interviews, and are then confirmed by the data collected in subsequent interviews.

- The analysis offers a new conceptual rendering of the data that could have an impact in the way arts sponsees engage in future sponsorship deals.

- The impact of this work theoretically proposes a new approach to sponsorship based not only on financial support and brand awareness but also on improving the quality and effectiveness of sponsorship relationships.

- Grounded theory was key to accumulating progress in the set of questions asked as the fieldwork research advanced. A simple ethnographic approach might not have raised critical thinking to the level needed for the research and would have neither challenged nor refined the status quo of arts sponsorship research.

**Resonance**

- The categories portray all elements of the experience, from sponsorship reasons, tools and outcomes, to actors’ abilities,
limitations and ambitions, passing through context conditions, challenges and proposed solutions.

- I revealed liminal and unstable taken-for-granted meanings like the philanthropic nature and cultural superiority of arts, but the financial supremacy of sports; the sponsors’ bureaucracy.
- frustrating process; and the lack of specific training due to budget limitations.
- I drew links between institutions and individual lives, describing the advantages and disadvantages of being a sponsee professional in the arts world.
- Participants found grounded theory methodology sound and solid because of the way they answered questions, the data collected, and specifically their feedback on the insights that deeply captured the current arts sponsorship situation.

<table>
<thead>
<tr>
<th>Usefulness</th>
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<tr>
<td>- Arts sponsee professionals will find this work useful, particularly when deciding whether to focus on a long-term marketing strategy or only on emergency fund-raising.</td>
</tr>
<tr>
<td>- The categories suggest a wide-ranging process focused on elements other than traditional sponsorship financial support and brand awareness.</td>
</tr>
<tr>
<td>- The process reveals tacit implications such as new strategic approaches and proposed marketing mind set for arts sponsee professionals.</td>
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</table>

(TABLE 11 CONTINUES IN THE NEXT PAGE)
This analysis can spark further research since it is an exploratory and descriptive work that needs to be tested. It may be extended to other fields such as cause sponsorship.

This work contributes to knowledge that offers new insights on possible ways for arts sponsees to deal with sponsors that can be beneficial for both. It may spread arts knowledge, stimulate a positive attitude towards the arts, and raise the level of marketing strategy in arts sponsorship.

Table 11: Criteria for grounded theory studies (Charmaz, 2014)

### 5.3 Conclusions

In conclusion, this study provides clarification as to what reciprocity in an arts sponsorship relationship is from the arts sponsee professional’s perspective, and consequently is an initial step towards understanding the role of reciprocity within arts sponsorship.

Specifically referring to the three research questions stated at the beginning of the thesis, the research findings were used to build the substantive model reflected in Figure 15, and it is this figure that provides the answers to the research questions, as follows:

**RQ1: What are the factors that sponsees consider when selecting a sponsor?**

The findings address two categories: uncertainty and making possible. Uncertainty, understood as “nobody knows” (Towse, 2011), is faced by arts sponsees because of the verticality of the relationship and often spawns a fatalistic approach that
overshadows the rational marketing strategy and pushes the arts sponsee to believe more in impromptu events or even philanthropical aid.

But arts sponsees are also motivated by arts sponsorship’s ability to prompt positive expectations about future sponsorship deals and making possible refers to their ambition of reaching certain goals through the relationship with sponsors.

Therefore, when selecting a sponsor, arts sponsees consider that uncertainty will undermine their confidence in employing efficacious behaviour while instead making possible appears to influence how arts sponsees could establish the arts sponsorship raison d’être, determined by an arts sponsee’s ability to make a difference.

RQ2: What are the consequences of selecting an appropriate sponsor and the consequences of choosing an inappropriate sponsor?

Arts sponsees should think strategically about their partners, as an inappropriate relationship can cause long-term damage to a brand (Cornwell and Humphreys, 2013; McAlister et al., 2013) and prove costlier than short-term financing difficulties (Becker-Olsen 2006). The findings made in relation to RQ1 are intertwined with the findings in relation to RQ2. In fact once the motivations for considering a sponsor emerged, so too did the consequences of choosing a right or wrong one. In the case of partnering with the right sponsor, the relationship would weaken uncertainty and strengthen the category of making possible. In the case of partnering with the wrong
sponsor, the relationship would strengthen uncertainty and reduce the category of making possible.

RQ3: Within this process, what are the distinctive features to emerge?

Three elements: financial support, congruence, and understanding the conditions of arts sponsorship are fundamental to sponsor selection. But unfortunately the selection process in sponsorship is seldom rational (Olson and Bronn, 2002) and therefore instead of fostering on the making possible category, financial costraints oblige arts sponsee to opt for sponsors that will lead to uncertainty. The findings suggest that relationship building between a sponsee and a sponsor is moderated by the core category of reciprocity. This category is important because it has to be considered as something of long-term value by the arts sponsee. Furthermore it has the potential to moderate the arts sponsorship dynamic providing new insight into a key process that potentially negates sponsor benefits and therefore removes the reasons for being a sponsor. The suggested substantive theory of reciprocity-moderated arts sponsorship is considered as a business process, and discussed in terms of professional meaning and the impact that this exerts on long-term outcomes, like promoting positive business behaviours to improve arts sponsees financial outcomes.

Overall, this research came about because of the lack of empirical work in this area, resulting in conceptual ambiguity about what arts sponsorship is and how it is enacted. The findings of this study have the potential to positively influence how
reciprocity is understood for arts sponsees who select sponsors. Findings echoed current conceptual definitions of reciprocity in that reciprocity is (Falk and Fischbacher, 2006) compatible with marketing concepts that “If negative anchoring events are not addressed appropriately, they could lead to greater problems in the future (Beitelspacher et al. 2017).

This study provides new insights into the dynamics that arts sponsee professionals experience when they interact with companies and how reciprocity is related to uncertainty and making possible, the two theoretical categories constructed. I identified the marketing aspects of the arts sponsorship interaction that influence how arts sponsee professionals select sponsors, i.e., how they approach, enact and understand potential sponsors. Furthermore, these aspects of the study findings identified that reciprocity is an active feature of the sponsorship marketing process, regardless of the behaviours the potential sponsor may evince in sponsorship meetings. The core category identified that reciprocity is central to arts sponsorship and influences how arts sponsees respond to companies within the sponsorship interaction. Finally, an emergent substantive theory was identified to determine how different systems of behaviours moderate business relationships when arts sponsees experience difficulties in their sponsorship interactions. The final rendition of findings drew on a process perspective of behaviours to identify that uncertainty could potentially detract from reciprocity, whereas human relationship processes
may reduce uncertainty, thereby positively contributing to reciprocity. Collectively, these findings provide new knowledge in an area scarcely investigated.

This thesis has identified that an arts sponsee’s reciprocity in a sponsorship interaction is a highly complex experience that involves internal arts sponsee and external sponsorship actors, and this experience is often not acknowledged or understood and would benefit from further empirical research. The experience of human relationship is arguably a developmentally normal experience, given arts sponsees’ professional situations, and the business, cognitive and social developments they experience throughout sponsorship interactions. Recognising human relationship as a developmentally normal feature of their reciprocity may be useful to minimise the barriers arts sponsees face when meeting with potential sponsors. This study adds a novel contribution to the evidence base in terms of theoretical and empirical insights through the identification of processes potentially inhibiting arts sponsees’ reciprocity; hence, the findings deliver new insights into how arts sponsees engage in a process of sponsorship.

5.4 Limitations and future research

It is important to identify the limitations of any empirical study so as to place the findings in a proper context, provide insight into potential errors that result from data collection methodology, and determine the relevance of the work for other substantive areas. In any data analysis where data are gleaned from respondents’ transcripts by an investigator, it is difficult to ensure complete accuracy (Glaser, 224
Furthermore, pinpointing study limitations generates inquiry and argument on the topic and stimulates further research. Given the exploratory nature of this grounded theory, acknowledging the study’s limitations is essential to demonstrate thoughtfulness with regards to research design, data collection, and the application of findings. Therefore, this study acknowledges three core limitations. Firstly, the research design did not include sponsor professionals’ perspectives about the reciprocity interaction of arts sponsees. This was a purposeful delimitation in order to highlight the arts sponsees’ perspective, thus exploring an area not previously researched. It might be argued that, due to this approach, the study does not fully encompass the arts sponsee/sponsor professional-relational dyad. However, this limitation in scope of inquiry is not problematic, as the development of a substantive theory does not claim an objective truth, but rather aims to provide new insight into how a phenomenon is experienced and functions by those who contribute to it. As such, it is acknowledged that the substantive theory developed in this study is derived from arts sponsees’ perspectives in sponsorship interactions, but would readily lend itself to further investigation with sponsor managers to develop greater insight into these concepts.

A second important limitation is that the findings from this study were derived from arts sponsees retrospective accounts of sponsorship interactions. Arts sponsees were not limited as to the type of experiences they should draw on to determine how they understood reciprocity. As a consequence, the arts sponsees disclosed events
from their professional experience and from the experiences of their colleagues. This approach could be potentially criticised as lacking clear parameters of what constituted an “arts sponsee” sponsorship interaction. However, it is essential to note that the exploratory nature of this thesis seeks to understand how participants manage the sponsorship process. Hence, it was imperative to allow arts sponsees to draw their own associations when discussing the process. In this sense, reciprocity came to be viewed as a continual process of relationship management. As such, it undoubtedly influenced theoretical construction. Again, this is not problematic for this study. However, additional approaches for future research listed above will certainly add rigour to the enquiry methodology.

At present there is limited scope for this study to draw direct inferences to other substantive areas. This limitation pertains to the direct application of findings as a means to explicate arts sponsees’ reciprocity within the sponsorship process as a global concept. This grounded theory study focused on generating rich data to develop a contextualised insight situated in sponsees from arts institutions, and was achieved through the continual processes of comparative analysis and abstraction until theoretical maturation occurred. This resulted in the identification of a core category central to the observed phenomenon. However, there are limits to the extent that this research can be applied to other contexts, as the study did not engage in further testing of the emergent substantive theory. For example, it has been suggested that the end product of a grounded theory is the definition of a
substantive area where researchers are motivated to move (Glaser, 2017). Hence, confirmation of a new theory would require it to determine its utility to explicate real world events. Yet, even latter stages of deductive inquiry are not without issue, as further research is arguably verifiable, but not necessarily reproducible. In fact, qualitative research is frequently not scientifically reproducible, but compensates in its sensitivity in picking up everyday facts about social structures and social systems (Glaser, 2017). A grounded theory is generalizable to the extent that processes of action and interaction can become known and the conditions that impinge on or bring about the phenomenon can be understood.

This research is exploratory in nature and its generation of a provisional substantive model requires, for a positivist at least, further quantitative research (Creswell, 2013). Theory is expected to have adaptation as new conditions and variations are discovered. In that regards, quantitative testing of the model to statistically confirm the variables identified would be considered a useful step forward from a positivist perspective. Furthermore, the model could be tested across a wider range of situations that consider the likes of geography, cultural context, size of the sponsee, type of sponsee, type of sponsor and number of visitors or spectators. Such testing might disentangle more issues from the sponsee side, including the sponsee’s marketing priorities and by defining the sponsor selection parameters in different cultural contexts. As new insights are discovered, modification of the provisional
substantive model may be required to reconceptualise the phenomenon of sponsee reciprocity (in arts, and beyond) within their sponsorship interactions.

5.5 Final remarks

The core category of reciprocity, its construction, properties and conditions were described in this chapter. The research highlighted that arts sponsees deal with sponsors at a high level of uncertainty. Despite their high level of professionalism, experience and background, it is still difficult to cope with the extremely variable corporate environment. Therefore arts sponsees’ constantly endeavour to adapt to sponsor requests in the face of great “uncertainty,” with an ambition of “making possible” to finally reach “reciprocity”.

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Appendices
APPENDIX (A) The coding process

<table>
<thead>
<tr>
<th>Code No.</th>
<th>Code Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>sponsor benefit of sponsorship</td>
</tr>
<tr>
<td>2</td>
<td>target audience satisfaction</td>
</tr>
<tr>
<td>3</td>
<td>arts sponsored content analysis</td>
</tr>
</tbody>
</table>

many people were engaged.

2. What are the challenges in art sponsorship?
I think sometimes we have to define the way people think, sometimes automatically gravitate towards the easy solution, not necessarily they can see the value of what arts sponsorship can bring you. And I think this much to do with individual organisation to give themselves as well, you have be what to show value, so you can't say you reach family and people here, it is more about quality than quantity. And you can create a quality of engagement with your target audience that can actually add a benefit to that company, that it may be more valuable. There are companies very focused on the logo, on the company logo, it is about engagement, to help them creating a relationship. I think that is the potential area the arts organisation can really work with. **What percentage of companies focuses on quality? 20%** It is very hard to say. In my role, we can focus on 20-30 40 companies? But it is not necessarily lock it to sports, it is a way you have to spend quite a long time in the investigation and the research process.

Atlas.ti software assisted content analysis
2. What are the challenges in art sponsorship?

I think sometimes we have to define the way people think, sometimes automatically gravitate towards the easy solution, not necessarily they can see the value of what arts sponsorship can bring you. And I think this much to do with individual organisation to give themselves as well, you have to be what to show value, so you can't say you reach family and people here, it is more about quality than quantity. And you can create a quality of engagement with your target audience that can actually add a benefit to that company, that it may be more valuable. There are companies very focused on the logo, on the company logo, it is about engagement, to help them creating a relationship. I think that is the potential area the arts organisation can really work with. What percentage of companies focuses on quality? 20%? It is very hard to say, in my role, we can focus on 20-30 40 companies? But it is not necessarily lock out to sports, it is a way you have to spend quite a long time in the investigation and the research process within, to work out how we for develop for each other and is not so much that we loose out if they go with sport instead of arts, it is more about trying to meet more a specific need. We are often as expensive as sport, sports do not charge more of a premium, it is about finding the organisation you can deliver the fee and you can deliver the value and that takes lots of time and effort. Everyone is about partnership that stays for year and this is because we keep evolving and changing.
2. **What are the challenges in art sponsorship?**

I think sometimes we have to define the way people think, sometimes automatically gravitate towards the easy solution, not necessarily they can see the value of what arts sponsorship can bring you. And I think this much to do with individual organisation to give themselves as well, you have be what to show value, so you can’t say you reach family and people here, it is more about quality than quantity. And you can create a quality of engagement with your target audience that can actually add a benefit to that company, that it may be more valuable. There are companies very focussed on the logo, on the company logo, it is about engagement, to help them creating a relationship. I think that is the potential area the arts organisation can really work with. **What percentage of companies focuses on quality? 20%?** It is very hard to say, in my role, we can focus on 20-30 40 companies? But it is not necessarily lock out to sports, it is a way you have to spend quite a long time in the investment and the research process within, to work out how we for develop for each other and is not so much that we loose out if they go with sport instead of arts, it is more about trying to meet more a specific need. We are often as expensive as sport, sports do not charge more of a premium, it is about finding the organisation you can deliver the fee and you can deliver the value and that takes lots of time and effort. Everyone is about partnership that stays for year and this is because we keep evolving and changing.

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**Interview transcript coded by the peer examiner**
APPENDIX (B) Consent letter

Institution:

Interviewee (Title and Name):

Interviewer: Giulio Toscani, PhD Candidate KTH, Stockholm

Arts Sponsees type:

_____ A: Theatre  B: Museum  _____ C: Dance Company  _____ D: Orchestras

Other Topics

______________________________________________________________

Arts Sponsorship Interview

Introduction

You have been selected to speak with us today because you have been identified as someone who has a great deal to share in arts sponsorship. This research project as a whole focuses on the process that arts sponsees go through in selecting a sponsor and provides the first theoretical model of this process. This study does not aim to evaluate your techniques or experiences. Rather, we are trying to learn more about how arts sponsees select a sponsor, which can be useful for sponsees.

(Continues in the next page)
To facilitate my note taking, I would like to audio record our conversation today. For your information, only I will be privy to the recordings, which will be eventually destroyed after they are transcribed. Essentially, this document eventually destroyed after they are transcribed. Essentially, this document states that: (1) all information will be held confidential, (2) your participation is voluntary and you may stop at any time if you feel uncomfortable, and (3) I do not intend to inflict any harm. Thank you for your agreeing to participate. I have planned this interview to last no longer than one hour. Please sign your consent below.

A. Interviewee Background

How many years of experience do you have in Sponsorship?

I certify that all information will be held confidential

Interviewee participation is voluntary and may stop at any time if feeling uncomfortable

There is no intention to inflict any harm during the interview

Giulio Toscani (Title and Name)

The Interviewer The Interviewee

DATE AND PLACE
APPENDIX (C) Atlas.ti Codebook

ARTS SPONSORSHIP

Codes

○ activation
○ actors involved
○ application time
○ artist reputation
○ artist selection
○ arts & sports sponsorship differences
○ arts conflict creation
○ arts financial support
○ arts qualified
○ arts sponsee independence
○ arts sponsee value
○ arts sponsorship reason
○ arts sponsorship understanding
○ arts type
○ audience disappointment
○ audience learning
○ audience magnitude
○ belonging
○ benefit

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○ bp british petroleum
○ bureaucracy
○ business development
○ clients
○ cold call
○ collateral advantages
○ comfort
○ communication invasive
○ congruence
○ conservative approach
○ contract
○ corporate sponsorship
○ country driven strategy
○ csr corporate social responsibility
○ denial
○ dynamic matching
○ economical crisis
○ educating sponsor
○ eliciting emotions
○ empathy
○ entry barrier
○ experience
○ flexibility
○ generating data
○ goodwill

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- having cashflow resources
- high competition
- history
- HR employee strategy
- human relationship
- impact society
- impact the society
- innovative
- internal buying
- local community
- losing money
- loyalty
- making possible
- marketing department
- marketing strategy
- mass communication
- ongoing communication
- overpromising to sponsor
- partnership
- performing arts characteristics
- personal encounter
- personal network
- professional skills
- promised cash flow resources
- public relations
- reciprocity
- relationship time
- reputation
- return of Investment ROI
- ROI
- selection challenge
- selection criteria
- selection responsibility
- self-congruence
- service purchasing
- social skills
- sponsee benefit
- sponsee boundaries
- sponsee decision makers
- sponsee fee
- sponsee full commitment
- sponsee marketing team
- sponsee network
- sponsee promotion
- sponsor activity
- sponsor benefit
- sponsor brand awareness problem
- sponsor brand launch
- sponsor decision maker
- sponsor forbidden

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○ sponsor involvement
○ sponsor pitch
○ sponsor portfolio
○ sponsor requests
○ sponsor selection
○ sponsor size
○ sponsorship department
○ sponsorship discontinued
○ sponsorship evolution
○ sponsorship process
○ sponsorship reason
○ sponsorship selling
○ sponsorship type
○ sports sponsorship reason
○ tailor made offering
○ target audience
○ target audience analysis
○ time
○ trust
○ uncertainty
○ visual arts characteristics
○ wrong sponsor
○ wrong sponsor is too much
○ wrong sponsor solution

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APPENDIX (D) Example of interview transcript

2017 June the 6th

Director of Business development

Centro de arte Reina Sofia, Madrid

1. What is arts sponsorship?

Well… I believe..(pause) personally [art sponsorship] it is very satisfactory. I developed my entire career in the private sector in different fields. Here in Reina Sofia is my first experience of fundraising for a public institution and it has been a fantastic experience so far. It is furthermore a very interesting experience to be in such a complex world, this world of sponsorship. I think the vast majority of the cultural institutions, in Spain, but probably in Europe or the all world too, have a need for fundraising and to organise their income. I also think that the UK model is different from a more Latin (Mediterranean/Latin American) model, because of cultural differences. Like ticketing is a source of income for the museum, I see sponsorship being another element of the overall income strategy of a museum, together with ticketing, membership and event spaces rental. I believe in a balance of the income contribution from each of these activities.

When I arrived here, sponsorship was the only source of income, so I started increasing the income by improving the visitor experience and managing the event spaces, restaurants, shops. Improving this aspect and also better renting the spaces of the museum, some of which have a strong symbolic value, and by developing our membership and loyalty programme and then, of course, sponsorship, I increased revenues.
Sponsorship has evolved, now you have to understand your sponsors, this is a very enriching, but also a very complex process. I also think that society is not ready and that in this epoch, sponsorship is a bit stuck because of the cultural context, also because we have not been able to provide the companies with such an extended commercial impact. Instead sports has lots of broadcasting ability, so impressive, because they are strictly linked to media communication companies, big audience and powerful brands. Not like in the cultural world, so I am not sure I will ever be able to achieve what sport does.

2. What are the challenges in art sponsorship? How much corporate sponsorship

The challenge is to know ourselves better, and this is out of question, like each mutual approach there is homework to do for both sides. It is out of discussion (twice), that this is an extremely difficult task, it is because of the limitations due to arts purism that make the majority of my colleagues considering that company support, should not really be considered (sponsorship), they rather prefer not to have it. Also because until now, (the museum) it was financed by public institutions and a large majority of cultural institutions still believe that it is in their right to be supported by the public funding, and I am not going to discuss that, the truth is that in other countries the public funding is decreasing. No government is able anymore to generate by himself the economical resources to sustain cultural institutions. So the consequence is that it will have to live together the civil and the artistic society. Which is not something new, 6 centuries ago in Florence the sponsor was close to the artist and it was a very obvious relationship. In Spain sponsorship was not provided by wealthy family but the (king’s) court, that supported the artist and the same happened in France. Then in 18th and 19th century the art galleries started supporting
the artist. Then in the 20th century it was the government that started to support the arts, but during a crisis, the first budget cuts affect always cultural institutions.

The challenge is to know each other better, (sponsor and sponsee) and from both side, so we need to trust ourselves more, believe that the project do get to the people. **The relationship is key?** Yes and this morning, for example, I just went down to greet the company manager that has rented some of our museum space because he likes us, so they like to sponsor us. But they need to know us, they might then sponsor the museum on a short or mid term, they need to know our activities. This person from the company was very enthusiastic especially about the private visits, his clients were very happy, it was an international meeting, and told us that he might be interested in repeating and probably sponsor us for a short period, they were going to sponsor us. This is very important because a completely different kind of experience is generated, and, and especially in the contemporary art world this is very important how and who explains the concept, because it is not just about the colours, contemporary art is about a completely different use of the codes. Completely. The artistic experience is characterised by intense emotions, but still need an element of logic, to have a certain knowledge...that when you give few facts to the people they already got and appreciate. I have seen myself in a private visit a person getting in very sceptical, because he does not know...at the end the person was delighted, could understand. It was an exhibition about vanguard from the 20th century and so the visitor can discover the mechanism of the painting of that period, experience the meaning of vanguard and understand it. Anyway contemporary art is difficult to understand **It can even generate conflicts?** Exactly, this is typical, because artists need to show society as it is. But anyway, no companies has ever interfered with the content, although there could be an interference with their brand, they still have been very comprehensive. Only in one case a company has decided that it was better not to appear in the exhibition credits. Also it is a balance, companies are very different, they seek different things, but almost all of them now
they seek ROI, which complicates a lot, because we are not prepared, in the arts we
do not have the right indicator. None has them. Yes but in sports they have the
audience and they can use it much easily. Is it still so basic? Just creating
awareness and measuring audience? At least as an excuse, but yes, I noticed
that some companies ask for audience, interaction, but we are not prepared, need
to be creative, of course, the marketing department…actually it is not easy. Depends
on the company my reference person can be in the marketing department, in the
cabinet of the president, it is very, very different. Another can be…actually there are
no sponsorship Directors, only in the big companies, that depends on the institutional
relations department, but is very uncommon, Only Telefónica has this department. A
recent change is with the social reputation department. So this constitutes a big
problem because to whom should you talk to? It is about affinity, these are budget
that are managed by a little number of people that depend on the president or
Director. So there is not a real strategy, it is about personal affinity. So if they ask
you something you do it, but they may not really know why they are sponsoring this.

3. Who are the participants/stakeholders involved from your side?

We have a very similar system like the Prado Museo, we both share the art Spanish
national art collection, organised according to Picasso’s birth date. All the art pieces
previous to his belongs to the Prado, all those past Picasso’s birthday, belongs to
the Reina Sofia. We are the only two museum to have “Ley Propia”, (Own right), this
entitles us to have 9 patrons, so to have companies that will stay three years with
us, which complicates things, because of all the bureaucracy projects. Therefore
because of these model have a president, according to the Own Law, to be
independent and being able to generate museum’s own resources and increment
them. It is an obligation on resources and medium, although they have not agreed
yet, but this is another battle we are not going to talk about (laughing). So the
president’s goal is to raise funds and resources, it is his priority to make the museum
having each time a stronger financing system, richer and diversified and then we
have the president that has to take more care of the artistic project, this is very
important, including the president of the companies being the patrons. Like
Telefonica’s President, La Caixa, Inditex, all the Spanish major companies. The
president themselves came once here to Reina Sofia, because the honorary
president of the patronage is the queen of Spain and she came at the first meeting
for the signature, for Telefonica is Alierta, for Inditex, Pablo Isla, Mapfre, Mutua
Madrileña y Santander.I still have space for 3 more patrons that still have not joined.I
have place for 9 patrons, it is a long term commitment, 3 years minimum, although
they all enlist for a higher level of loyalty, especially Banco Santander that has a
programme with since the very beginning, and incrementing the participation.
Telefonica has been here since the beginning of the Lei propia (from Spanish: Own
Law) and that was published when I stopped being dependent from the Ministry of
culture and so their grants were interrupted. Banco Santander before the Own law
participated already with us and for many years, approx. 20, but the amount of its
support has even increased by becoming a patron.

4. How do you go about choosing a sponsor? Who is involved in the decision?
What criteria do you use for selection?

It is a mix, constantly searching. Because the most important part for a company is
to search for the correct contact, the opposite of what you…, because negotiation is
important and so to have a project, but the beginning phase, and the harshest, that
none ever considers or say, is that the person that allocates in the company the
sponsorship fund to sponsees tries to be hidden. And having been myself on the
other side, I know that the person with funds constantly receives proposals and
projects and it is not easy. So to know who is the target person to address the
proposal, a preliminary work is very important. All the companies that have worked
together with us have contributed to great projects. Endesa has taken care of the
lighting of the museum. Was it an inkind payment? No, it was cash, they had a bad
experience and prefer to pay cash. So it was more about congruence? Yes,
exactly congruence, they always suggest to have similar goals in a sponsorship deal, but in this last situation also Endesa was a bit fed up or providing light to each single hermit in Spain. They would also like to differentiate their work, to open new paths in society. Because if they are heavily criticized as a brand, they can still say that they are contributing to this project. This could be a case. Another case would be Bank of America working on the rehabilitation of…Bank of America also operates here? Yes, you have to pass thousands of filters and the last approval comes from Chicago, I think. Anyway they ended up rehabilitating two art works, I had five art works to restore, but one was very local, so they opted for a Picasso, which was also necessary. You have to keep searching, based on a project I already have and it is the easiest, I mean, it is not easy at all, but at least this category that was establishing a specific quantity is not really used anymore. Providing in-kind is not really a favourite procedure for companies, because of accounting reason and that it has to go through the foundation, so cash is normally preferred in sponsorship.

5. What are the benefits of choosing the right sponsor? What are the characteristics of the right sponsor?

It should be very active, that make proposal, that think. The passive ones get on my nerve. How is a passive one? Just asking for the logo? That is not motivated by the project, that can came to our workshop, that join all our activities. I love that the curators take a risk in the artists they curate. Lots of unknown artists, Lee Lozano, born in New York and developed all her career in twelve years, she is very radical, and each exhibition room is part of her work. 12 years and then she retired in a ranch in Las Vegas. She broke with the society, really against the system and her first art period is very sexual, the last room and period has nothing to do with the beginning, she ends up with colour abstraction. Anyway I am glad if you go and watch this exhibition. Also because what is interesting and funny is that is very hard to find a
sponsor for a specific exhibition, but not for lighting, refurbishing, that is much easier. Also the tax impact has a smaller effect here in Spain. But also about personal donation there is a red light, I would never allow a private donor to name a part of the museum or an exhibition after the person.

6. What are the consequences of choosing the wrong sponsor? What actions do you take in response to these consequences?

We are very good in engaging our sponsors, I am sorry when they leave us, but I never experience a sponsorship deal interruption. And it was one of the small sponsors that have gone (not renewing) and made me sad, so I can not even imagine a big one not repeating…(laughing). No, but really I never had a bad experience. And I always remember my team : “There is no same sponsor”, are unique. When I talk with a sponsor, including Telefonica, I need to know all the detail on how we can work better together. The only problem I had with a sponsor was when I had to rent spaces. I have beautiful spaces and for this reason I have to be careful since some companies could advertise their presentation in the Reina Sofia, instead they are only renting a room as any other client could do. They are taking advantage of a brand that you can use for it. Especially small company tend to do it, big companies do not do in general.
Paper 1
Appendix (E): Emerged Working Papers

Paper 1


Sponsees: the silent side of sponsorship research

Toscani Giulio

Prendergast Gerard
Abstract

**Purpose** – To-date the vast majority of sponsorship research has focused on the perspective of sponsors. The purpose of this paper is to use this research to identify factors that sponsored institutions and organizations (sponsees) should be cognizant of before entering into a sponsorship arrangement, and to propose a research agenda based on these factors.

**Design/methodology/approach** – The authors leverage sponsorship research that has been published in business journals with an impact factor above 0.5 (Reuters, 2015).

**Findings** – This paper argues that sponsees should be aware of the benefits that sponsorship brings to sponsors so that they can better appeal to potential sponsors. A sponsee also needs to be aware of the impact a sponsorship partnership may have on its own brand, image, and equity.

**Research limitations/implications** – This is a conceptual paper grounded in the literature that aims to stimulate further research in the domain of sponsorship and provide deeper understanding for sponsees. Empirical research addressing the research questions posed is required.

**Practical implications** – In a holistic manner, this literature review offers insights into factors that sponsees should consider before entering a sponsorship
relationship.

**Originality/value** – Previous research in the sponsorship domain has focused primarily on dyadic sponsors. This paper considers sponsorship from the sponsee’s perspective.

**Keywords:** Sponsee, sponsor, sponsorship, sponsorship partnership

**Introduction**

Sponsorship, which can be defined as “the provision of assistance either financial or in-kind to an activity by a commercial organization for the purpose of achieving commercial objectives” (Meenaghan, 1983), is the fastest-growing marketing communication tool, both in terms of volume—with a predicted worldwide growth of 4.7% as of 2016 (Andrews, 2016)—and complexity, as it has evolved from a merely commercial activity into a holistic tool used to gain benefits (Meenaghan et al., 2013). Sponsors have increased their investments (from US$57.5 billion in 2015 to US$60.2 billion in 2016 [Andrews, 2016]) and raised their expectations, as, due to their commercial focus, they hope to derive superior value from their sponsorship activities (Farrelly and Quester, 2004). Sponsors are motivated to engage in sponsorships to reinforce brand meaning and promote customer affiliation (Cliffe and Motion, 2004).
The vast majority of sponsorship literature focuses on the sponsor’s angle. This is likely because sponsorship relationships are perceived as benefitting sponsors through their association with the sponsee’s brand (Cornwell and Humphreys, 2013; McAlister et al., 2013). But sponsors are not the sole players in sponsorship arrangements, and there is evidence that the image of a sponsor’s brand may transfer to a sponsored event (Prendergast et al., 2016). For this and other reasons, sponsees ought to consider sponsorship arrangements very carefully. Research suggests that it behoves a sponsee to be familiar with a sponsor’s needs (Farrelly and Quester, 2004, Cornwell and Coote, 2005) and understand the level of commitment that exists in the sponsor’s target market toward the sponsee (Madrigal, 2001), and also to expect to be known by the sponsor (Gwinner, 1997; Cornwell et al., 2005). Furthermore, sponsees should endeavour to deepen their understanding of the sponsorship relationship, its vertical tendencies due to sponsor-dominant attitudes (Farrelly and Quester, 2003), marketing implications (Pitt, 2010), reciprocal exchange that may extend well beyond contract terms (Olkkonen and Tuominen, 2008) and the co-management of the investments in promotional activities (Crimmins and Horn, 1996).

However, sponsees, other than those involved in sports, have been neglected in the academic literature. To address this issue, this paper reviews the literature related to sponsorship and the principal players in the sponsorship relationship: the sponsor, the sponsor’s brand, and the sponsee. This paper then leverages the literature to
shape a future research agenda focusing on the sponsee’s perspective. The central research question is:

**RQ1**: What do sponsees need to know about their sponsors and themselves before entering into a sponsorship partnership?

**Methodology**

The genesis of this research emerged from the lack of formal rigorous research on the issues that sponsees need to consider before entering into a sponsorship arrangement. Our research began with an exhaustive review of the published peer-reviewed sponsorship literature that focused on the empirical or conceptual investigation of sponsorship published in 106 journals with an impact factor above 0.5 (Reuters, 2015). The journal data were filtered by selecting the Journal Citation Report (JCR) year 2015, from the edition SCIE and Social Science Citation Index (SSCI), under the “Business” category and the Web of Science category scheme and selected according to Rice and Stankus’s (1983) inclusion criteria:

- citation analysis of the journal (e.g. SSCI);

- acceptance rate of the journal (e.g. Cabell’s Directory);

- sponsorship of the journal (e.g. American Marketing Association);

- objectives of the journal (e.g. methodological approaches and readership);
and fundamentals of the journal (e.g. authors, editor, review board, and their affiliations).

For this specific study, the papers contained in those 106 journals (whose list is available upon request) were identified by usage of the term “spons” in their titles and abstracts (i.e., terms including “sponsor”, “sponsorship”, “sponsee” and “sponsored”), so as to ensure that the content analysis was systematic and replicable (Weber, 1990) and the research makes reference to the categories recognized in the existing literature (Jensen et al., 2016). Furthermore, the use of a qualitative software package, Atlas.ti 1.5.1®, strengthened the results of this paper with data analysis (Svensson et al., 2008) to allow coding of text (Malhotra and Peterson, 2001) and obtain the necessary categorisation (Plakoyiannaki et al, 2014) to define the main trends of sponsorship research. The articles have been classified according to two categories: the sponsor and the sponsee (Kumar, 2016)

**Sponsors and Sponsees**

Research on sponsorship has largely been devoted to the sponsor’s perspective, most likely because of increased sponsorship investment and general growth in the practice over the last few decades. As a result, the majority of research that has been conducted deals with how to make sponsorship arrangements more successful for the sponsor (Fahy et al., 2004; Nickell et al., 2011). Several research trends can be
identified in the 186 articles reviewed. The papers examined here are conceptually organised with reference to the two dyadic participants in the sponsorship arrangement: sponsors (and the sponsors’ brands) and sponsees (Meenaghan et al., 2013). These two participants are central to the sponsorship arrangement since the sponsor aims to leverage the image of the sponsee as a means of influencing how consumers perceive its brand.

**What do sponsees need to know about the sponsor?**

The sponsorship literature has overwhelmingly focused on sponsors, with 159 papers (representing 85 percent of the 186 papers reviewed in this study) devoted to this topic. In addition, during the literature review it was found that “sponsor” was the second-most frequently mentioned word, occurring 16,596 times. “Sponsorship,” occurring 21,928 times, was the most frequently mentioned word.

To fully understand sponsors’ needs, sponsees should be familiar with their sponsors before becoming involved in a sponsorship partnership (Farrelly and Quester, 2004; Cornwell and Coote, 2005) so that they can offer them customised services (Grohs, 2016; Gross and Wiedmann, 2015; Liu, 2015; Ruth and Simonin, 2006; Walraven et al., 2014). Companies choose to become sponsors in order to create brand meaning and promote customer affiliation (Cliffe and Motion, 2004), according to Cahill and Meenaghan (2013), and gain media exposure cost-effectively. Sponsees therefore should have the ability to create brand meaning and promote customer affiliation.
without being burdened with challenging conditions or excessive requests (Becker-Olsen, 2006) that raise the costs of sponsorship programmes (Mazodier and Rezaee, 2013). Some sponsors are seeing a decline in fan support because of increasingly expensive ticket costs and issues such as player misconduct (Madrigal, 2001). This potentially threatens sponsees because it can cause leading companies to question whether sponsorship is the best approach for future development (Thwaites, 1995). Therefore, sponsees need to have a firm understanding of how their brand can benefit sponsors. Despite a lack of consensus on how to measure the benefits (Cornwell and Humphreys, 2013; Meenaghan and O’Sullivan, 2013), sponsees can and should be clear about how they can transfer affiliation benefits to their sponsors.

For sponsees, understanding the benefits of a sponsorship arrangement entails knowing the sponsor’s expected outcomes. Most of the existing sponsorship literature focuses on the sponsor’s desired outcome of improved brand attributes (Cornwell et al., 2006), and this occurs because the practice of sponsorship is thought to effectively transfer brand image from the sponsee to the sponsor and enhance consumer awareness of the sponsor’s (Gwinner and Eaton, 1999; Meenaghan, 2001; Becker-Olsen, 2006; Poon and Prendergast, 2006; Chien et al. 2011; Woietschglager and Michaelis, 2012; Zdravkovic and Till, 2012; Kwon et al., 2016), brand affect (Mazodier and Rezaee, 2013), brand equity (Cornwell et al., 2001) and brand loyalty (Mazodier and Merunka, 2011). A suitable sponsee can
generate a host of beneficial marketing outcomes for the sponsor, primarily through the image transfer mechanism.

Image transfer works well when a sponsored event or organisation is congruent with the sponsor’s image (Yang and Ha, 2014), and research suggests that association transfer is primarily driven by congruence (sponsee-sponsor), which means that consumers are more likely to purchase a product as a result of logical decision-making rather than intuition (Zdravkovic and Till, 2012). However, consumer purchase intention associated with sponsorship has not been investigated until recently (Cornwell and Maignan, 1998; Walliser, 2003; Grohs et al., 2015) due to the fact that it is difficult to measure (Olson and Thjomoe, 2011). There are exceptions, however, such as strong purchase intention of fans that are highly identified with a brand (Madrigal, 2000), first-time consumers (Sneath et al., 2005; Papadimitriou et al., 2015) and, potentially, children, as a result of their naïve view of the world (Simões and Algante, 2014).

There is a considerable body of research related to the marketing outcomes of sponsorship (brand awareness, attitude, equity) for the sponsor, and how this is facilitated by congruence with the sponsee. Sponsees should become familiar with this research. Context might determine the impact of two classes of congruence, namely functional congruence and image congruence (Prendergast et al., 2010; Kwon et al., 2016). A product shares functional similarities with an event when the product is or potentially could be used in the event; a product shares image
similarities when the image of the event is related to the image of the product (Gwinner, 1997). Functional congruence seems to have a positive impact on communication outcomes, but not on consumers’ purchase intentions, and is limited to sponsors that offer “thinking” services, such as consulting companies (Prendergast et al., 2010). Sponsees can strengthen consumers’ attitudes toward the sponsor by the level of event involvement (Meng-Lewis et al., 2013), by visual support (Close et al., 2015), by community events (Quester et al., 2013) and by the use of online supports (Rodgers, 2004).

Why should a sponsee be concerned with a sponsor’s marketing outcomes? It is advantageous for sponsees to be familiar with research about how their involvement in a sponsorship can benefit the sponsor because, armed with this knowledge, sponsees are in a better position to negotiate sponsorship terms. For example, research on how a brand recall affects consumers in the context of sponsorship (Cornwell et al., 2006) or how it fails to do so (by investigating forgotten brands (Herrmann et al., 2011)) can be considered before approaching sponsors with specific offerings, since the literature has explored how sponsorship messaging results in different outcomes for diverse consumer groups. Walliser (2003) confirmed that sponsorships could influence consumers’ attitudes towards sponsors. Thus, this represents an opportunity for sponsees to target traditionally poorly perceived sponsors, such as insurance companies (Yang and Ha, 2014) with an opportunity to leverage the sponsee’s positive brand reputation (Groza et al., 2012), develop
sponsor brand identity (Grohs et al., 2015) and transfer sponsor brand knowledge (Tsiotsou et al., 2014). Again, this is information that sponsees should be cognizant of before pitching to potential sponsors. The sponsor/sponsee relationship should not be viewed as a vertical relationship dominated by the sponsor (Farrelly and Quester, 2003) and requiring sponsees to sacrifice their network positions (Cobbs, 2011). Sponsees are aligned with their sponsors for the duration of the sponsorship arrangement, so a vertical relationship may be perceived as insincere by customers, and, therefore, detrimental to the sponsor (Farrelly and Quester, 2003). Indeed, the sponsee also has a brand. The reciprocal effects of the sponsor’s brand on that of the sponsee’s brand image, awareness, and equity could be significant (Tsiotsou et al., 2014), as discussed by Paliwal and Prendergast (2014) and Prendergast et al. (2016) in their framework of “reverse image transfer” from sponsor to sponsee.

Sponsorship processes are business-to-business exchanges, but they are also relationship-based (Athanassoupolu and Sarli, 2013). Therefore sponsees face complex reciprocal exchange issues extending well beyond specific contract terms to prevent the relationship from fading over time (Olkkonen and Tuominen, 2008). Sponsees derive positive outcomes in partnering with the right sponsor but potential negative consequences for partnering with the wrong partner. Sponsees should investigate in advance the level of commitment that exists in the sponsor target market toward the sponsee (Madrigal, 2001), using the amount invested in the sponsorship programme as an indicator of the sponsor’s commitment (Farrelly and
Quester, 2005a). The longer the sponsor/sponsee relationship endures, the greater its impact (Chadwick and Thwaites, 2005; Walraven, 2014) and the greater the chances for the sponsee to ensure the sponsor’s return on investment (Farrelly and Quester, 2005a). Furthermore, the cost of switching sponsors can be considerable for both parties. Sponsees therefore need to secure the relationship from the outset. But how can they do so? Sponsors and sponsees should co-manage investments in promotional activities once a sponsorship contract is signed (Crimmins and Horn, 1996). Sponsees can help new sponsors proactively track how customers perceive the relationship (Cornwell and Humphreys, 2013; McAlister et al., 2013) and promote fans’ identification, especially in difficult situations (e.g., teams with poor win/lose records) (Ngan et al., 2011). Cooperation creates value for all parties (Farrelly et al., 2006) and should be emphasized from the beginning of the relationship. Thus, the sponsee should be familiar with the sponsor’s needs (Farrelly and Quester, 2004; Cornwell and Coote, 2005), but also expect (Urriolaigotia and Planellas, 2007) to be acknowledged as a partner (Gwinner, 1997; Cornwell et al., 2005, Herrmann et al., 2016) and included in key decisions, including contract renewal (Farrelly and Quester, 2005b). Cooperation is especially desirable in the unfortunate cases of unethical behaviours (Klincewicz, 1998); for example, when sponsored athletes explicitly misbehave (Wilson et al., 2008) and under extraordinary conditions such as ambush marketing. An ambush occurs when “another company, often a competitor, intrudes, thereby deflecting attention to itself and away from the sponsor” (Meenaghan, 1996). This can have a negative effect on the outcomes of the
sponsorship relationship and can be prevented by avoiding partnering with brands that are negatively perceived (Pappu, 2014) whose detrimental effects on the sponsee’s brand may obviate the benefits obtained by the sponsor’s financial support (Fahy et al., 2004, Becker-Olsen, 2006).

What do sponsees need to know about themselves?

Previous research has largely focused on the sponsoring partner in the dyadic relationship, while the sponsee angle has been explored only to a very limited degree, and the literature has mainly examined how sponsees can better serve their sponsors (Cobbs, 2011). It seems that research on sponsees has remained static, as if researchers consider that nothing has changed (Farrelly and Quester, 2005b). Sports organizations have traditionally been principal sponsees, demonstrating a “potent alliance between those who market sport with those who market through sport” (Farrelly and Quester, 2005b). Mazodier and Merunka (2011) reports that in 2010 sports accounted for 68% of global spending on sponsorships, a decrease from 80% in 1995 (Thwaites, 1995). Mazodier and Merunka (2011) go on to suggest that other sponsee categories, such as the arts, are gaining favor and becoming more market-orientated (Thomas et al., 2009).

Sponsorship has become more holistic and is increasingly integrated into companies’ marketing strategies (Fahy et al., 2004). Sponsees promote their sponsors’ global brands, not just sub-brands or individual products, but they do so
in a manner that is different from conventional advertising. The challenge for sponsees seems to be how they can facilitate sponsorship arrangements for the benefit of sponsors by seeking out strategic opportunities for collaboration with sponsors (Farrelly and Quester, 2005b). Although sponsees should endeavour to be proactive in recommending ways to enhance the outcomes of sponsorship programmes (Farrelly et al. 2006), they often demonstrate opportunistic behaviours that can lead to contract termination (Farrelly and Quester, 2005b). Sponsees can easily assess their impact through use of advanced technology, such as social media, which can be used to leverage sponsorship (Sponsorship.com, 2016) and as a sophisticated way of measuring the outcomes of such sponsorship (Meenaghan and O’Sullivan, 2013). But is sponsorship suitable for all sponsees? A sponsee’s positive reputation (Groza et al., 2012) can bolster a sponsor’s perceived sincerity, a major factor that motivates consumers to purchase their products (Meng-Lewis et al., 2013). But this perception does not depend only on the sponsee; it relies also on the sponsor not exhibiting any overt commercial behaviour (Deitz et al., 2012) by maintaining a horizontal relationship with the sponsee (Farrelly and Quester, 2003). Yet, even the best sponsorship programmes have certain limitations, and sponsees can only emphasize specific dimensions of their sponsors’ brands. It is the sponsee’s responsibility to determine which dimensions to emphasize (Grohs, 2016; Gross and Wiedmann, 2015).
As previously discussed, congruence between the sponsee and the sponsor facilitates marketing outcomes for the sponsor, and presumably (via reverse transfer) influences outcomes for the sponsee also. With this in mind, before choosing a sponsor, a sponsee should try to predict the congruence between the partners as perceived by consumers, in order to anticipate their affective or cognitive decision making (Poon and Prendergast, 2006; Verhellen et al., 2015). In general, sponsees can predict the outcome of a sponsorship initiative by congruence (Olson and Thjomoe, 2011). Congruence is a useful predictor of brand awareness (Walraven, 2014) and therefore a selling point when a sponsee is negotiating with a sponsor. It can be used to promote the advantages of the sponsorship (Pappu, 2014). The literature suggests that sponsees should also seek congruence with theirs sponsors to achieve ethical and evaluative consumer reactions under specific conditions (d’Astous and Seguin, 1999), brand awareness and image enhancement (Gwinner and Eaton, 1999), consumer recall (Cornwell et al., 2006), and increased likelihood of the sponsorship being beneficial to the sponsor (Clark et al., 2009; Liu, 2015). Logical decision-making, as opposed to affective decision-making, seems to drive customers to purchase a product (Zdravkovic and Till, 2012), in contrast with the emotionally motivated purchase behaviour generated by a winning team or diminished by a losing team (Ngan et al., 2011) or misbehaving celebrity endorsers (Um, 2013).
Furthermore, sponsees need to communicate congruence to the market by connecting with the sponsor brand’s specific product category (Ruth and Simonin, 2006) and ensuring that sponsorship activities produce an impact (Crimmins and Horn, 1996) on the sponsor’s brand equity when stock market values vary due to sponsorship announcements (Mazodier and Rezaee, 2013). Communication campaigns, however, may not always be able to change the perception of an incongruent sponsorship (Madrigal, 2001; Simmons and Becker-Olsen, 2006), which decreases consumers’ purchase intentions, reinforcing the idea that a sponsee should select sponsors with regard to the type of congruence desired (Nickell et al., 2011).

Sponsees may also benefit from a sponsor’s larger initiatives and engagement in global campaigns as part of a networking and international approach (Wise and Miles, 1997; Amis et al., 1999, Olkkonen, 2001; Ruth and Simonin, 2006; Groza et al., 2012; Mazodier and Quester, 2014). The sponsee’s local network and expertise can help sponsors reduce the complexity of sponsorship effects (Lee et al., 1997) by incorporating country-specific strategies into the sponsor’s international approach (Walraven, 2014).

Looking further at themselves, sponsees should also identify what they intend to achieve from the sponsorship arrangement, as otherwise they may find that they are strangers at their own events (Gwinner, 1997) and at risk of losing their independence by being absorbed into the huge communication campaigns.
orchestrated by sponsors (Walliser, 2003). Partnering in a sponsorship programme is not enough to create brand meaning; sponsorship now requires leveraging and activating actions, and sponsees should request budget allocations for these actions (Close et al., 2006; Nickell et al., 2011; Farrelly et al., 2006; Cahill and Meenaghan, 2013). Armed with these insights, sponsees can carefully consider their objectives when entering into a sponsorship arrangement, be it financial gain, enhancing the equity of their event, or some combination thereof. Table 1 provides an overview of the key questions that sponsees should be able to answer with regard to their sponsors and themselves.

**Managerial Implications**

Heretofore, sponsees have been the silent dyadic partner in sponsorship research. This literature review has identified what sponsees need to know about sponsors and themselves before entering into a sponsorship partnership. In this sense, this research gives voice to sponsees. Sponsees can benefit from the current sponsorship research by better understanding how their brands and affiliated services may benefit sponsors. Armed with this understanding, sponsees can make a stronger case when seeking sponsorships. Sponsees also need to understand themselves, their congruence with potential sponsors, and their objectives in entering into sponsorship relationships. Sponsorship relationships are still largely vertical (Farrelly and Quester, 2003), with sponsors seemingly holding most of the
power and garnering the majority of attention from researchers. However, these should not be one-sided relationships.

Table 1. Key questions that sponsees should be able to answer

<table>
<thead>
<tr>
<th>What do sponsees need to know about a sponsor?</th>
<th>What do sponsees need to know about themselves?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How to create sponsor’s brand meaning and promote customer affiliation?</td>
<td>1. How will the sponsee be perceived by [diverse] consumer groups in a new sponsorship agreement?</td>
</tr>
<tr>
<td>2. How to achieve congruence with the sponsor’s image?</td>
<td>2. How to communicate congruence with the sponsor?</td>
</tr>
<tr>
<td>3. How to transfer brand image to the sponsor and promote consumer awareness of each specific sponsor?</td>
<td>3. How to use their own positive reputation to foster sponsor’s perceived sincerity?</td>
</tr>
<tr>
<td>4. How to emphasize sponsor’s specific brand dimensions?</td>
<td>4. How is sponsees’ role different from advertising?</td>
</tr>
<tr>
<td>5. How to facilitate brand equity and brand loyalty for the sponsor?</td>
<td>5. How to be proactive in recommending ways to enhance the outcomes of sponsorship programmes for sponsors?</td>
</tr>
<tr>
<td>6. How to develop sponsor brand identity through sponsorship?</td>
<td>6. What resources are available to seek strategic opportunities with a potential sponsor?</td>
</tr>
<tr>
<td>7. How do consumers recall the sponsor’s brand?</td>
<td>7. What sponsee attributes to map with sponsors’ thinking or feeling services?</td>
</tr>
<tr>
<td>8. How does the sponsor’s brand affect the sponsees’ brand?</td>
<td>8. How to share networks to better incorporate country-specific strategies within the sponsors’ international approach?</td>
</tr>
<tr>
<td>9. How much is the sponsor interested in knowing its partner?</td>
<td>9. What are the sponsee’s goals in entering a sponsorship relationship?</td>
</tr>
</tbody>
</table>

Cooperation and mutual benefit should be emphasized from the beginning, and before engaging in the sponsorship process, sponsees should consider the effects that partners can have on their reputations (Becker-Olsen, 2006). They should refrain from partnering with brands that are negatively perceived (Pappu, 2014) and
focus on the branding advantages offered by sponsorship pairings instead of viewing them only as a source of financial support (Fahy et al., 2004). Partnering with a congruent sponsor is important for a sponsee. In fact, a number of brand dimensions are directly affected by congruence, including affect (Mazodier and Merunka, 2011; Mazodier and Rezaee, 2013), brand trust and brand loyalty (Mazodier and Merunka, 2011), brand relationship (Do et al., 2015) and processing fluency that facilitate decision-making and recognition (Cornwell, 2008; Chien et al., 2011). Research suggests that those sponsees offering functional congruence can better leverage the price of the sponsorship programme (Jensen and Cobbs, 2014).

When a sponsee accepts an incongruent sponsor for budgetary reasons, presumably a fairly common situation, additional spending may be required to create perceived congruence in the eyes of consumers (Becker-Olsen, 2006), through, for example, generating a cheering effect (Han, 2015), fostering credibility (Rifon et al., 2004), adding a second congruent sponsor to a first incongruent one (Ruth and Simonin, 2006), visual processing to display congruence (Close et al., 2015), time that seems to gradually turn incongruence into congruence (Woisetschläger and Michaelis, 2012), social-media activities (Do et al., 2015), co-sponsor in shared billboards (Gross and Wiedman, 2015) and functional similarity (Kwon et al., 2016).

Whether congruent or not, sponsorship relationships should create value for all parties (Farrelly et al., 2006). This involves greater sponsee parity in the vertical relationship with a privileged sponsor (Farrelly and Quester, 2004) and sponsors
taking a more active role in addressing the needs of sponsees, so as to not exclude them from key decisions, including contract renewal (Farrelly and Quester, 2005b). Achieving balance in the sponsorship relationship is important, as it seems that as much as sponsors constantly require sponsees to sacrifice their network positions (Cobbs, 2011) sponsees requests are often considered excessive by sponsors (Becker-Olsen, 2006).

Sponsees should be aware of consumers’ attitudes regarding their activities and events, as this knowledge is helpful in determining which sponsors should be approached (Speed and Thompson, 2000; Thomas et al., 2009). The backward effects of the sponsor’s brand on that of the sponsee are potentially significant; this is another confirmation of the fact that reducing inequality in sponsor-sponsee interactions is the overall purpose of a sponsorship relationship (Farrelly et al., 2006; Wilson et al., 2008). The sponsee’s brand is of crucial importance, and a coherent branding strategy is important for a sponsorship initiative to be successful (Amis et al., 1999). Sponsees should think strategically about their partners, as an inappropriate relationship can result in long-term damage to brand equity (Cornwell and Humphreys, 2013; McAlister et al., 2013; Pappu, 2014) and prove costlier than short-term financial difficulties (Fahy et al., 2004; Becker-Olsen, 2006). The complete process illustrating sponsee knowledge needs is shown in Figure 1.

Based on Figure 1, four research questions are suggested for future research to address:
**RQ2:** How can sponsees use knowledge of marketing outcomes to persuade sponsors to sponsor them?

**RQ3:** How should sponsees consider the impact of a sponsor’s brand on their own brand awareness, image and equity before entering into a sponsorship relationship?

**RQ4:** What are the consequences to the sponsee of choosing the right sponsor and of choosing the wrong sponsor?

**RQ5:** What sponsee-related issues should sponsees consider before entering a sponsorship relationship?

**Conclusions**

This paper is of value to future researchers engaged in theory-building with regard to sponsees’ perspectives in sponsorship relationships. It has drawn on previous research to identify factors

Figure 1. Sponsee Knowledge needs
that sponsored institutions (sponsees) need to be cognizant of before entering into a sponsorship arrangement, and then proposes a research agenda based on these factors. It is evident that there is a need for a theoretical understanding of sponsorship arrangements from the sponsee’s perspective. A model of the arrangement that can address the research questions posed in this paper is required. Developing such a model is important because contemporary literature suggests that the conventional outcomes of sponsorship arrangements, as conceived by the sponsor, might also apply to the sponsee (Prendergast et al., 2016). Beyond its theoretical value, such a model could identify a holistic and
systematic process that sponsees could take into consideration before making the important decision of entering a sponsorship arrangement.

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Further reading


Paper 2
ARTS SPONSORSHIP VERSUS SPORTS SPONSORSHIP: WHICH IS BETTER FOR MARKETING STRATEGY?

Toscani Giulio

Prendergast Gerard
ABSTRACT

This paper identifies the distinctive features of nonprofit arts sponsorship relative to profit driven sports sponsorship and shows that although arts sponsorship has been little researched, it is a potentially important means of marketing. The methodology employed was a literature review on sponsorship that attempted to distinguish arts sponsorship from sports sponsorship. Then, we present the findings from twenty-three in-depth interviews with arts sponsee managers, to reveal how they see themselves (as sponsees) being differentiated from sports sponsees. The literature and interview findings are brought together in a discussion that highlights the differences between arts sponsorship and sports sponsorship in terms of target audience, the relationship cost/benefit, range of emotions elicited, awareness, marketing metrics, goodwill and learning potential. Finally, suggestions are made for future research.

Keywords: marketing, arts sponsees, arts sponsorship, sports sponsorship, sponsorship

Paper type: Literature review and qualitative research
INTRODUCTION

Many years ago the U.S. Central Intelligence Agency (CIA) sponsored abstract expressionistic art exhibits in order to promote the social benefits of American society as compared to society in the Soviet Union (Sooke, 2016). Since then, sponsoring the arts has evolved from use as “benevolent propaganda” into a tool to create brand specific benefits. In general sponsorship is now the fastest-growing marketing communication tool both in terms of volume (Andrews, 2016) and complexity (Meenaghan et al., 2013), but few companies focus specifically on the sponsorship of nonprofit organizations such as those in the arts sectors (Kushner & Poole, 1996).

Before considering arts sponsorship, however, one must understand what art is. Aristotle seems to have been the first to define art, suggesting that it is simply that which is made or made serviceable. He distinguished between the arts used to produce a product and those that use the product (Barnes, 2014). A definition of art offered in Minima Moralia (Adorno & Jephcott, 2005) states: “Magic delivered from the lie of being truth.” This was the first work to link art to sociological concepts. A work of art’s functional characteristics or the institution for/by which it is produced can result in it being classified in different ways (Davies, 1990). However, the Arts Council of Great Britain promotes the view that art should be created for its own sake (Jowell, 2004). A modern definition of the arts sector is offered by Colbert (2014), who distinguishes between industries that produce multiple copies of a work of art and those that focus on the production of a prototype that is not intended to be
reproduced. Thus, art could be the single production of any prototype in music, architecture, visual or performing art.

While there are many definitions of the term “art”, the sponsorship literature does not offer a specific definition of “arts sponsorship”. In fact, the papers that focus on arts sponsorship refer to it only as a practice that is becoming increasingly popular due to the “1000 businesses sponsoring arts interest” (Jenkins & Yadin, 2000). In one of the few papers that focuses on arts sponsorship, Quester and Thompson (2001) only mention that arts audiences are different from sports audiences. As a consequence of this lack of a definition, there is a lack of agreement about which institutions pertain to the arts. Olkkonen and Tuominen’s (2008) work on cultural sponsorship focuses on museums, but does not offer a specific definition of what cultural sponsorship is. Gardner and Shuman (1987) consider arts sponsorship a subgroup of cultural sponsorship that includes orchestras, museums, dance companies and theatre groups. This view is supported by the International Entertainment Group, which makes a distinction between the arts and festivals (Andrews, 2016) and by Cornwell and Maignan (1998) who likewise make a distinction between the arts and cultural events.

The arts are not usually seen as profit-driven, and as such, sponsorship of the arts is positioned as being more philanthropic than commercial. Lee and Kotler (2011) suggest that sponsorship of the arts is aligned with the “process of using marketing principles and techniques to promote target-audience behaviour that will benefit
society as well as individuals” (Lee & Kotler, 2011). When sponsoring an art institution, a sponsor should consider the audience’s socio-economic status (Quester & Thompson, 2001) and demographic attributes that influence the attitude towards sponsorship (Mowen, Kyle & Jackowski, 2007). By connecting, informing and spreading concepts and tools to individuals, there is a broader societal gain when an arts institution is sponsored (Lee & Kotler, 2011). Sponsorship of the arts is therefore significantly different from sports sponsorship (Quester & Thompson, 2001), which tends to be more commercially-oriented. Despite the arts not being commercially-oriented, they have experienced growth in sponsorships (Thwaites, 1995) as sponsorship has developed from a merely commercial activity into a holistic tool used to address a wider range of stakeholder groups (Meenaghan et al., 2013).

In fact, US$60.2 billion was spent on sponsorships in 2016 (Andrews, 2016), and, at US$970 million, the arts represent four per cent of the total amount of sponsorship moneys expended in North America. This percentage reflects a global trend, with arts recipients being increasingly recognised and valued as sponsees (i.e. the recipients of sponsorship support) (Andrews, 2016). This magnitude of sponsorship investment has led to increased interest in the study of this topic over the last 15 years, which has resulted in more research being conducted on the factors that lead to successful sponsorships (Nickell et al., 2011).

Despite the proliferation of sponsorship research, it is predominantly conducted for (and often by) the sponsoring institution. Research from the perspective of the
sponsored institution (the sponsee) is limited, and there is nothing at all relating to arts sponsees. To fill this gap, this research poses the following research question

RQ: What is the difference between arts sponsorship and sports sponsorship?

In addressing this question this research considers 186 articles drawn from 106 journals that were identified as having an impact factor of 0.5 or above (Reuters, 2015). Then, to build on this literature foundation, twenty-three in-depth interviews were conducted with arts sponsee managers. Finally, to vividly illustrate sports versus arts sponsorship, a specific case comparing football stadiums and museums attendance in the UK and Spain is discussed. The findings are of considerable importance not just to those organisations that are considering sponsoring the arts, but also to arts sponsees themselves.

METHODOLOGY

Our overriding research objective is to compare and contrast arts sponsorship and sports sponsorship. The method was comprised of two major approaches:

1. To provide a platform, the authors conducted an exhaustive review of published literature that focuses on the empirical or conceptual investigation of sponsorship as an instrument for marketing communication. The authors filtered 186 papers by selecting the 2015 Journal Citation Report (JCR) from the edition SCIE and SSCI, under the “Business” category and the Web of Science (WoS) category scheme (Reuters, 2015) (see Appendix). The screening process considered the titles of the
papers and their abstracts, keywords, frameworks, headings and sub-headings, which ensured no duplication (Kumar, 2016). The papers were identified as having the word “spons” in either their titles or abstracts (as “spons” covers both “sponsorship” and “sponsored”).

A content analysis is rendered systematic and replicable by compressing many words of text into a few content categories based on explicit rules of coding (Weber, 1990), using a number of variables already published in past literature in order to estimate demand (Jensen et al., 2016). The content of these 186 papers was analysed using ATLAS.ti 1.5.1® software in order to calculate a word count of the most frequently used terms.

2. Building on the literature foundation, in-depth interviews with twenty-three arts sponsorship managers (from the sponsee side) globally dispersed and with demonstrated experience in sponsorship were collected, analysed and their significance explained. These interviews were part of a larger study into how sponsees manage sponsorship arrangements. The central objective of the interviews was to obtain an in-depth understanding of how arts sponsees see themselves vis-a-vis sports sponsees. The maximum variation sampling methodology was applied to allow different perspectives and in-depth understanding of contextual variances variation (Creswell, 2013), like global dispersion, which enriches the insights. The interviewees (who were all responsible for managing sponsorship arrangements in their organisation) represented a range of arts
institutions: orchestras, museums, dance companies and theatre groups (Gardner & Shuman, 1987) (see Table 1). The interviews were conducted personally, by phone or via Skype video in either English or Spanish (both languages in which at least one of the researchers is fluent).

The first contact was an explanatory email, which aimed at establishing interviewees’ availability for the study. The interview procedure was organised in a standard manner, starting with an informed consent letter signed by each interviewee (Creswell, 2013). The consent letter guaranteed the confidentiality of the interviewee, unless he or she specifically waived confidentiality, and specified that all recorded data would be destroyed once transcribed to prevent the possibility of voice tracking (Corbin and Strauss, 2015).
<table>
<thead>
<tr>
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<th>Arts</th>
<th>Years</th>
<th>Country</th>
<th>Interview type</th>
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</table>
The letter also stated that participation in the study was voluntary and interviewees were free to withdraw at any time.

Credibility is an important consideration in qualitative research. The credibility of qualitative research is defined as “the weight of evidence” (Eisner, 1991; Lincoln and Guba, 1985). We used several strategies to foster credibility. First, going beyond the minimum number of 20 interviews proposed by Creswell (2013) prolonged the observation period with interviewees and reduced the risk of lack of credibility. Second, extracting data from these relevant professionals ensured the credibility of the data by directly linking with our central research question (Silverman, 2013). Third, credibility may be threatened when interviewees respond based on social desirability instead of personal experience (Krefting, 1991). Since sponsorship is not an intimate subject, however, we assumed that interviewees were not particularly threatened by the interviews. Fourth, to further ensure credibility, and to avoid any misinterpretation of the findings, the last seven interviewees (after being interviewed) were asked to comment on the provisional research outcomes. This process reinforced an “accurate translation of the interviewee’s viewpoint into data” (Krefting, 1991). Fifth, interviews were conducted to the point of saturation, that is, to the point where additional interviews yielded no new insights. Finally, one of the authors has considerable interest in and experience with the arts, but this experience and
interest, and the bias that it might bring, was bracketed during the data analysis process.

The approach to analysing the data consisted of a careful analysis of the rich data, studying the transcripts sentence by sentence in order to obtain a sense of the whole database (Moustaka, 1994). Significant statements were extracted and then clustered into exhaustive themes.

INSIGHTS FROM THE LITERATURE REVIEW

ARTS SPONSORSHIP VERSUS SPORTS SPONSORSHIP

Sports sponsorship (the most popular form of sponsorship) is defined as “a potent alliance between those who market sport with those who market through sport” (Farelly & Quester, 2005). In 2010, sports accounted for 68 per cent of the sponsorship sector’s global spending, representing a decrease from the 80 per cent share that sports accounted for in 1995 (Thwaites, 1995). This suggests that other sponsorship categories, such as arts sponsorship, are becoming more popular, although based on the literature arts sponsorship remains significantly less popular. It can be seen in the sponsorship literature that relatively little research features the word “sponsored/sponsee”, as these words appear a total of 3,479 times, while “sponsor” occurs 16,596 times (see the Appendix). This implies that the research focus up until now has been on the sponsor’s side of the sponsorship relationship rather than the sponsee’s side. Furthermore, the term “arts” is mentioned only 496
times, whereas “sports” appears 6,373 times. So within the sponsee literature, arts is very much secondary.

Many companies that sponsor mainly sports are starting to question whether this is the best approach for future development (Thwaites, 1995). Sports sponsorship can be risky as the main focus of sponsorship activities because while association with a celebrity star or a winning team may enhance consumer purchase intention, the opposite may also be true. As a sponsored team experiences losses, this may decrease consumers’ intention to purchase, and the sponsor cannot simply discontinue the contract to limit damages for fear of being labelled opportunistic (Ngan et al., 2011). Furthermore, player misconduct and rising ticket costs are alienating sports fans and even forcing sports teams themselves to engage in the arts to reconnect with their local communities (Madrigal, 2001). For this reason, when discussing image transfer to a sponsor, an arts sponsee could be considered safer than a sport sponsee, and not just in the case of losing teams but also because art is generally less subject to scandal, particularly they kind of scandal that seems to be a recurring happening in sports (Madrigal, 2001, Wilson et al., 2008, Westberg et al., 2011).

The image objective is definitely a primary consideration for corporate sponsors, but, in a sponsorship programme, there is usually a distinction between art, which is normally seen in a philanthropic public relationships framework, and sports, which is considered primarily as a marketing tool (Witcger et al., 1991).
A reason that may account for the low number of investments in arts sponsorship is concern by sponsors about a lack of emotion generated at events, and it is thought that emotions are more favourable for sports sponsorship (Cornwell, 2008). This emotion results in enhanced memory recall, which is often the main means by which the effect of sponsorship is measured (Tripodi et al., 2003). Arts sponsorship does not engender either the mass audience emotion of sport (Cornwell & Humphreys, 2013) or the returned goodwill of social causes and environmental sponsorship programmes (Meenaghan, 2001). However, there is no general agreement about sport’s predominance in provoking emotion, as investigated by Olson (2010), who denies that there is any difference in the impact of arts and sports sponsorships on audiences. Cornwell and Humphreys (2013) questioned the relationship between emotions and memory recall due to the lack of clarity about how emotion supports memory. Despite the lack of consensus, there is a general belief that arts sponsorship has a limited impact on mass audiences when compared to sports sponsorship (Walraven et al., 2014).

However, awareness is only one of the sponsorship outcomes, and sponsoring the arts may offer other advantages. For instance, it may be less risky because the threat of a team losing a match resulting in subsequent reduced purchase intention does not loom (Ngan et al., 2011). Moreover, while sports accounts for most sponsorship contracts, it also accounts for 87 per cent of discontinued sponsorship contracts (Copeland & Frisby, 1996). Meenaghan (1983) notes that there is a long list of sports
sponsorship failures. However, there are geographical differences, since in the U.S. sports events are managed mainly by profit-driven professionals while in Europe events still seem to be run by non-professionals underwritten by state funding (Mazodier & Reezae, 2013).

As mentioned previously, despite there being considerable research on sponsorship, it is predominantly conducted for (and often by) the sponsoring institution, and, most often relates to sports sponsorship. Research from the perspective of the *sponsee* institution is limited, and there is nothing at all relating to arts sponsees. This leads into the rationale for the in-depth interviews with arts sponsees.

**INSIGHTS FROM THE IN-DEPTH INTERVIEWS**

In this section we report the interviewees' view on the core questions: “What are the challenges of arts sponsorship? What value can you add to the sponsor by offering arts sponsorship compared to sport sponsorship?” These answers are clustered into seven exhaustive themes as shown below. Although multiple statements support each theme, here we only present selected representative ones.

**THEME 1. TARGET AUDIENCE**

Target audience is the main goal in sponsorship, where all the branding efforts are concentrated on the consumers. In arts sponsorship the audience seems to be different from sports and is reflected in the views of interviewee n. 8:
“Differences between arts and sports are about the target audience”. 

One first different attribute is the number of visitors, which is larger in sports than arts as commented by interviewee n.16:

“The numbers of visitors are not the same as for sports (with some exception like the Tate or the Moma)“.

Another interviewee, n.1, supported this argument:

“There is no magic, is the size of the audience of sport."

Sports sponsorship seems to be characterised by larger audiences, but top management and decision makers in general seem to belong to the arts audience, as another interviewee, n. 13, said:

“They are leaders of big companies and they use their position to make a contribution." 

Arts suffers for having less visitors, but offers more precise market targeting than in sports, as interviewee n.14 said:

“Compared to a football club this is very different because the public is much more dispersed. I think it is about a specific target here, if a brand wants to reach a specific target, for the arts it is much easier to do the positioning."

Mass audience could also be a disadvantage for sports and an advantage for arts
according to interviewee n.22:

“During an arts event you can create a relationship that is more personal, the experience that you offer is unique. It is not like football where you are surrounded by hundreds of thousand of people”.

Technology can play a pivotal role in increasing the audience for the arts, as interviewee n.1 said:

“Our target audience is very elitist, but when we use the social media...the “Flying Dutch” (an opera play), was watched by 608,000 people. These are incredible data”.

THEME 2. ARTS SPONSORSHIP COST/BENEFIT

The elevated costs of sports sponsorship are not affordable for every company, therefore the cost/benefit ratio of an arts sponsor could be attractive for certain sponsors, again from interviewee n.5:

“Arts sponsorship is much more cost effective than other types of sponsorship, because the fee is lower”.

Sport collects most of the sponsorship investments because of its obvious tangible benefits for the sponsor, as said by interviewee, n.5:

“Sport sponsors pay much more money, but they get a lot more tangible
marketing benefits”.

And interviewee n.17

“It is quite cheap actually [laughing] compared (to sport), I mean, you can develop marketing campaigns by sponsoring cultural institutions that can be completely different and gain the same effect”

And n.9 when asked about arts being cheaper than sports sponsorship, was at first doubtful, but then commented about the unbridgeable gap between the two:

“It is difficult to measure. I cannot enter into that, I cannot compete with sport”.

THEME 3. GOODWILL

Goodwill is another distinguishing feature between arts and sports, the latter characterised by there being losers and winners and the arts instead fostering goodwill. Interviewee n.12 refers to this not so positive perception of sports, if compared to the arts:

“The arts really has the power to transform to do good, instead football creates more rivalries, it enhances the hate between the people”.

And interviewee n.9

“We really believe that art can change society and can improve each person”
It is not just about arts sponsorship positively impacting individual lives, but also about transferring image to the sponsor, as interviewee n. 3 said:

“A programme that has helped transform the life of a person will also be shown as the sponsor having impacted individuals.”

**THEME 4. ARTS SPONSORSHIP AWARENESS**

But art also faces a problem of awareness from potential sponsoring companies, apparently characterised by their low level of arts knowledge and consequently a low interest in arts sponsorship. In fact interviewee n. 9 said:

“It would not be easy to get a company that has never sponsored the arts”.

Interestingly the interviews also suggest arts sponsees may have low self-awareness about how they are different from sports. In most cases arts sponsees admit their limited knowledge about sports sponsorship, justifying it as a natural consequence of working in another field, n. 6:

“Well, I work in a museum so we only get arts sponsorship and I do not think I can answer about the difference between arts sponsorship and sport sponsorship”.

Or in the words of interviewee n.7
“Mmm, (thinking)…I do not know… I think we are more subtle than football, more sophisticated and if they do not understand it, there is nothing to do”.

Only as an exception, interviewee, n.19 was aware of the arts sponsee marketing potential:

“I found that what you can offer in sponsorship is much more valuable in the arts, but…some marketing professionals do not understand how they can…make arts sponsorship work for their brand”.

Although arts enjoy a great reputation, artists may suffer from a “being poor” reputation, as interviewee n. 10 said:

“Artists do not have a decent economic status, so it does not help to motivate people into art, because they think there is no future. Instead for sportsmen the future is brighter, as much as a mathematician, a physicist”

THEME 5. ARTS SPONSORSHIP ELICITS DIFFERENT EMOTIONS

Arts is powerful to elicit emotions, because it is an aesthetical experience as interviewee n.1 summarised:

“Listening to opera fulfils you, gets you emotional, makes you feel something and this is a characteristic of culture, not sports”.

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The wider range of emotions in the arts makes the audience act not just as a spectator of a sports battle where there is a winner and a loser, but part of an art “experience”. Interviewee n.22 said:

‘Arts is more involving, more about personal encounter, what emotions bring you, what it reminds you of and what resonates with you”.

Interviewee n.5 commented specifically about the difference in the emotions for arts/sports:

“About sports teams, I think it is a different emotional response and there is lots of research that talks about the arts in terms of well-being”.

Or interviewee n.7

“Think of those people screaming in sports and compare these emotions to the much more subtle ones generated by ballet”.

THEME 6. METRICS OF ARTS SPONSORSHIP

Sponsorship outcome measurement still represents a challenge for arts sponsorship as interviewee n. 22 reported:

“Arts sponsorship is more about philanthropy, although we like to call it sponsorship”.

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Confirming the lack of marketing mindset in some arts sponsees and their gap with sports which is instead much more advanced in marketing metrics, interviewee n.19 said:

“Sports sponsees are quite scientific about how they look at their value for money”.

According to interviewee n. 9 the problem in arts is that little can be measured:

“…my metrics will be destroyed, I am always talking about qualitative and intangible things”.

Finally, arts institutions, seem to be very keen on their social media achievements, but are unaware of their competitor social media positioning, from interviewee n.5:

“I do not know how our social media impressions compare to sports. I know they make much more, I know that a hockey match has a huge reach and we do not have that kind of reach”.

**THEME 7. EDUCATION**

According to our findings the educational dimension is the emerging arts sponsorship feature as per interviewee n.4:

“…something more in depth that can not be brought out in the sports sector. We are content providers, we are teaching all sorts of things that people can
learn”.

Education is about thinking differently, in the words of respondent n. 9:

“… the museum is a machine that makes you think in a different way than sports. You use a part of the brain that you normally do not use”.

Interviewee n.20:

“As a leisure activity, if you want to look at it that way, you are still getting something much more meaningful through the education, through the learning. You know we often talk about it as a place for lifelong learning”.

Interviewee n.10

“We invite them to a workshop where they can give a shape to their creativity and be part of the artwork production”.

Overall it seems that arts sponsees have a lack of awareness about their own attributes and positioning, yet, arts sponsorship’s marketing potential is enormous, as illustrated in the example that follows.

AN ILLUSTRATIVE EXAMPLE OF ARTS SPONSORSHIP VERSUS SPORTS SPONSORSHIP: ATTENDANCE AT ART MUSEUMS VERSUS FOOTBALL STADIUMS

One reason why sponsorship of the arts sees much less investment than sponsorship in sports is because it is argued that the discrete exposure it offers does
not match that offered by mass events (Woisetschläger & Michaelis, 2012). Arts sponsorship, apparently, is not effective at conveying emotions to a mass audience (Cornwell & Humphreys, 2013), especially when compared to sports (Walraven et al., 2014). Examining this argument, we would like to offer some data shedding light on the potential of arts sponsorship for mass impact. The yearly number of visitors to arts museum compared to football stadiums in the UK and Spain serves to demonstrate the potential offered by sponsorship of the arts. For example, the Tate and the British Museum had more than 12 million visitors in 2012 (The Guardian, 2012). That almost equals the entire attendance of the UK Premier League, which counted 13 million spectators (ESPN, 2012). Data for the Spanish football tournament in 2014 indicated a level of attendance that was slightly above 10 million spectators (ESPN, 2014), whereas the Prado Museum alone had 4 million visitors in 2012 (Museo del Prado, 2014) and there were nearly 60 million visitors to Spanish museums overall in 2012 (MCU, 2012). These data indicate that museums and football stadiums had comparable magnitudes of attendance in countries such as Spain and the UK, both of which host major football leagues (ESPN, 2014).

These data refer to event attendance and do not consider online or television viewership, which amplifies visibility (Close et al., 2015). Although they do not have similar online or television reach, the volume of attendance at events suggests that millions of visitors can be activated through arts sponsorship and speaks to the value of investing in audience engagement (Quester & Thompson, 2001). Arts sponsorship
initiatives can engage consumers on a face-to-face level with both the sponsored brand and its product offerings (Lacey et al., 2010). Consider also that consumers’ personal taste is a powerful driver of sponsorship initiatives that, according to research, is reinforced by self-congruence (Close et al., 2006). This congruence occurs when the concept perceived by the consumer and her/his self-image are projected onto a sponsorship initiative (Do et al., 2015). When a consumer is enthusiastic and knowledgeable about a sponsorship event and can be active during personally attended events, such as art exhibitions or performances, decision-making seems to be especially enhanced (Close et al., 2006). Furthermore, among the sponsored events that seem more suited for engaging with consumers who are more likely to improve their opinions of a sponsor because of its engagement with the community (Close et al., 2006), arts events hold a special place due to the loyalty of their audiences towards the sponsee (Olson, 2010).

The literature, the illustrative example and the in-depth interviews suggest that although arts sponsorship audiences are relatively limited compared to sports sponsorship audiences, the potential impact of arts sponsorship on marketing is considerable. Indeed, arts sponsorship presents a number of unique opportunities for marketing.

DISCUSSION

Returning to the research question posed by this research:
RQ: What are the differences between arts sponsorship and sports sponsorship?

The first difference is the target audience. This is instrumental in sponsorship since brand managers strategically position their brand according to the target (Close et al., 2015). Individuals closely associated with a sponsee may more easily consider sponsor motives and therefore identify a basis of congruence between the sponsor and event (Deitz, Myers & Stafford, 2012). The arts target audience has its own specific socio-economic status (Quester & Thompson 2001) that can be addressed for specific brand positioning.

We have also confirmed that the arts offer exclusive/upstream target groups that are not reachable through sports (Lee & Kotler, 2011) or are alienated by player misconduct (Madrigal, 2001). Arts connect with community leaders and policy makers (Lee & Kotler, 2011), in fact exclusive demographic or socio-economic groups are attracted to the arts (Quester & Thompson, 2001). Age and apparently race and gender may influence the attitude towards sponsorship (Mowen, Kyle and Jackowski, 2007). Arts sponsorship should take advantage of its privileged target audience for marketing positioning, but also for its privileged link with decision makers, since arts sponsorship decisions may be made individually in companies (Daellenbach, Thirkell and Zander, 2013) rather than in the marketing department, by the sponsor’s top management (Amis, Slack & Berrett, 1999).

The interview data shows that the increased costs of sponsorship programmes have
made them less appealing, and this concurs with the literature (see Mazodier & Rezae, 2013). This represents an opportunity for the arts, since the cost/benefit of arts sponsorship programmes may make them more appealing than the more expensive and profit driven sports sponsorship programmes (Mazodier & Rezae, 2013). Although arts sponsorship does not engender the mass audience of sports (Cornwell & Humphreys, 2013), arts sponsorship can be used to efficiently and to engage with the target audience (Witcher et al., 1991).

Art is considered to foster goodwill because of the loyalty of the audience (Olson, 2010), and this is different from sport. The level of commitment that exists in certain target markets toward the arts sponsee is a strong reason for a company to invest in arts sponsorship (Madrigal, 2001). Consumer loyalty is a powerful argument to compensate arts organisations’ lack of demographic extension, and is necessary to incentivise sponsors to invest (Kotler & Scheff, 1997). Art is antithetical to sports that needs winners and losers as a reason of being (Ngan et al., 2011), but, there is low awareness among sponsor about how arts could foster a perceived sponsor/sponsee congruence (Ko and Kim, 2014).

The art is unique in eliciting a wide range of emotions (Cupchick, 1994). In contrast sports elicit a unique but intense emotion: identification (Walraven et al., 2014, Madrigal, 2001). This is useful in massive events and for sponsoring brands that are seeking identification attributes. However, when it is about individual experiences and personal encounters, arts sponsorship is preferable, especially for sponsors that
offer “feeling” services and want to increase consumer purchase intention (Prendergast, Poon & West, 2010).

Unfortunately arts sponsorship metrics seem to be still underdeveloped, perhaps because such sponsorship is seen as being more associated with philanthropy where marketing metrics are not necessary (Brennan, Binney, & Brady, 2012). Instead, sport is much more advanced in linking purchase intention and team identification (Madrigal 2001), but there is still a perception that the effects of most sponsored events remain unmeasured (Cornwell & Humphreys, 2013). Therefore some sponsorship professionals have started trusting the efficacy of finance-developed methodologies that may help to answer key questions concerning the overall value of major marketing programs and provide input on the best approach for measuring sponsorship outcomes (Cornwell, Pruitt and Clark, 2005). Since it is still unknown how emotions support memory, an important sponsorship outcome, Cornwell & Humphreys (2013) question the value of emotions in sponsorship and more research is needed to measure sponsorship outcomes.

**LIMITATIONS AND FUTURE RESEARCH**

This research has several limitations. First, it compares sports sponsorship to sponsorship of the arts, but there are other sponsorship sectors that should be considered as well. For example festivals are smaller in size than the sports, but
relate differently to arts sponsorship. Furthermore, this research only considered publications in business journals, and within that, journals with an (arguably subjective) impact factor of 0.5 or above. Details about the specific arts sponsee target audience also needs to be investigated since there are indications in this research of a specific upstream target group, age and gender. Finally the voices of the sponsor have not been considered in this research, and are necessary to shed light on their reasons for supporting sports or arts sponsorship as a marketing tool.

CONCLUSION

The literature, in-depth interviews and the illustrative case captured in this study have unraveled findings of importance to the parties involved in sponsorship arrangements. Most of the research on sponsorship is in the context of sports sponsorship, its target consumers, achievable objectives, and marketing strategies. However, the extant literature and in-depth interviews presented here indicate that sports sponsorship does neither function in the same manner as arts sponsorship nor has the same marketing features. Specifically, nonprofit arts sponsorship seems able to mitigate the limitations of conventional profit driven sponsorship in terms of it having market targetability, audience loyalty, and high engagement levels. Furthermore, arts sponsorship’s cost/benefit, ability to elicit a wide range of emotions and nurturing learning makes it attractive. But arts sponsorship also faces the challenge of finally moving away from philanthropy and developing its own marketing metrics and awareness.
Despite the revelations generated by this research’s literature review and in-depth interviews, it is clear that there is need for further research that facilitates a deeper understanding of the marketing and societal implications of arts sponsorship.
REFERENCES


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## APPENDIX (Paper 2)

1. Papers on sponsorship published in journals with an impact factor of 0.5 or above (Reuters, 2015)

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Paper 3

(Submitted on February 20, 2018 to *International Journal of Advertising*. Under first round review)

The sponsor-sponsee relationship through the lens of the sponsee

Toscani Giulio

Prendergast Gerard
Abstract

The two central players in any sponsorship arrangement are the sponsor and the sponsored institution (i.e., the sponsee). Over the years sponsors have increased the amounts they have invested in sponsorships and elevated outcome requirements for their investments, as reflected in the large body of research dedicated to sponsors’ needs in terms of brand awareness, consumer loyalty and evaluation of results. On the other hand, sponsees’ needs have been relatively neglected, and little is known about what sponsees require from a sponsorship relationship. In the arts sector context, this research addresses this gap by using a grounded theory methodology to investigate the process that sponsees go through when establishing a relationship with a sponsor and provides the first theoretical model of this. In-depth interviews with 30 sponsee managers, globally dispersed and with demonstrated experience in sponsorship, were collected, and they indicate that the sponsee’s reciprocity with a sponsor in a sponsorship relationship is a highly complex experience that involves both the internal arts sponsee’s and the external sponsor’s actors. This reciprocity is related to uncertainty and making possible, the two theoretical categories constructed.

Keywords: Sponsorship, Sponsor, Sponsee, Arts Sponsorship
Sponsorship

Sponsorship is the fastest-growing marketing communication tool, both in terms of volume—with a predicted worldwide growth of 4.7% as of 2016 (Andrews 2016)—and in complexity, as it has developed from a purely commercial activity into a holistic tool used to attract benefits (Meenaghan, McLoughlin, & McCormack 2013). Sponsorship investments grew to US$60.2 billion in 2016 (Andrews 2016). At the same time, sponsors, typically being commercially focused, have also raised their expectations for ROI (Farrelly & Quester 2004), desiring to create brand meaning and customer affiliation (Cliffe & Motion 2004), and to actively use communication to achieve impact (Crimmins & Horn 1996). In line with this, there has been steady growth in research relating to how sponsorship processes and outcomes can be improved to benefit sponsors.

Within the sponsorship domain, research has been largely focused on sports sponsorship (Walliser 2003). This is perhaps not surprising because in 2010 sports accounted for 68 percent of the sector’s global spending (Mazodier & Merunka 2012). Andrews (2016) assigned 70 percent of North American sponsorship spending to sports in 2016. These data confirm a decrease from sports’ 80 percent share in 1995 (Thwaites 1995) and suggest that other sponsorship categories, such as arts sponsorship, are gaining favor.

Despite the prevalence of research on sponsors and sports sponsorship, sponsees have been relatively neglected in the sponsorship literature. Furthermore,
within sponsees as a group, sports have been studied extensively whilst arts sponsees are almost totally overlooked. To address this deficiency, this research’s objective is to develop a theoretical model of how arts sponsees manage the sponsorship relationship. Because of the need to inductively explain this relationship, grounded theory methodology is used to develop a substantive theoretical model. In-depth interviews with 30 arts sponsees globally dispersed and with demonstrated experience in sponsorship were conducted, analyzed and their significance explained.

The sponsee

A limited amount of research, focused mainly on how sponsees could better serve their sponsors (Cobbs 2011), has been conducted on sponsee participants in the sponsorship relationship. It is argued that sponsees must be knowledgeable about what they can offer their sponsors and endeavour to establish strong emotional bonds with their audiences, as this is a unique strength of sponsorship. One of the distinguishing selling points of sponsorship is that it can create a bond with a sponsor’s global brand and not just a sub-brand or a product, as advertising does (Harvey et al. 2006). Therefore, sponsees should be proactive in recommending ways to bolster outcomes for their sponsors (Farrelly et al. 2006). Merely being commercially aligned with a sponsor is not sufficient; sponsees must seek strategic opportunities together with the sponsor rather than demonstrating opportunistic behaviour that very often results in termination of sponsorship
relationships (Farrelly & Quester 2005). In line with this, it seems that major sponsors are modifying their view of sponsorship from merely an opportunity for exposure to an experiential tool that can be used to engage consumers. Sponsees could potentially take advantage of this shift by trying to change the sponsorship relationship dynamics (Harvey et al. 2006). Building on this, the sponsee-sponsor relationship should not be vertical, i.e., in which the sponsee has little power to influence the sponsor’s behaviour, like that between a supplier and reseller. Rather, it should be a horizontal relationship based on trust, a very influential factor in ensuring mutual cooperation in the sponsorship relationship (Farrelly & Quester 2003), and on commitment, which can help in predicting renewal contracts (Farrelly & Quester 2004).

While considerable research has been devoted to the sponsor’s side of the sponsorship relationship, much less research has been done on sponsees, and what research has been done has tended to focus on how sponsees can better support their sponsors. No consideration has been given to the interests of sponsees or how sponsees might best serve their own interests in their dealings with sponsors. Furthermore, sponsorship research has been dominated by a focus on sports sponsorship, and little is understood about sponsorship in the context of the arts sector. It is important to understand sponsorship in the arts sector because the current data suggest that although sponsorship of the arts is relatively minimal when compared to sports sponsorship, the potential for growth is enormous. Visual art
seems to favorably influence consumers’ perception compared to an equally decorative non-art image (Hagtvedt & Patrick 2008a), and such image associations may be beneficial to luxury brands in particular (Hagtvedt & Patrick 2008b). Furthermore, existing research on sports sponsees may not apply to arts sponsees for several reasons. First of all, scandals, such as incidents of player misconduct, pertain almost exclusively to the world of sports (Wilson et al. 2008). Secondly, in sports there are winners that can bolster purchase intention, but also losers that may decrease it (Ngan et al. 2011). In the arts, however, there is no concept of winners and losers.

No definition of arts sponsorship was found in our literature search. Furthermore, there is a lack of specificity on which institutions qualify as “arts”. Cultural sponsorship is about a museum, but it does not provide a specific definition of what cultural sponsorship is (Olkkonen & Tuominen 2008). Arts sponsorship is a subgroup of cultural sponsorship that includes orchestras, museums, dance companies and theatre groups (Gardner & Shuman 1987). Therefore, this research considers all of these categories, a choice confirmed by the separation of arts and festivals made by the International Entertainment Group (Andrews 2016) or arts and cultural events by Cornwell and Maignan (1998).
Methodology

Within the arts context, the central objective of this research is to develop a theoretical model of how sponsees manage the sponsorship relationship. Corbin and Strauss’s (2015) grounded theory methodology is proposed as most suitable in this context because of its focus on the relationship process, its original sample selection, the categories that emerge and their links to the facts, and the sample itself. Grounded theory offers a pragmatic approach that is useful for everybody, not only social scientists (Locke 2001).

The sponsorship relationship through the arts sponsee’s lens was developed based on collected data that the researcher used to generate information about arts sponsees’ concepts. This iterative process (i.e., the constant comparison of incoming data to collected data) determined the core category, which was broad enough to be applied to other sponsorship populations and was considered complete when category saturation was reached—in other words, when the category was fully developed (Corbin & Strauss 2015).

The interview process

Interviews were conducted personally by the researchers with participants identified via LinkedIn professional online network and other professional and personal connections. The first contact was an explanatory email, which aimed at establishing respondents’ availability for the study. The interview procedure was organised in a standard manner, starting with an informed consent letter signed by
each interviewee (Creswell 2013). The consent letter guaranteed the confidentiality of the interviewee, and also stated that participation in the study was voluntary and respondents were free to withdraw at any time.

The respondents were interviewed in English and/or Spanish, both languages in which the researchers are fluent. The use of a translator is required only when the researcher is not familiar with the interviewee’s language (Kapbork & Berterö 2001). Because of the global dispersion of the interviewees, some interviews were conducted via Skype or by phone, and although the value of face-to-face interviewing is not disputed, the fact that people nowadays are accustomed to other means of communication makes these reliable tools for achieving contextual naturalness, while also reducing costs. Moreover, paralinguistic cues can be non-visual (Ward et al. 2015). We confirmed this fact during our fieldwork by comparing two initial videos with audio calls and found no significant difference in insights obtained.

Each interview was semi-structured, with open-ended questions specifically relevant to this research and focused on understanding the central phenomenon of our study (Creswell 2013) – the sponsorship relationship. As befits grounded theory methodology, the questions were under continual review and reformulation.

Sample characteristics

Forty-three managers from arts institutions were selected according to Gardner and Shuman’s (1987) criteria, and invited to participate in the study. Of this
group, 33 accepted the invitation but only 30 matched the standards. All of those interviewed (profiled in Table 1) had personal experience with sponsorship, and at least one of each of the four types of arts institutions were represented, [i.e., M=Museum (N=19), T=Theatre (N=4), D=Dance (N=4) and O=Orchestra (N=3).]

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Given that 20 is the minimum number of interviews recommended in grounded theory (Creswell 2013) and that we reached saturation at number 18, the data collected in the interviews offers a broad snapshot of arts sponsorship and enables insight into the participants’ perspectives on the sponsorship relationship and how arts sponsees develop specific behaviours. To achieve a deeper level of analysis, we employed a qualitative data analysis (QDA) software called computer assisted qualitative data analysis software (CAQDAS) (Hwang, 2008). Software does not do the researcher’s work; s/he still has to perform the intellectual tasks, but software can speed up calculations and provide more accurate results, especially for large data sets, such as Word documents (Hwang 2008).
Results

In the following, we propose a theoretical account of the arts sponsorship process that reflects arts sponsees’ relationship with sponsors. To allow a critical review of the analysis, the process is enriched by explaining the interpretative process step-by-step, quoting the voices of the participants, and embedding the findings in relevant literature.

Theoretical category: Making possible

The first theoretical category that emerged as valuable from the arts sponsees’ perspective was “Making Possible” which refers to the ability of arts sponsorship to bring people and events together. It is what motivates arts sponsee professionals to work to “impact society” by generating “personal encounter,” “audience learning” and “eliciting emotions.” Several interviewees mentioned this arts sponsorship feature that may have an impact on the future of their institutions and society. This is reported in the following excerpts.

- *Make the brand much more into an experience. We can make (the sponsor) look like a great employer*
- *Values that make you think and emotions that make you feel*
- *Is the possibility to be linked in a culture that promotes education*
- *Making an authentic and integrated partnership*

Synonymous with the theoretical category of “making possible,” the literature suggests that “enabling” is the most similar scholarly term used, indicating that
“enabling procedures help committed employees do their jobs more effectively and reinforce their commitment.” (Adler & Borys 1996).

Arts sponsees seem to rely on the conviction that their offerings are different from other competitors (such as sports), as in the following excerpt.

I believe for the companies, as [art sponsee], what I can give them…is excellence. It is very subtle, there is much more emotion. If you are not from the [local football club], it is about winning or losing. It is about managing emotions. In the stadium you will have a sandwich. Here you will have access to our [exclusive area].

In the arts world, it is very common that a production mode is characterized by discontinuity. The result is artistic activities in the form of individual projects, like a play or a concert. Therefore, the producing organization must be extremely flexible and able to manage a sequential production of new products (Towse 2011).

Analysis of “making possible” was significant as it highlighted that this category was complex, specific to each arts sponsee’s essence, and appeared to influence how arts sponsees could establish the arts sponsorship raison d’être.

**Theoretical category: Uncertainty**

The second theoretical category that emerged as valuable from the arts sponsees’ perspective was uncertainty, understood as “nobody knows” and referring specifically to the quality of novelty in arts productions that also explains the 375
preponderance of contingent contracting in the arts (Towse 2011). Readings in arts management research reveal that “uncertainty” is a recurring and intrinsically related concept. In this research “uncertainty” emerges as a theoretical category that can be considered an “arts sponsee value.” All interviewees referred to uncertainty due to the verticality of the relationship between sponsee and sponsor. This verticality causes anxiety in arts sponsee professionals as confirmed by the following interviewee, who said:

*Cannot even imagine a big one (sponsor) not repeating.*

It emerges that something is missing from the arts sponsorship criteria that might solidify deals and reduce the uncertainty which results from fear that a sponsor will not renew, a concern that keeps arts sponsee professionals under constant pressure and may affect how they approach future sponsors. This uncertainty often spawns a fatalistic approach that overshadows rational marketing strategy and pushes the arts sponsee to believe more in impromptu events or even philanthropical aid. Thus, arts sponsees either assume that every sponsorship is a temporary condition and rotation is part of the game, or they rely on a few highly committed sponsors, creating dependence and perpetual uncertainty that those sponsors may one day disappear. Because of the intrinsic features of the sponsorship experience, uncertainty impacts how arts sponsees deal with sponsors and begs an important question about the relationship between uncertainty and relationship management. In fact, efforts to prevent sponsors from withdrawing their support starts with the
initial contract, although contracts do not always guarantee ongoing support, as per this excerpt.

If we start working with them and halfway through, with the advertisement done, they decide to leave, there is not much we can do about it. We are a not-for-profit and cannot afford to pay a lawyer.

The theoretical categories of “making possible” and “uncertainty” underpin the two processes detailing the arts sponsorship relationship, specifically how they shape a “tailor-made offering for the sponsor” organised by relevant properties of making possible and how they overcome internal and external challenges of uncertainty posed by business and also by art’s own intrinsic nature.

**Core category: Reciprocity**

The results of iterative data analysis allowed emergence of the core category of “reciprocity,” or mutual involvement of sponsor and sponsee in aspects of the sponsorship process. Reciprocity can shape the sponsorship interaction between the arts sponsee and sponsor, influencing perception of and behaviours within interactions. A core category is “a concept that is sufficiently broad and abstract that summarizes in a few words the main idea expressed in the study.” It has specific features, like “tailor made offering” about personal experiences that might self-limit the arts sponsee’s and/or the sponsor’s abilities to value the sponsee’s offering. Another feature that emerged is “Arts sponsorship understanding,” closely related to “Sponsor decision makers,” as per the following excerpt:
I make three big lists: 1. Contacts that are willing to invest in sponsorship, but are not able. 2. Contacts that are able to invest in sponsorship, but are not willing. 3. Contacts that are both able and willing to invest in sponsorship. Time is limited and resources are limited, so we have to approach those contacts that are financially strong and then filter those supporting cultural institutions.

The core category of reciprocity is abstract so as to be inclusive of the other categories and appropriate to theoretical development, frequent so as to link to the other concepts, and consistent with the data without tension (Corbin & Strauss, 2015). To better understand the entire process in its complexity and the instrumental interpretation required by fieldwork, the following paragraph details how reciprocity is enacted by arts sponsees, raising this concept into a substantive theory of reciprocity-mediated arts sponsorship:

Reciprocity is the mutual involvement of the parties in an arts sponsorship relationship, and it is the ultimate construction level and core category that emerged from the experiences reported during the interviews with arts sponsee managers. The identified theoretical categories of making possible and uncertainty are single units of information, but reciprocity is the main core category (Creswell 2013), which consists of the main ideas and concepts derived from the data analysis. The category of reciprocity is broad enough to potentially be applied to other sponsorship populations and is considered complete because it is fully developed (Corbin & Strauss 2015).
Aligning reciprocity with relationship building

The link between reciprocity and relationship building in arts sponsorship was made by drawing parallels to a service-dominant (SD) approach that considers the exchange process as a series of steps as opposed to being limited to a single exchange episode (Prior 2016), therefore supporting the “relationship time” and “dynamic matching” categories. The literature show that the positive output offered by the synergy of those two categories is commonly inhibited by “bureaucracy,” a force able to either alienate or enable better ways of working, although our respondents referred only to the alienating property as relevant for arts sponsees (Adler & Borys 1996).

The findings demonstrate that arts sponsees tend to utilize a reciprocity-based model for determining future actions (decisions based on feelings associated with spent resources such as time or money) as opposed to logical appraisal of cause and effect. Reciprocity appears to help to mediate arts sponsees’ business behaviours as it mitigates behaviours that detract from the sponsorship professional relationship. The overall purpose of a sponsorship relationship is not just to target consumers, build brand awareness and enhance marketing strategies, but also to reduce inequity in sponsor-sponsee interactions (Farrelly & Quester 2004; Farrelly et al. 2006; Wilson et al. 2008).
The arts sponsorship model

The influence of the core category of reciprocity in the arts sponsorship relationship and its association with the theoretical categories of uncertainty and making possible is shown in Figure 1 below.

This model consolidates the theoretical insights of this study, bringing together the two theoretical categories to depict their relationship to reciprocity. The depicted categories are represented in an experiential relationship cycle that conveys the notion that reciprocity is a continual arts sponsorship process made manifest from business behaviour.

Developing theoretical insight into how reciprocity has the potential to mediate the arts sponsorship dynamic provides new insight into a key process that potentially negates sponsor benefits and therefore removes the reasons for being a sponsor. This has meaningful implications for sponsee professionals who work with sponsors and reflects a strategic shift in promoting positive business behaviours to improve arts sponsees’ financial outcomes.

Figure 1. A model of the sponsorship relationship through the arts sponsee’s lens
This was reported by a respondent asserting that some sponsors do not want to be involved once they have complied with their contractual obligations, as in the following excerpt.

For many of the cases, they (the sponsor) give the money and then leave you doing it. I think they do not want to interfere. Also they do not have time, so they just want to have an update, a report. But what is nice is to have them participating, but it is up to us to make them (the sponsors) engaged.

By aiming to understand sponsors' behaviours, as opposed to seeking compliance with positive business behaviours, a greater focus is placed on the 381
causal factors influencing behaviours rather than the behavioral consequences. This is meaningful in facilitating sponsor-sponsee relationships, as negative sponsorship dynamics that are not addressed appropriately can lead to greater problems in the future (Beitelspacher et al. 2017), and also because the number of sponsors available is limited, as reported in this excerpt.

There are a few sponsors, eight or nine sponsors, have been with us for thirty years, which is wonderful, wonderful.

It is also true that the consequences of a mistake can be very damaging.

The consequences… you know… can be pretty severe. It has not been a disaster, but we have never been able to do anything with them again. It has been nine years that I have been trying to repair this relationship, something that scarred deeply, and it takes time.

By acknowledging reciprocity as a mediating factor of arts sponsorship, it is possible to bring business processes to the forefront of analysis to explicate arts sponsee and sponsor behaviours.

Discussion

This study is based on transcribed interviews which represent the main document that is the hermeneutic unit of this research. The semantic analysis was made by coding analysis according to the specific research objective to develop a
theoretical model of how sponsees manage their sponsorship relationships. The findings suggest that, for arts sponsees, reciprocity is the core component of relationship building within the substantive area. Neural evidence indicates that humans are naturally inclined to reciprocity with strangers even if they never meet again (Watanabe et al. 2014). The crux of the core category analysis was the identification of the role of reciprocity in arts sponsorship relationship building, which ultimately influenced perception and business behaviour in interactions with sponsoring organizations. This is a significant finding as it suggests that relationship building is mediated by reciprocity. There is little empirical evidence to support the relationship between reciprocity and sponsorship in the literature. However, connections can be made to studies that explore the role of reciprocity in business markets offering services on how relationships are built between actors.

Adaptive cooperative behaviour sets time as a condition for establishing the worthiness of reciprocity and points to the enormous benefits of reciprocity in a multi-decade collaboration (Delton 2014). This was confirmed by most arts sponsee respondents in our study and by the literature reviewed. There is even evidence that an incongruent sponsorship may become congruent over time (Woisetschläger & Michaelis 2012), since time can potentially improve brand effect in consumers’ minds (Cornwell & Johnston 2011). This confirms the popular wisdom that long-term sponsorship relationships may improve perceptions of brand equity (Cornwell et al. 383
2001), but only if supported with further stimuli that maintains brand effect (Mazodier & Quester 2014).

The available literature appears to support the notion that reciprocity can be a central variable in arts sponsorships between the threat of uncertainty and the potential of making possible. Hence, arts sponsorship outcomes may be influenced by relationship. It may, therefore, be valuable to understand how reciprocity is related to intrinsic motives that may seem to be opposed and undermined if not protected by contractual norms that balance extrinsic motives (Abdi & Aulakh 2017).

Managerial implications

The grounded model offered in this research makes a valuable theoretical contribution, but it is also necessary to consider the implications of this model for sponsorship practice, particular on the sponsee side of the relationship:

- Sponsee managers committed to making possible and overcoming uncertainty should be involved with and in communication with their sponsors’ managers at all levels of promotional activity, keeping in mind reciprocity. A sponsee gains immediate benefits from a sponsor’s investment, while their contributions to the donor’s brand image are often more difficult to identify and assess (Kotler & Scheff 1997). The literature argues strongly that the effects of a sponsee’s brand on a sponsor’s brand are considerable. By comparison, recent research has
suggested that the reverse effects of a sponsor’s brand on a sponsee’s image may also be significant (Tsiotsou et al. 2014; Prendergast et al. 2016).

- Arts sponsees should not only focus on obtaining resources from sponsors; they should also take into account the effects the partnership can have on their reputations (Becker-Olsen 2006). This confirms findings suggesting sponsees refrain from partnering with a brand that may lead to concerns about bias. Although financial support is important, it is still necessary to ensure a congruent relationship (Pappu & Cornwell 2014) based on reciprocity.

- Sponsee managers will find this work useful, particularly when deciding whether to focus on a long-term marketing strategy or only on emergency fund-raising and limiting the sponsor purpose of achieving commercial objectives (Meenaghan 1983).

- The categories suggest a wide-ranging process focused on elements other than traditional sponsorship financial support and brand awareness, such as flexibility to manage a sequential production of new products (Towse 2011) to foster a multi-decade collaboration (Delton 2014).

- The process reveals tacit implications such as new strategic approaches and proposes a marketing mindset for arts sponsee professionals that supports the sponsorship initiative with stimuli that maintain brand effect (Mazodier & Quester 2014).
Overall, this research offers new insights on possible ways for arts sponsees to deal with sponsors that can be beneficial for both parties. The central role of reciprocity in the sponsorship relationship is something both sponsees and sponsors need to be cognizant of, since humans are naturally inclined to reciprocity (Watanabe et al. 2014) and sponsees may be attuned to the economic advantage offered by the sponsor instead of considering the context of the relationship (Wilson et al. 2008).

Limitations and future research

This study acknowledges three main limitations. First, the context of the research was the arts sector. Although the iterative process employed in the methodology produced a core category which, arguably, is broad enough and sufficiently developed to potentially be applied to other sponsorship types, further research to confirm the model and its generalizability is certainly warranted.

Second, the research design did not include the sponsor professional’s perspective about the importance of reciprocity in sponsorship interaction. This was a purposeful delimitation in order to highlight the arts sponsee’s perspective, thus exploring an area not previously researched. For the purposes of this study, this limitation in scope of inquiry is not problematic, as the development of a substantive theory does not claim to represent an objective truth, but rather aims to provide new insight into how a phenomenon is experienced and functions by those who contribute to it.
A third important limitation is that the findings from this study were derived from arts sponsees’ retrospective accounts of sponsorship interactions. As a consequence, arts sponsees disclosed events from their professional experiences and from the experiences of their colleagues. Again, this is not problematic for this study. However, additional approaches for future research listed above will certainly add rigor to the enquiry methodology.

Conclusion

In the arts context, this study generated a theoretical model of the sponsorship relationship through the eyes of sponsees. The model illustrates the dynamics that sponsee professionals experience when they interact with sponsors and how reciprocity is related to uncertainty and making possible, the two theoretical categories constructed. The final rendition of findings indicates that uncertainty could potentially detract from reciprocity, whereas human relationship processes, fostered by the goal of making possible, may reduce uncertainty, thereby positively contributing to reciprocity. Collectively, these findings provide new knowledge in an area scarcely investigated and offer valuable insights for practitioners – be they on the sponsor or sponsee side of the sponsorship relationship.
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