





#### **MKM227 Postgraduate Dissertation**

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# Sponsorship Management in Vietnam: Progression, Development, and Recommendation.

A dissertation submitted in partial fulfilment of the requirements of the Royal Docks Business School, University of East London for the degree of MSc International Marketing Management.

May, the 13th 2014

14.130 words

I declare that no material contained in the thesis has been used in any other submission for an academic award

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### Postgraduate Dissertation

## Sponsorship Management in Vietnam: Progression, Development, and Recommendation.

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#### **Abstract**

Sponsorship has become a popular marketing communications tool. This study aims at exploring how managers view of their sponsorship programmes. The research looked at available literature, which is discussed the field of nature of sponsorship, managerial process and its effect evaluation. This project is specifically focussing on Vietnam. To deal with the research questions and objectives, the research adopted qualitative perspective especially in–depth interview for achieving open–ended, insight explanation of managers' perception of sponsorship management in Vietnamese enterprises. Analysis of the interview data provided the author with practical comprehension about the existence of sponsorship activities in Vietnam. Through a cluster analysis, two types of sponsoring firm are grouped and labelled as unprofessional sponsors and more professional sponsors. Limitations, marketing implications and scope for future research have also been proposed.

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#### Chapter 1: GENERAL INTRODUCTION

#### 1.1. Background of the study

In the history of marketing especially promotional tools, traditional advertising on television has been estimated as the most useful tool for company to promote their products. Along with the growth of complex consumer behaviour and the imperative need of company to establish long-term and mutual trusting relationships with the public, sponsorship came out and appeared to be a helpful solution. Therefore, it is now becoming an increasingly prevalent promotional tool (Cornwell & Maignan, 1998). According to statistics from International Events Groups (1996, 2002, 2011), it has been estimated that, in 2011, \$46.4 billion was invested in sponsorship globally, in comparison to \$28 billion in 2002 and \$13.4 billion in 1996. More specifically, North America always remains the largest source of sponsorship spending, followed closely by Europe and then Asia Pacific region (International Events Groups Sponsorship Report 1996, 2002, 2011).

In the academic field of marketing management, the topics of sponsorship management have been explored for more than thirty years (Walliser, 2003). From mixing up with patronage, sponsorship is gradually understood as a marketing communication instrument (Meenaghan, 1983). Especially, in the final decades, sponsorship emerged from a simply philanthropic activity to a widespread marketing instrument. Therefore, it is highly considered as a commercial investment (Cornwell, 2008). The rapid development of sponsorship has been associated with numerous researches, examining its both practical and theoretical aspects. It is remarkable that, sponsorship might be one of very uncommon fields which have gained more academic attention in Europe than in North America or other parts of the world (Walliser, 2003). Along the lines of the significant growth in sponsorship investments, the issue of evaluating the outcomes of sponsorship has been of great interest in both academics and business practice. Moreover, there is also an increasing concern to demonstrate accountably sponsorship expenditure (Verhoef & Leeflang, 2009; Delaney & Guilding, 2010). However, these aspects of its managerial decision-making process remain deficient, and more surprisingly there is only a few companies that pay attention to evaluate its effects (Farelley, et al., 1997; Walraven, et al., 2012).

#### 1.2. Statement of the problem

The above facts are especially true for the case of Vietnam. Being known as a developing country located in active business area of Asia Pacific region, Vietnam has adopted market economy for more than twenty years, a long time enough for firms to inquire modern management perspectives. Although sponsorship is broadly popular in the world, its concepts are newly known in Vietnam. However, there is still no comprehensive study regarding this topic. Most people working in this field actually have vague knowledge about sponsorship management then they rely mainly on experience. The need to investigate the reality of managing sponsorship activity in Vietnamese enterprises prompts the conduct of this research. Therefore, detailed study will be done to investigate the existence of decision-making process in sponsorship activity of Vietnamese enterprises, and then recommendation will be proposed to apply sponsorship more effectively.

More specifically, in order to solve the above stated problem, the study will first present a critical review on the current literature on the topic cited from different scholars. Studying carefully relevant works allows the author to identify the knowledge gaps which will be tried to fill in this research. It is noted that the literature on sponsorship management has numerous dimensions, but only a few relating areas will be discussed in this research such as its nature, managerial process and effectiveness measurement. Next, the study will investigate the real situation of Vietnamese enterprises' sponsorship activity through in-depth interviews with top-level managers. Thereby, analysing the content of these discussions will explore outstanding issues for the understanding of the existence in management process of sponsorship in Vietnam. Then, this thesis will points out the methodological and theoretical limitations and concludes to what extent the project conducted contributes to academic theory and marketing practice. Finally, the author gives both academic recommendations for future research projects and managerial advices for better applying and managing sponsorship activity in Vietnamese enterprises.

#### 1.3. Research Objectives

The research is undertaken with the following objectives (RO)

RO1: To critically review the scope of defining sponsorship, understanding its managerial process and evaluating its effects.

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RO2: To practical understand the progression of sponsorship activity in Vietnamese enterprises

RO3: To evaluate the effectiveness of sponsorship activity in Vietnamese enterprises

RO4: To propose solutions for Vietnamese enterprises to manage effectively sponsorship activity to gain competitive advantages

#### 1.4. Research Questions

By fulfilling above-mentioned objectives, the author can find the answer for the following research questions (RQ)

RQ1: What are Vietnamese managers' perceptions of sponsorship?

RQ2: What is the existing sponsorship management system in Vietnamese enterprises?

RQ3: What should be done to apply sponsorship more effectively in Vietnam?

#### 1.5. Research Methodology

The choice of which method to be used in a specific research should be determined according to research objectives but not by preference of the researcher or advice from others. As this study aims at understanding the existence in managerial process of sponsorship activity in Vietnamese enterprises especially in terms of motivation, responsibility and measuring the sponsorship's effects, qualitative approach would give more freedom to the participants to discuss various issues in a typical context. Meanwhile, quantitative research might limit interaction with the respondents leading to the lack of insight explanations. For this reason, qualitative research namely in-depth interview is adopted in this study. Next, the scope of validity in qualitative approach such as dependability, creditability, confirmability, and transferability is theoretically described to judge the logic of the study. Then data collection process and sample size in the use of in-depth interview are fully described. A table of the profile of interviewees are also included. Additionally, the interview guide which supports the researcher to process the interview in the precise direction is attached in the appendix for the reference purpose.

#### 1.6. Significance of the study

Firstly, the author critically reviews all available and relevant literatures on sponsorship then maps them fitting with the research objectives. Hence, this study provides people who are interested in marketing with systematic Introduction U1222281

background knowledge about nature of sponsorship, its management process and effectiveness evaluation. Secondly, from paper works of various scholars from different countries in the long history of sponsorship development, marketers can get an overview about sponsorship trends and its development in both international and Vietnamese context. Finally, existing issues of Vietnam combined with lessons from developed countries hopefully support the author propose recommendation for executives of Vietnamese companies, to help them better control the application of their sponsorship activities.

#### 1.7. Scope of the study

There are certain boundaries to cover all aspects of sponsorship management. Therefore, this study aims mainly at providing a deep comprehension about the decision making process and evaluation of the sponsorship's effectiveness in Vietnamese enterprises. Hereby, data are collected limitedly from different companies located in Vietnam. To be more specific, this study confines data from conversations with top level executives and others records and documents provided by the respondents as well as collected by the researcher through all available sources.

#### 1.8. Limitation of the study

Due to geographical, financial, and time constraints, as the author is now based in the United Kingdom while the researched entities are all based in Vietnam, the project is conducted limitedly online with respondents from Vietnamese enterprises. The lack of professional interview skills as well as individual in-depth knowledge and experience restriction are also identified as typical limitations of this project.

#### 1.9. Research outline

This study is divided into four main sections: critical literature review, research methodology, data analysis and conclusion and recommendations. All sections are thoroughly guided by the research questions and objectives mentioned above and are outlined as below.

In the first section, the author critically defines the nature of sponsorship as well as distinguishes it with other marketing communication tools, especially advertising. Furthermore, the managerial aspects of sponsorship process including setting objectives and selection; organization and implementation; and controlling as well as various aspects of measuring sponsorship's effects

such as customer-based brand equity (brand awareness, image and purchase intentions); building relationship with customers and other stakeholders; strengthening relation with employees and shareholder value are also explained.

The second section describe detailed of the approached research methodology. After a summary restatement of the research question and objectives, the author show theoretical background and practical design of this project. The qualitative perspective particularly in-depth interview method was chosen to conduct the project as it is believed to be the most effective way to approach the problem. The interview guide, data collection and sample size are also clearly explained in this section.

Subsequently, the third section analyse the data collected. By conducting eight discussions with top-level executives of Vietnamese companies, many meaningful stories have been discovered contributing to the findings of actual situation of applying sponsorship in Vietnam.

The last section is comprised of conclusion and recommendation. After analysing and discussing the interview data, the author now points out the methodological and theoretical limitations then concludes to what extent the project conducted contributes to academic theory and marketing practice. Finally, the author gives recommendation originated from the research questions, objectives and findings.

#### **Chapter 2: LITERATURE REVIEW**

#### 2.1. Nature of sponsorship

#### 2.1.1. Defining sponsorship

Nearly all of the relevant articles mentioned about sponsorship's nature dated from the 1980s and early 1990s. However, until 1996, a generally accepted definition of sponsorship was still not viable (Cornwell & Maignan, 1998). Initially, the definition by Meenaghan (1983) regarding this activity in terms of "provision of assistance either financial or in kind" as a potential method of marketing communications has been frequently accepted by later documents and among commercial organisations. Regarding to sponsorship objectives, a more specific notion was given which defined sponsorship as "investments in causes or events to support corporate objectives (for example, by enhancing corporate image) or marketing objectives (such as increasing brand awareness)" (Gadner & Shuman, 1988). This definition broadened the understanding of sponsorship which can be used as a tactical tool as well as a strategic vehicle. Along with the growth of sponsorship, sponsorship once mixed up with charity or patronage has now been oriented more commercially (Witcher, et al., 1991; Cornwell, et al., 2001). Based on commercial point of view, Meenaghan (1991) defined sponsorship as an investment. Finally, the generalized definition of International Events Group (2000) have reached the highest consensus and been widely accepted. It defined sponsorship as "a cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment or causes) in return for access to the exploitable commercial potential associated with that property". In other words, sponsorship is mostly the financial support which used to reach particular business goals. To be more specific, each property is comprised by a particular set of exploitable sponsorship elements to offer sponsors. This reminds the basic theoretical changes in marketing with the move from product orientation - "Sell what you make" - to market orientation - "Make" what will sell" (Stotlar, 2001). Especially this theory also functions in sponsorship as well.

In recent year, the emerging outbreak of television shows which attract crowded audiences leads to the growth of a new practice of sponsorship. It is broadcast sponsorship, involving investment in an association with television or radio programmes, which seem to be the area of greatest sponsor

attention (Meenaghan, 1991). Broadcast sponsorship has its essential role usually as part of a long and exacting brand campaign where the brand or product attaches itself with a television programme with which it shares either commonalities or specific values.

#### 2.1.2. Sponsorship and other marketing communication tools

As being both considered supplemental elements of integrated marketing communication strategy, it appears that sponsorship is confusingly comprehended as advertising. The answer for "whether sponsorship is no different from advertising" (Marshall, 1992) showed that 83% Germans, 78% British and 62% French "agree strongly" or "slightly". Moreover, approximately 85% of Europeans think that companies use sponsorship merely for commercial purposes. Also in this report, Marshall (1992) clearly distinguish sponsorship is thoroughly agreed as "part of life" which is totally different from advertising in terms of "not something a company has to do". Regarding to broadcast sponsorship, the inability to distinguish between traditional advertising for a product and sponsorship of a television programme of the same product seem to be more confused. In this case, to many people, sponsorship was simply described as "the adverts in and around the programme" (Priest, 2010).

It is easy to misunderstand as they both allocate the similar objectives i.e. brand image and brand awareness. However, the most important point is that they do not use the same ways to convey the messages. While advertising is more direct and easier controlled, sponsorship has to clear more communication barriers and the return cannot be easily evaluated (Erdogan & Kitchen, 1998). It also stated clearly in the International Events Group's Complete Guide to Sponsorship that "Sponsorship should not be confused with advertising. Advertising is considered a quantitative medium, whereas sponsorship is considered a qualitative medium." In general, sponsorship might bring more risk for the sponsors than advertising due to the participation of a second party – the sponsored entity whose action can hardly be controlled (Speed & Thompson , 2000).

Moreover, the line between sponsorship and other marketing communication tools can be incomprehensible (Cornwell & Maignan, 1998). Sponsorship activities can be mixed up with promotion or public relations (Well, et al., 2007). Additionally, sponsorship can seemingly be a form of marketing mix which involves product, price and distribution. This requires the need to

build integrated forms of sponsorship and other marketing communication tools to achieve the most beneficial returns from the sponsorship investment (Parker, 1991).

In terms of interaction between all marketing communication tools, advertising is usually used to communicate and leverage the sponsorship context (Weeks, et al., 2008; Cornwell, et al., 2005). It is emphasized that sponsorship achieves the greatest impact when it is functioned in an integrated marketing strategy and when it is leveraged appropriately (Quester & Thompson, 2001; Walliser, 2003).

#### 2.1.3. Product relevance

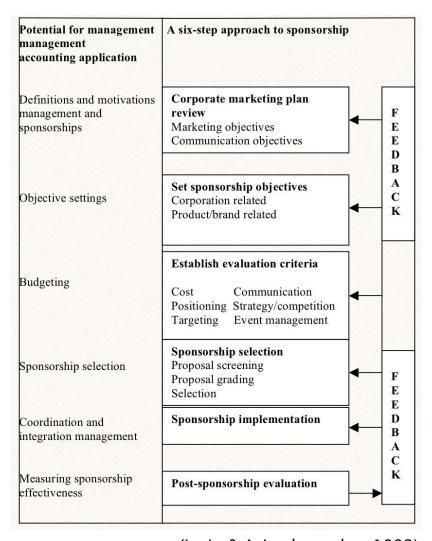
Sponsorship works by the association between the sponsoring company and the organiser of the sponsored event. An essential issue is the fit between this two parties what is termed "product relevance" (McDonald, 1991). There are mainly two kinds of relevance: function-based and image-based similarity. In the former type, the product of sponsor is directly used in the sponsored event by participants, for example Nike sponsoring a marathon competition in which its shoes are used (Gwinner & Eaton, 1999). Others may argued that, in some events i.e. a concert, only a typical product category can satisfy the criteria of functional similarity such as musical instruments. Thereby, a broader definition of function-based similarity should be given to realize situations where the product is not in use actually in the on-site event but to support the event. A good example is when Vietnam Airlines flies the Vietnamese national football team to the match that can be regarded as "functionally similar". In the later type, the sponsor's product is not used but the link is still created if the event and the sponsoring brand share similar image (Gwinner, 1997).

Actually, this classification cannot always be exact and clear as sponsor can be similar to the sponsored event either in image or functionality. The above example of Vietnam Airlines was used to demonstrate function-based similarity, can be also used to illustrate an example of the similarity in image-based, when both the team and the airline have the same image of Vietnam. In fact, this two kinds of product relevance often coexist and reciprocal to leverage to brand equity of the sponsor (Poon & Prendergast, 2006).

#### 2.2. Managerial process of sponsorship

In recent years, researches in marketing management literature have shown greater interest in the managerial process of sponsorship. The view of sponsorship as an investment also appeared in a writing which pointed out that a sponsor has numerous critical factors to examine whether to undertake sponsorship or not, including establishing the objectives of the sponsorship, determining who or what should be sponsored, deciding the strategies, techniques and steps to be taken to guarantee the maximisation of targeted objectives and the appropriate budget needed for sponsorship investment (Hoek, et al., 1990). This so called managerial process of sponsorship has been developed more clearly through a six-step model (Figure 1) by Irwin and Asimakopoulos (1992).

Figure 1: A financially-oriented adaptation of Irwin and Asimakopoulos's six-step approach to sponsorship management



(Irwin & Asimakopoulos, 1992)

#### 2.2.1. Sponsorship objectives and selection

In general, increasing awareness and intensifying image have ordinarily been the key objectives of sponsorship. By the way, setting sponsorship objectives is definitely sophisticated when it relies on various factors (Copeland, et al., 1996), such as company size (small or big), industry (consumer products or industrial products or services), area (sports or social or environment or arts) and even type of activity... For example, art sponsors mainly motivated by hospitality, whereas social or environmental sponsors seek for showing corporate social responsibility. Overall, most of researches are only focused on sports sponsorship. Researches in this field suggested a plenty of objectives that could be expected to gain through sports sponsorship such as increasing market share, setting more trade relations, enhancing brand image, product awareness and pushing up on–site sales (Stotlar, 2001; Irwin & Sutton, 1994).

Most companies have their own goals when they decide to participate in sponsorship activity (Stevens, 1984). However, paying a massive amount of money to have the corporate's name appear in an event still not ensure that customers can recognize the sponsor then their attitudes and behaviour toward that company might change positively. The figures came out by some companies did not show a parallel connection between sponsorship and result of increased sales. A typical example of the 1996 Olympic with two-third of the sponsors did not meet their sales targets (Helyar, 1997). Sponsorship could be used to achieve both short-term and long-term objectives (Bacigalupo, 1996; Brown & Dacin, 1007). In addition, sponsorship is also effective if the company's goals are to advocate the community and improve relationships with customers and other organisations (Mount & Niro, 1995).

In consequence, various selection criteria should be listed to select a suitable sponsorship programme for firm (McCook, et al., 1997). Even there is no coherent selection mechanism existing, the following criteria have been prioritized: perceive a link between sponsoring product and sponsored event, between objectives of sponsoring company and sponsored property, media coverage, enthusiasm to cooperate in long-term, geographical stretch, expected competitive advantages... (Thwaites, et al., 1998).

#### 2.2.2. Sponsorship organization and implementation

Main focus of researches on sponsorship organization is who will be the decision-maker in the sponsor firm. This issue can vary from firm to firm, country to country with different business culture, company structure and also experience and familiarity with sponsorship activity. In compared with Australian firms, sponsorship decisions in American companies are made more frequently by middle management level (Quester, et al., 1998). Along with the existence of modern company with network decision-making structure, more researches explore sponsorship from a network point of view (Farrelly, et al., 1998). This perspective potentially widens the comprehension of the exchange process in sponsorship activities and to clarify the connection between all components- both internal and external the sponsoring firm.

It is indicated that sponsorship activities could be more effective when coordination from other marketing communications promotional tools, i.e. product management and advertising department (Cornwell & Maignan, 1998). This means that all the departments within a company might have responsibility for sponsorship to reach the maximum expected sponsorship objectives (Meenaghan, 1991). More clearly. marketing should be in charge of sponsorship with main aim at consumers linking to a specific product brand, at the same time, public relations might also involve in sponsorship but linked wider to brand or corporate image and targeting at broad selection of stakeholders. For bigger companies, the organization and implementation are even more complicated as involving various groups being in control of different sponsorship programs, each having their own aims and objectives. Even though, to build up overall brand and corporate image, all the groups were required to coordinate harmoniously (Cornwell & Maignan, 1998).

#### 2.2.3. Sponsorship controlling

Post-sponsorship evaluation named sponsorship controlling is also an issue of great interest. Two general streams of researched might be clarified. The first one is descriptive approach, tracing how and to what extent firms can control their sponsorship activities (Thwaites, et al., 1998). The second category is more statistical, recommending models and tools for evaluating sponsorship activities.

In recent years, sponsorship control gains more positive attention resulted in most obstacles to sponsorship control such as control levels, tools and processes are clearly recognized. Regarding the control tools, they are partly similar to tools from advertising and widen the selection of control possibilities for the sponsoring firms (Cornwell & Maignan, 1998).

In summary, it is noteworthy for a company to manage sponsorship with an existence of a written sponsorship policy. Firms that do have that kind of policy might establish a sponsorship department, to integrate with internal departments (public relations, advertising...) and external department (the sponsored, customers, other sponsors,...) and to sort out an empirical control measurement.

#### 2.3. Measuring sponsorship's effectiveness

Overall, a majority attention of researchers concerns about the measurement of sponsorship impact. Tracking techniques are among of great use to examine sponsorship effects, whereas some studies used experiments (Cornwell & Maignan, 1998). From previous works, sponsorship's effects can be classified to four group of outcomes including creating customer-based brand equity; building relations with important stakeholder such as customers, supplier, media, etc,...; strengthening relations with employees and shareholder value. In practical, little evidence showed that marketers attempted to measure these effects of their sponsorship investment (Cornwell & Maignan, 1998; McDonald, 1991). For these intangible results which are pretty difficult and costly to measure, it is understandable that measurement expense might be a big issue for small firms but even larger firms might have budget to do, there are still a lack of interest and understanding about these outcomes.

#### 2.3.1. Customer-based brand equity

Creating brand equity could be the most important objective of using sponsorship (Crompton, 2004). The notion of customer-based brand equity was cited as "the differential effect of brand knowledge on customer response to the marketing of a brand". The differential effect was clearly distinguished among two stages of sponsorship effects namely cognitive stage (awareness, image) and behavioural stage (purchase intention) (Keller, 1993).

#### **Awareness**

A great proportion of researches evaluating sponsorship outcomes have identified awareness as a key independent variable. In general, there were possibly three approaches of awareness which can be clarified: evaluating to what extent the public recognizes the sponsors; determining issues which motivate sponsor recall/association, and exploring the cognitive process associated with recall that occurs in audience's mind.

The first category focused on examining overall public's awareness of sponsors or on public's awareness levels about sponsors associated with particular activities and events (Easton & Mackie, 1998). Regarding to the second category, recall or association is naturally different relying on variety of factors which could be divided into five categories: "condition of exposure, product, message and target characteristics, and, finally, sponsorship integration" (Walliser, 1997). The third group of articles took a look at sponsorship awareness from consumer behaviour perspective. This stream focus on the positive role of memorisation raising the hypothesis if the connection between the event and the sponsor has been impeccably determined, participants can recall the sponsor's name from their memory easily later (Pham & Johar, 2001).

#### **Image**

Only a few researches focus separately on image impacts of sponsorship as they were normally examined in related to awareness and/or purchase intention (Cornwell & Maignan, 1998). It was argued that each sponsorship activity aim at creating particular image values which might be transfer to internal or external groups (Meenaghan & Shipley, 1999). It also appeared that image transfer was affected positively by sponsor's general perceptions of the event or activity, the audiences' attitude toward the sponsor and the activity, by the high involvement of the participant with the sponsorship activity, and only transpired for sponsors who have greater prominence during the event or activity (Stipp & Schiavone, 1996). However, Stipp and Schiavone indicated that image effects lasted only temporary and rely on the combination of sponsorship with other marketing communication tools.

#### **Purchase intention**

Purchase intention is considered as the link between customer's attitude and behaviour (Dees, et al., 2008). A large number of researchers found a remarkable connection between the attitude of consumer attitude towards a sponsor and their purchase intentions towards the product of sponso (Speed & Thompson, 2000; Gwinner & Bennet, 2008; Chanavat & Martinent, 2009). To be more specific, according to result of survey about attitude toward sponsorship, respondents shared more likelihood to purchase sponsor's products in comparison with competitor's (non-sponsor) products. In this case, it is also interesting to see how different education levels affected purchase attention when people with less than a college diploma were more likely to purchase sponsor's products. By contrast, gender did not show a significance influence (Daneshvary & Schwer, 2000). Nevertheless, when observing the actual behaviour, it could be realize that product use was not significantly higher for products of the sponsor than that of the non-sponsor (Pope, 1998).

## 2.3.2. Building relationships with consumers and broad range of stakeholders

In the end, setting up and maintaining relationships with consumers is the most important objective of any firms in the context of global aggressive competition. Relationship marketing with customers and other stakeholders has become an essential sponsorship application (Clark, et al., 2003). It is believed that investment in relationship marketing strengthens both consumer's trust and loyalty, which later influence purchase intentions and corporate's performance (Palmatier, et al., 2009). Palmatier et al. (2009) also clearly explained that the relationship was created by the feeling of gratitude from consumers and their give–and–take behaviours, which were expected to be regularly important in a specific sponsorship situation.

The effect of sponsorship in relationship marketing can be measured by several forms. Firstly, fans of the sponsored entity might highly appreciate the support of the sponsor and then stimulate gratitude towards the sponsor (Meenaghan, 2001). Secondly, stakeholders i.e. media, politicians, suppliers who was invited to sponsorship programmes may also generate feelings of gratitude towards the sponsor, an in turn develop reciprocal behaviours.

#### 2.3.3. Improving relationship with employees

Internal marketing plays an essential role in contribution for the success of organisation (Mitchell, 2002). It is obvious that satisfied and committed

employees are more encouraged to attain company objectives than less satisfied employees. Moreover, employees act as vital part in creating value for consumer, particularly in service firms and also act as brand ambassador of the company which means they have a remarkable impact on how different stakeholders identify the corporate brand (Bansal, et al., 2001; Punjaisri & Wilson, 2011). Internal marketing is targeted at "ensuring that the brand promise is transformed by employees into reality" (Punjaisri & Wilson, 2011). Likewise, sponsorship, when used as an internal marketing medium, potentially contributes to employees' commitment with the company, their prides' and also loyalty's levels (Gadner & Shuman, 1988). More specifically, it is expected that the variables (i.e. education, age, job satisfaction, and duration of labour contract) which moderate internal relationship as well as the factors impacting on the attitude of consumers towards the sponsor (i.e. involvement, perceived fit and attitude) play an active role in the perception of the employees about corporate sponsorship and their reaction to specific sponsorship programme (Punjaisri & Wilson, 2011).

Furthermore, sponsorship may act as an active assistant in new talented staff recruitment when it potentially influence the level of brand and firm awareness and prospective links among possible employees, assumed that possible employees are likely responsive of the corporate sponsorship (Meenaghan, 1983).

#### 2.3.4. Shareholder value

From financial perspective, a few scholars approached the matter of evaluating sponsorship outcomes by examining the influence on stock prices (Pruitt, et al., 2004; Clark, et al., 2009). The underlying supposition is that stock prices show immediate investors' reaction to updated information in the marketplace. If investors consider this newly sponsorship as potentially fruitful investments, it is believed to see the rise in stock prices when a firm announces its sponsorship news. Actually, analysis showed contrasting results, some scholars assumed that the announcements of sponsorship programme were positively welcomed by investors (Pruitt, et al., 2004), while other authors observed negative attitude (Miyazaki & Morgan, 2001). It is implied that the impact of sponsorships on shareholder value is likely different from sponsoring firms to firms and events to events. Possible factors that decide the shift in stock prices as a consequence of sponsorship announcement has been attempted to point out in previous studies. For example, in sports sponsorship, the positive performance of the sponsored

property (team or individual), is likely resulted in the increase of stock prices after the sponsorship news is official announced (Pruitt, et al., 2004; Clark, et al., 2002). Moreover, the duration of signed contract and the perceived fit's level between the sponsoring firm and the sponsored entity are listed as important factors affecting investors' reactions towards the sponsorship announcement (Clark, et al., 2002; Cornwell, et al., 2005; Clark, et al., 2009). Furthermore, Clark et al. (2002) argued that level of firms' technology also play an important role in determining investors' reactions. They stated that sponsorship activity of high technology companies get more prospective responses than that of traditional companies. They explained this result happened because it was likely challenging for investors to evaluate the financial circumstances of high technology companies, which mean more hazardous business, therefore, sponsorship announcement in this case acted as a vehicle to reduce the investment uncertainty. To summarise, sponsorship announcements mostly positively affect shareholder value but the effects vary relying on sponsor and sponsored programme typical factors: fit, performance of the sponsored entity (regarding sports sponsorship), and the level of hazard in the sponsoring firm and the length of the sponsorship contract.

#### 2.4 Chapter summary

To sum up, it can be concluded from the available literature that after long history of development, sponsorship has been finally defined as a commercial investment (International Events Group, 2000). When comparing to advertising which is more explicit and easier controlled, sponsorship with the possibilities to achieve richer and long-term communication returns is clearly consider as a more effective instrument. A six-step model of Irwin & Asimakopoulos (1992) was attached and well-explained to describe the management process of sponsorship. The most important aspects of sponsorship effects evaluation was reviewed through variables namely customer-based brand equity (awareness, image and purchase intentions), building relationships with consumers and broad range of stakeholders, improving relationship with employees and shareholder value. It is essential to note that sponsorship studies of the past were mapped to make a sketch for the interview guide, by which the author can examine the scope of sponsorship management in Vietnamese context for this project.

#### Chapter 3: RESEARCH METHODOLOGY

The main purpose of this dissertation is to examine decision-making process in sponsorship activities of Vietnamese firms with regard to understanding of sponsorship, responsibility and controlling the outcome of sponsorship activities.

This study has taken into account various areas to find out different conclusions. Therefore, by exploiting all available data, and in order to acquire profound insights of the issue, qualitative perspective was chosen by carrying out in-depth interviews.

This chapter withdraws instruction for applying qualitative research and indepth interviews. This chapter's content might give a broad understanding about research type, data collection and sample size as well as an overview of data analysis.

#### 3.1. Research type

#### 3.1.1. Qualitative approach

Qualitative approach is a method of query used traditionally in the social sciences specialties. However it has gained more favorability in the academic scale, especially in commercial market research (Denzin & Lincoln, 2005). This academic source took advantage of the commercial value of applied psychology, combining techniques that aim at in-depth understanding, exploring and explaining human behavior, and also the reasons that rule over such behavior (Bailey, 2013). Qualitative research was defined as "a form of exploratory research involving small samples and non-structured data collection procedures". In other words, qualitative research discovers the how and why of decision making, not just what, when or where, therefore, smaller but more concentrated samples are usually engaged (Parasuraman, 1991). In terms of ordinary view, qualitative approach generates information based on specific case studies and contexts. Qualitative research's goal is to achieve a deep comprehension of an individual or a group opinion and experience. In comparing to quantitative approach which provides trustworthy and statistical results, qualitative approach brings out richer information and more descriptive answers (Silverman, 2000). This type of research including steps like data collection, interpretation and analyzing emphasizes on generalizing data by comprehending profound information, which cannot be done statistically or quantitatively. Interesting point of this approach is that it is no longer put under compulsory of any control settings. Researchers might prepare a list of question to ask but they will not exactly be the same all of the time as they can flexibly direct their questioning according to the response of interviewee (Royse, 1999). Qualitative approach use various methods such as unstructured, semi– structured, interviews or observation (Walker, 1988).

#### 3.1.2. Justification for choosing qualitative research

The adoption between qualitative and quantitative methods should be identified by the specific research questions and objectives, not by the predilection of the researcher. In qualitative approach, the researcher puts himself/herself into the situation of the respondents to understand and inter pret experiences. Hereby, experiences cannot be examined statistically (Schriver, 2001). Since this study aims at understanding the existence of sponsorship management in Vietnamese firms, the views of top level managers are crucial for the project, that's why qualitative research is essential for this study. Managers are the important decision–makers, hence, their opinions are definitely matters of vital importance. Qualitative perspective permits participant to freely discuss instances or stories of his/her specific company, whereas quantitative approach could limit interaction with the interviewees.

#### 3.1.3. Validity in qualitative research

From philosophical perspective, qualitative scholars argued that various grounds are required to evaluate the research quality. In order to examine the logic of the research, four dimensions termed as dependability, creditability, confirmability, and transferability was presented to evaluate qualitative research (Guba & Lincoln, 1989).

Dependability is the first dimensions of reliability. Hereby, the uniformity of data over time is mentioned. However, the core interest of dependability is the ability to create the same results if observing the same thing more than once (Halldorson & Aastrup, 2006). According to Guba and Lincoln (1989), dependability is attained by providing the decisions of the method as well as the validity of process.

The second aspect, creditability, bases on the perspective that "there is no single objective reality" (Erlandson, et al., 1993). With regards to scopes and relationships, credibility delivers deep insight of the situation in the research. This specific criteria aim at producing trustworthy results contributed to understand the participant who performs in the study (Halldorson & Aastrup, 2006).

Confirmability is the third feature of reliability. It mentions to the level at which "the findings can be confirmed through data itself" (Halldorson & Aastrup, 2006). Analysis, conclusions and recommendations are equally originated from the confirmability, therefore, allowing researcher to state the findings of the study.

The last dimension, transferability, presents a study which could make "generalised claims about the world" (Halldorson & Aastrup, 2006). Transferability can be improved by clarifying the background of the research and the hypotheses which are the most important of the study.

#### 3.2. Data collection

Researchers who adopt qualitative method confront a variety of choices in terms of data collection such as storytelling, grounded theory practice, or ethnography. Qualitative research usually divides data into categories as the principal basis for systematizing, analysing and representing outcomes. Qualitative researchers specifically base on the following ways to collect information: non-participant observation, participant observation, reflexive journals, field notes, unstructured interview, semi-structured interview, structured interview and analysis of documents and materials (Marshall & Rossman, 1998). Among them, the most common instrument is the interview. However, in terms of more specific data collection it can also comprise of group discussions, in-depth interview, observation and reflexion notes, texts, pictures and/or other materials (Savin-Baden & Major, 2013).

Additionally, data must be collected to target research's objectives and it should identify the specific information which is applicable and useful (Malhotra, 2004). This study use primary data which is defined as "data collected specifically for a project" (Parasuraman, 1991). It is argued that primary data collection can be expensive and time-consuming (Malhotra, 2004). There are several ways to collect primary data such as questioning, or

observation. This study chooses interviews as an effective method to touch the findings in Vietnamese business context.

#### 3.2.1. Interviews

Interview is normally understood as a conversation between two or more people where the interviewer asks the interviewee to explore facts or statements. Initially, interview is usually used in journalism and media, but later it is also employed for many other purposes including qualitative research.

Among qualitative methods, interviews – "which purpose is to gather descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena" (Kvale, 1983) – target to deeply acquire and discover people's mind those things that cannot directly observe. Hereby stated that the most important task of interview is to realize the meaning of what the interviewees say. As a method of qualitative research, interview is a useful technique enabling the researcher to appreciate the experiences of others. In order to do so, the interviewers are required to be tactful and sensitive when interact with interviewees (Seidman, 1998).

As a research method, qualitative interview has various advantages. Firstly and potentially the greatest advantage of interview is the richness of detailed provided by the interviewee. During interacting with participants, besides the story they tell, other social indications such as tone of voice, body language, manner of the interviewee can support the interviewer lots of further information that could be added to clarify the verbal answer of the respondent. This level of specified information, whether verbal or nonverbal, may show meaningful hidden descriptions unlike any quantitative research methods (Weiss, 1994). Secondly, interview has a distinctive advantage in its particular form. Researchers are able to customize the questions or ask follow-up questions to the interviewee so that they can get richer information they need for their project. Interview enable researcher to easily make something clearer when they need more examples or explanations from the respondent (Seidman, 1998). Finally, through interview, researchers can not only study about particular events but they can also get insight comprehension of people's experiences which help them understand the whole process of the story rather than just what happened and how they reacted to it.

By the way, interview is not an equally ideal method for all researches as it does have unavoidable disadvantages. Firstly, researcher may find it difficult to plan the interview. There can be complications in recruiting interviewee because of the specific scope of the interview, or in organizing when and where to meet them. Participants may also change or cancel the interview at final moment. Secondly, during the real interview, a probable issue is skipping information as the interviewer might be in charge of multitask such as making the interviewee feel comfortable, taking note and thinking of follow-up questions, etc...Thirdly, after the interview, the data analysing process is also a great challenge requiring many skills from the researcher.

When considered as a technique of data collection, interviews enable face—to–face communication with the participant. It provides interviewee with more freedom to express their views and opinions on various situations, and then receive better contextual data. A research can use various types of interviews such as focus groups, in–depth interviews or projective techniques basing on the research's objectives and the type of research. As this study aiming at empirical understanding of the sophisticated decision—making process in sponsorship of top–level managers, in–depth interview was chosen as the main method. In the situations of sponsorship has not been so far familiar and wide–applied in Vietnam, in–depth interview could be a good method to gain not only understanding but insights of the problems faced by people working in sponsorship management.

#### 3.2.2. In-depth interviews

Unlike other methods, in-depth interviews are formless and broadly organized on one-on-one basis (Malhotra, 2004). By conducting an in-depth interview, researchers endeavour to recognize the underlined reason for an individual's specific behaviour and the signification contributing to their actions (Walker, 1988).

This study used open-ended questions which providing much more freedom to the interviewees, where they can extensively share their own point of views on the asked issues rather than the restricted set of selections in close-ended questions (Walker, 1988). These types of questions enables researcher to accumulate empirical information of people's experiences with their typical circumstances (Silverman, 2000).

Regarding to interview techniques, the interviewer prepares and attempts to obey an outlined script so called interview guide then in actual, the way they ask and the wordings of the questions may vary depending on the response of each respondents (Malhotra, 2004). The interview guide was created based on the set of objectives of this particular study. It comprised of four sections namely introduction, understanding sponsorship, management process and measuring the sponsorship effects.

These sections were drawn out to give researcher a clear guideline to conduct the discussion with the interviewees. For each section, some possible questions were kept in mind to direct the research to reach the targeting objectives. However the questions were not asked directly the same ways in all conversation as they were depended on the reply from respondents. The first section includes the warm up stage which is extremely important as it helps to create conformable level between interviewer and the respondent. It was indicated that interviewers must set up a relaxed and compatible relationship with the interviewees (Rapley, 2004). More important, the warm up stage might also enable the interviewer to assess the interviewee's background. As guided from Malhotra (2004), an in-depth interview should be carried on at least thirty minutes and no longer than an hour and a half. Each interview in this study lasted for around thirty minutes or more.

Probing in-depth interview plays a vital role in gaining significant response and attempting to discover hidden issues (Malhotra, 2004). This stage gives me many meaningful opportunities to touch insights of their knowledge about sponsorship along with the way they make decision and how they measure the effects of their company's sponsorship activities. Numerous stories were presented by the actual people working in the field helping me so far to identify who responsible for sponsorship decision and how they measure sponsorship effects.

Recording the discussion plays an essential role in collecting data in indepth interviews. There are possibly three ways to record the interview like tape-recording, note-taking, and the combination of the above two ways. It is noted to choose which alternative before carrying out the interview. Because of geographical constraint, the author conducted all the interviews through Skype with interviewees from Vietnam. Skype combining with iFree

Recorder software allows her to record the conversations, of course with the permission from interviewees. Tape-recording was mentioned as a more seemingly useful tool than note-taking (Rapley, 2004). While note-taking could distract interviewer within the interacting process with the respondents, tape-recording can be played repeatedly enabling the interviewer note out transcripts then analyse them cautiously to demonstrate all the arguments.

#### 3.3. Sample size

In designing a project, sampling is also one of the most important factors. Sample size was defined by Malhotra (2004) as "the number of the elements to be included in a study". Choosing an appropriate qualitative sampling is a complicated step because it is rarely practical or efficient to represent for the whole population. Deciding the suitable size of sample is a sophisticated process, when you have to consider numerous aspects. As qualitative method is undeterminded, the sample size in general seems to be small (Malhotra, 2004). It is also suggested that since in-depth interviews method is usually time consuming and requires high capability of specialised skills, less than fifteen interviews should be carried out in a specific project (Crouch & Housden, 2003). Since this project has used a qualitative approach with typical in-depth interviews method, the numbers of required respondents often become apparent as the project progresses when new explanations or themes stop arising from the data (theory of level of data saturation) (Marshall, 1996). Based on research objectives and theoretical suggestion, eight was considered as an ideally appropriate number for respondents of this specific project. Through my contact list since working time at Vietnam and friends connection, they were invited then willing to join the project. Interviews were conducted in United Kingdom but with respondents from Vietnam through Skype software. People who were interviewed were executives of different companies (Table 1) with different managerial levels, company's sizes and industries. This study aims at exploring the differences in sponsorship decision maker of different companies as well as how they measure sponsorship effects.

Table 1: Profile of the interviewees

Name	Gender	Position	Company	Industry
Interviewee 1	Female	Marketing	Nokia	Communications
		Manager		& Information
				Technology
Interviewee 2	Male	Director	Sage	Marketing &
				Communications
Interviewee 3	Female	Marketing	Language	Education
		Manager	Link	
Interviewee 4	Female	Marketing	Vietcombank	Finance
		Manager		
Interviewee 5	Male	Northern Director	Nike	Sport Accessory
Interviewee 6	Female	Brand Manager	Omo-	Fast-moving
			Unilever	Consumer
				Goods
Interviewee 7	Male	Director	Thang Long	Construction
			Corporation	
Interviewee 8	Female	Deputy Director	EVN	Energy

## 3.4. Analysis Ideas

After all the conversations were recorded, they were repeated to transcribe for data analysis stage. Each interview lasted about thirty minutes. Language used in conversations was Vietnamese, later the transcripts were translated into English. After reading carefully the transcripts, numerous issues emerged from the respondent's responses, which was thoroughly analysed based on research's objectives. It is essential to mention that there is no particular scheme for analysing the in-depth interview data. The research findings were identified relating to the literature. The analysis and findings would be further discussed in the data analysis and conclusion chapter. Then limitations would be pointed out n the conclusions and recommendations for specific Vietnamese context would be drawn after exploring the research findings.

## Chapter 4: DATA ANALYSIS

Data analysis in qualitative research comprises different methods and procedures, where interview data is transferred to understand and explain various contexts and human behaviour. For interview data analysis, the researcher might evaluate situation from the interviewee's point of view, attempt to understand the reason for that view and so on. The most important things in the method of qualitative data analysis are "writing and the identification of themes" (Lewins, et al., 2005).

The interviews provided deeper insights on managers' view on sponsorship management in Vietnam which help fulfil the research objectives. The interviewees willingly shared their views, what they consolidated from practical experience. Interview data were transcribed from Vietnamese to English but tried to keep them precise to the originality. Several themes rose from the transcript, which was analysed carefully to explore the research findings. Also the available mentioned-above literatures are linked to the respondent's answer.

#### 4.1. General knowledge about sponsorship

#### 4.1.1. Definition and motivation

The particular progressive development of a sponsoring company is demonstrated by the levels of sponsorship objectives and participation (Meenaghan, 1991). The respondent's view below about sponsorship is a supporting example of different levels between companies.

We donate a great sum of money every year to charitable activities or organisations to show that we do care about society (Interviewee 7).

We give financial support for events or organizations in order to stand out our company's or brand's name from the public (Interviewee 4)

We not only give them support by money but also directly and deeply involve in their activities. By this way, we create stronger link with the event and come closer to our potential customers (Interviewee 2).

As companies move up in progression, their perception of sponsorship should also represent increasing sophistication (Cornwell & Maignan, 1998). In the first level, this firm simply acts as a donor contributing money to an entity so as to just increase public attention. Sponsoring company in the next level requires more typical goals and show greater interest in achieving a visible return on their investment. In the third level, this company actively involves and controls sponsorship activities.

Within this multi-level structure, companies at the first stage are often defining sponsorship as a means to improve corporate awareness, whereas those at the higher stages develops more complicated definitions including more specific goals such as enhanced brand image, improved credibility and relationship-building (Meenaghan, 1991). The interviewing data advocated the literature to this issue.

Due to fierce industrial competition, we take advantage of sponsorship to build long-term relationship with important stakeholders namely Ministry of Education and Training, media and international partners as well (Interviewee 3).

Literature has also cited that when comparing the motivations of the first level with the higher-level companies, the first group definitely agree that they invested in sponsorship because they demand to "improve their corporate or brand awareness" (Interviewee 4,7,8), while the later emphasize that "we sponsor to improve relationships with customers and other stakeholders" (Interviewee 1,2,3,5,6).

## 4.1.2. Sponsorship and advertising

Sponsorship and advertising can be regarded as basic components in marketing communication strategy, as both targets at attaining the same objective namely evoke consumer responses. Respondents from Vietnamese firms clearly show that they have proper understanding to distinguish between advertising and sponsorship.

Advertising are easily controlled while you cannot see the effects of sponsorship in short-term (Interviewee 2).

Of course, we take advantage of both but with different objectives. For example, advertising is used to introduce new products, announce

promotional programmes while sponsorship is used to increase image and relationship (Interviewee 6).

# 4.1.3. Sponsorship market conditions

In sponsorship market, the creation of competitive advantage is a vital requirement for a successful sponsorship activity. The sponsorship conditions are taken into consideration when a manager makes the decision to take part in a specific sponsorship. Hence, it is essential for managers to investigate market circumstances before engaging in a sponsorship agreement. This issue was emerged from the interviewee's opinion.

We invest in sponsorship as a means to differentiate ourselves with competitor. We also check carefully information about other sponsors before entering an event to require beneficial clauses (Interviewee 1).

It is noted that the presence of other sponsors is an important issue as it might make the target audience more difficult to aware of sponsor and evoke the sponsorship link (Cornwell, et al., 2000). Furthermore, image transfer might also link between different sponsors of the same entity and this transfer can be favourable or unfavourable. Therefore, managers of sponsoring firm should thoroughly consider the image of co-sponsors before involving in a sponsorship contract.

The present of co-sponsor can leverage or damage our image. We always want to know who will be in the same boat with us (Interviewee 8).

Additionally, the execution of the sponsored property can also be a critical factor influencing sponsorship effects, especially in sport sponsorship.

We choose successful sportive people to sponsor as we wish to achieve positive consumers' perception of our products (Interviewee 5).

Specifically in sport sponsorship, it was widely agreed that optimistic information about team performance in turn supportively influence customers' perception of sponsoring brand quality, while unsuccessful performance news can affect their perceptions in a negative direction (Pope, et al., 2009).

However, in some case, the sponsorship decision was made easily based on personal relationship preference.

In state-owned company like us, there are many decisions made under control of top managers based on just preference of relationship and sponsorship decision might not be an exception (Interviewee 8).

This was not very surprising because the Vietnamese market still had relationship-based culture.

## 4.2. Management process

#### 4.2.1. Process

Each company follow their own process to manage sponsorship activities. The example from interviewee 3 (Figure 2) shows detailed steps they follow.

•Recognize the need to invest in sponsorship
•Receive sponsorship proposals

•Analyze maket situation
•Analyze sponsorship conditions

•Identify targeted audiences

•Design sponsorship programme

•Implementing sponsorship activities

•Evaluate the effects of sponsorship programme

(Interviewee 3)

Figure 2: Example of firm's sponsorship management process

Other firms also share they follow the basic step of receiving-analysing-implementing-evaluating. It can be seen that most firms have a proper understanding of how to manage their sponsorship activities but actually they still need to improve the execution in each step.

## 4.2.2. Responsibility

The investment decision-making process is one of the most essential researched issues of organisational life as it involves large amount of resources. When asked who within the company had main influence in sponsoring decision, it was discovered that mainly the marketing department and top level managers have both responsibility and budgeting decision.

Each brand work as a small company within which marketing manager is responsible of choosing, planning then recommending to brand manager. When the decision is made up, she (marketing manager) is again in charge of implementing sponsorship activity (Interviewee 6).

Customers are very savvy now and their expectations are high. Hence, it is crucial to choose the right event to sponsor. Therefore, the decision making process requires involvement of board of managers and mainly marketing department (Interviewee 1).

## 4.2.3. Sponsorship management factors

When a firm enter and manage a sponsorship agreement, sponsorship managers have to control various important factors. Generally, many kinds and forms of sponsorship exist such as title, general, official sponsor, technical or informational sponsor, so selection of the right sponsorship entity is a vital decision. Sponsorship properties might involve various kinds and levels of hazard which require sponsorship managers to take this into thorough consideration.

Once the agreement has been signed, managers are responsible of managing how to exploit the sponsorship linkage. From interviewee's view, we identified important factors that sponsorship managers are directly responsible.

#### Duration

It is widely supposed that long-term sponsorship creates more positive responses than short-term one because there is greater possibility for customers to remember the sponsor when they perceived the sponsor as more committed (Cornwell, et al., 2001). Other respondents are all agree with the definition of long-term as greater than five years and short-term as less than three years.

Perceiving a sponsoring company's name with the same event year after year might give the customer more chances to appreciate the strong attachment of the sponsorship link, hence, creating more convincing connection in memory and positive attitude towards the sponsor (Interviewee 2).

It is not easy to build up the linkage of sponsorship relationship in consumer's memory and it also does not happen immediately, therefore we usually invest in 5-year sponsorship agreement. It takes time but I think it is worth it (Interviewee 6).

#### **Active management**

Sponsored property is just the means to transfer the sponsorship message, the brand itself bear the responsibility to convey the meaning of the sponsorship to the consumer. Then it is suggested that sponsorship managers have responsibility to maximize the sponsorship persuasive impact. Hereby, active management is required to produce distinctive competence and enable a greater influence on the financial value of the brand.

You cannot just spend a lot of money then wait to see the result, sponsorship require active management throughout the term of agreement from before, on-time and after the activity (Interviewee 1).

#### Leverage

Sponsorship leverage was defined as "promotional expenditures over and above the sponsorship fee, including items such as advertising, sales promotion and client entertainment" (Crimmins & Horn, 1996) that ultimately contribute to the success of sponsorship-linked communication programmes.

Sponsorship cannot work on itself, it need the support from other activities to leverage its impact. Therefore, we usually associate sponsorship activity with additional promotion and communication to achieve higher level of sponsorship awareness (Interviewee 5).

# 4.2.4. Sponsorship budget expenditure

In the issue of sponsorship management, the way in which the sponsorship budget is allocated and expended is also an issue of great concern. It was

significant that some of the companies had developed a strategic marketing plan, in which planned detailed how they manage sponsorship budgets.

We build up carefully a marketing plan for each year since the beginning. That plan gives us a report of how our money was spent, and then we make a reference to what we targeted. If we are satisfied, we might add a couple of new arising things and so on (Interviewee 3).

Interestingly, another strategy is to maintain flexibility in expending sponsorship budget. The below opinion demonstrate this style.

You never know what is going to come on board. So we usually try to keep some strategic funds which promote flexibility so that we can be responsive to specific needs (Interviewee 2).

However, this flexibility approach was not supported by all managers. The need for a well-prepared, broad marketing strategy that can be used as a framework for the preparation of sponsorship expense was also highly agreed. Managers feel that a well-defined marketing strategy would make it easier to allocate sponsorship expenditures consistently with the strategy. Most of the managers stated the significance of balancing their budgets in ways that would support both on-going annual arrangement and one-off event.

With the habitual sponsors, we consider as on-going annual arrangement and dispense budget easily. Besides, we leave a small sum of our budget to support one-off sponsorship investments, but if only they are really worthy after thorough investigating process (Interviewee 5).

It is noted that accounting department does not play much significant roles in connection with sponsorship budget management. However, sometimes marketing managers might rely on accounting or finance department but just only to check the figures.

I think I have enough understanding about the sponsorship we do and the best way to do it without relying on external departments (Interviewee 1).

We do connect with finance department regularly to know sponsorship expenditure in the year up to date and the remaining funds to be expended (Interviewee 6).

## 4.2.5. Coordination and integration

In terms of Integrated Marketing Communications, sponsorship activity can be more successful when it is integrated with other marketing communications tools such as advertising, public relations,... (Meenaghan, 1991; Cornwell & Maignan, 1998). The results from respondents show the great agreement with literature.

Our sponsorship activities are well coordinate with each other. The sponsor objects are always used in our marketing programmes and product packaging (Interviewee 5).

## 4.3. Measuring sponsorship's effects

When it comes to the questions how sponsors measure the outcomes of their sponsorship programmes, the responses show poor attention about this important aspect.

We do not measure sponsorship effects as it is not only costly but also time consuming. We do not have budget for it (Interviewee 8).

We usually satisfied with our sponsorship programme with high certainty of achieving our goals (Interviewee 4).

This suggests that most companies do not pay enough attention and likely not able to measure their sponsorship outcomes. For some companies which have international elements, they show some efforts to control the results of their sponsoring programme.

We measure sales and turnover as well as customer loyalty before and after a sponsoring programme (Interviewee 6).

This result is similar to available literature of what other scholars have suggested internationally in terms of sponsorship effects measurement (Cornwell & Maignan, 1998).

## **Exposure-based methods**

The media coverage method is possibly used by sponsors to measure the effectiveness of their sponsorship activities.

We check how many times we appear on screen during the event to guarantee our brand is visible and outstanding (Interviewee 4).

It can be acceptable for sponsors to be interested in these methods. Firstly, they are equally simple and inexpensive. Secondly, they seem to be more statistical because they involve numbers. Unfortunately, this approach also shows serious weaknesses. Obviously, they cannot examine what they pretend to measure namely sponsorship effectiveness. Media coverage figures cannot tell much about sponsorship effectiveness as accomplishing media coverage is not the most important objective. Marketers in fact need to count the final response to this stimulus. Moreover, exposure methods are very inexplicit as they do not tell anything but only the name of a brand or company.

## Survey method

Another method which is often used to measure sponsorship effect is the survey. While the exposure methods are based on the stimulus, the survey approach concentrates on the response.

We usually conduct survey to estimate customers' attitude towards our sponsoring programme then our brand image in general (Interviewee 6).

We ask the participants attending at the event to answer our survey right after it finish in order to receive the immediate responses (Interviewee 3).

Actually, survey not only measure sponsorship's effects but they also record something else, i.e. the effects of other marketing tools. More specifically, sponsorship is definitely not the only communication effort in the marketing plan as it is applied in coordination with advertising, public relations, and promotions. Therefore, any survey that records an active change in image, an increased awareness, a more enjoyable attitude towards the company, is probably to represent the result of an integrated marketing effort, not only the outcome of sponsorship. For examples, an increased awareness might be

the result of a greater availability of the products in retail stores; more simply, a more enjoyable attitude may be caused by a decrease in the price of the firm's products. To sum up, the survey method lacks validity as it can hardly distinguish between sponsorship effects and other marketing effects. It is noteworthy that a method of measurement can be effective if only a clear goal is allocated to a sponsorship operation. Methods of measurement should be consistent with the target objective. For instance, if the main objective in sponsoring an event is to strengthen trade relationship with customers, then a small survey among those taking part in the event, asking them about their level of satisfaction, might likely be more appropriate than a large survey about the awareness of the sponsor.

## 4.4. Cluster analysis

Based on interview data and research on all available sources, cluster analysis was then conducted to group firms with the same characteristics. Vietnamese enterprises were divided into two groups with the chosen label "unprofessional" and "more professional" (Table 2).

Table 2: Characteristics of unprofessional and more professional sponsors

Clustering variables	Unprofessional	More professional		
Type of firm				
State-owned company	<b>✓</b>			
Small and medium enterprise	<b>✓</b>	✓		
Large firm with international factors		✓		
Definition				
Donor giving	<b>✓</b>			
Financial support with specific return		<b>√</b>		
Long term investment		<b>√</b>		
Motivation				
Personal preference of top manager	<b>✓</b>			
Improve awareness	<b>√</b>	✓		
Improve relationship with customers and		✓		
other stakeholders				
Improve employee loyalty		<b>√</b>		
Increase sales	<b>√</b>	<u> </u>		

Build long-term effects		<b>✓</b>			
Gain competitive advantages		<b>√</b>			
Decision maker					
Top manager	<b>√</b>	<b>√</b>			
Marketing department		<b>√</b>			
Management					
Set clear sponsorship goals		<b>√</b>			
Coordinate sponsorship with other		✓			
marketing communication activities					
Do not measure outcomes of sponsorship	<b>√</b>				
program					
Attempt to evaluate the outcomes of		<b>√</b>			
sponsorship activity					

Basically, most of unprofessional sponsors are state-owned companies or SME (small and medium enterprises). While professional sponsors are firms that has international factors or at least the managers had chances to acquire up-to-date knowledge from international context.

On the motivation section, the unprofessional sponsors were more likely to invest in sponsorship just because of top manager preference in an individual, event or organization, while the more professional cluster sponsor for more sophisticated reason such as improving firm awareness, strengthening relationships with customers, improving employee loyalty. The more professional group was also more sympathized for the issue of better competitive advantages and long-term effects that sponsorship offers.

While evaluating the outcomes of communicational tools like sponsorship is regularly a difficult issue, the significant differences between two clusters show the effort to do post research is a matter of priorities rather than ability to do so. The more professional group pay attention from the first step of setting clear sponsorship goals to the final measurement effort. In contrast, the unprofessional firms were not much interest in controlling the money they spent out on sponsorship.

#### 4.5. Other issues from the interview data

## 4.5.1. Broadcast sponsorship

In Vietnam, almost household have television and there are various television shows to entertain people. This channel has been discovered as a potential ways for sponsors to attract large-scale customers.

Broadcast sponsorship seems to be a good solution. It is counted in longterm as cheaper than traditional advertising but offer more opportunities for sponsors to reach a wide range of target groups (Interviewee 6).

In developing market, broadcast sponsorship is a greatly effective mean for firms to transfer their message through association to a specific programme. Broadcast sponsorship proves itself to offer a great base and help interpret brand equity in the viewer's opinion. To achieve advantages from broadcast sponsorship, sponsors need to always work with media owners in a collaborative way which requires media owners to confirm inclination to test new concepts and firms to be ready to take analysed risks to drive the edges of what could be attained through a sponsorship.

# 4.5.2. Management Involvement Index

During assimilation progress into global economy, young Vietnamese managers have opportunities to approach modern knowledge but the application of them has to face many obstacles.

I had chance to study at the United States and have heard about an objective measure named management involvement index. We try to apply modern theory from international knowledge but the specific context of Vietnam requires more effectively practical approaches (Interviewee 6).

Management involvement index was developed by Cornwell, Roy and Steinard (2001) to reflex the degree of active management of sponsorship activities. The index was established on the frame of five following elements.

Firstly, one mark was rewarded for existence of an authenticated company policy concerning the kinds of sponsorships that should not be involved i.e. restriction to specific areas, restricted affiliations, restricted form of participation,... Building a coherent image in the progression of sponsorship is an issue of great concern in many firms. Therefore, setting up-front

policies in terms of the nature of sponsorship participation helps sponsorship managers stay focused.

Secondly, one mark was offered for instruction of a structured sponsorship proposal measurement guide. With the huge amount of sponsorship proposals that managers obtain, it is vital to have an effective management instrument to evaluate and prioritize these proposals. Several mechanisms are mentioned in the literature review chapter i.e. Irwin and Asimakopoulos (1992) but companies should actually develop their own method based on their particular conditions.

Thirdly, one mark was granted if more than half of the sponsorship measurement methods were active. Active methods require more management involvement and potentially improve firm-specific, unique analysis.

Fourthly, one mark was delivered when the sponsorship decision was commenced by the firm itself rather than by an external organization or the sponsored entities themselves. As the company initiates a sponsorship contract, it has more possibilities to match its own objectives. Then this behaviour is more probably the result of active management involvement rather than just management reaction.

Fifthly, the index added one-half mark for each successful sponsorship as an illustration of manager's commitment to sponsorship in terms of a promotional vehicle. It is normal for firms to discontinue a sponsorship. Most normal reasons are small return on investment and restricted effect in achieving company's objectives. Further reasons include changing company's priorities, bad implementation of event organizer, budget reduction, the rise of sponsorship fee and disagreement with organizer or co-sponsors. After all these difficulties, the success of a number of sponsorship programmes is an important signal of manager's commitment to the marketing promotional approach.

# 4.5.3. Proximity marketing campaign within event sponsorship

Interviewee's idea brought out various meaningful themes that help the author enrich and update new knowledge.

Have you ever heard about proximity marketing? Mobile marketing enable us to engage target audiences in a personal way. We take advantage of new technology to make sponsorship activities more accountable and also deliver our objectives behind a sponsorship deal (Interviewee 1).

This concept is totally new with the author requiring more study. In general, "proximity marketing is a means by which brands can deliver branded content to the mobile phones of their target audience based on an individual's proximity to a physical location using technologies like Bluetooth and infrared and an expressed preference or interest from the individual" (Haines, 2008). Proximity marketing, also referred to Bluetooth marketing was much in vogue in 2005 then has been promptly becoming a powerful marketing tool that all brand sponsorship and managers need to seize the opportunities it offers. Campaigns using new technology such as proximity marketing provide sponsorship managers with opportunity to evaluate tangible evidence of the outcomes of their sponsorship investment. In event sponsorship context, a well-executed attached campaign can help deliver brand promotion and perception shift within a sponsorship deal; increase brand association and extension at specific sponsored events; drive sales on the back of sponsorship investment; create direct interaction with the target audience and improve return on investment on sponsorship spend. It should be noted that, within sponsorship environments, the proximity marketing campaign outcomes can be supported by the integrated use of pre-event campaigns, on-site event large screens, posters, announcements to attract attention to the proximity activity and post-event activity as well. Early and careful planning make this approach cost-effective and more capable of delivering a better return on sponsorship investment.

# Chapter 5: DISCUSSION, CONCLUSION AND RECOMMENDATION

#### 5.1. Discussion and Conclusion

The issues of sponsorship have been intensively discovered in academic marketing research for more than thirty years (Walliser, 2003). This study continues sponsorship research in the specific context of Vietnam. The derived research questions (RQ1, RQ2, RQ3) guided the project. The research findings are encouraged by the review of available literature about sponsorship (RO1), the result of data analysis from in–depth interview with Vietnamese firms' top managers (RO2, RO3). Finally, based on research findings, the author proposes recommendation for better applying sponsorship in Vietnam (RO4).

In general, it can be observed that, Vietnamese firms equally have a proper understanding of sponsorship management but the application of this promotional instrument to genuinely differentiate corporate brand and add values to firm is still limited. Especially, most firms pay a poor attention to manage effectively the outcomes of their sponsorship activities.

The findings demonstrate that Vietnamese enterprises have developed sponsorship objectives in line with the higher-level stages in Meenaghan's (1991) framework of sponsorship development. However, on other factors of professional sponsorship management, there is more room to improve as Vietnamese firms tend to not follow on their targets with thorough planning and research. The findings also show that not much accounting effort is made of the large amount of money spent on sponsorship. The deficiency of interest or inability to carry out appropriate research prevents companies from investigating the effectiveness of their sponsorship activities.

The existing business culture of Vietnam presents sponsorship decision, in some cases, depends on personal relationship between the sponsored entity and managers at the sponsoring firm. This reality means that the sponsorship was not attached in the authorised communication strategy and budgeting process. That kind of bureaucracy results in a reluctance to spend money on checking whether sponsorship achieve its commercial objectives or not.

The interview data illustrate some support to the common hypothesis that longer sponsorship relationship leads to stronger impacts on consumers' memory (Cornwell, et al., 2001). Sponsorship duration plays an important role as repeated sponsorship link is needed for consumer to easily remember brand and corporate's name then establish a more positive attitude towards the sponsor which can lead to reciprocal behaviours.

Another key contribution of the study is to provide real-experienced support for the significance of leverage in sponsorship. Along with active management, leverage importantly contributes to differentiate sponsoring firm from competitors and add financial value to the company (Cornwell, et al., 2001). This also supports for the increasing argument that sponsorship should be integrated by other communication tools.

The results do show that some firms do try to make an attempt to examine the effectiveness of their sponsorship programmes by adopting proper methods. However, when compare to literature, they just started to measure goals such as building awareness (Crompton, 2004) but not more advanced goals like improve relations with employees (Mitchell, 2002; Punjaisri & Wilson, 2011), enhance relationships with customers and other stakeholders (Clark, et al., 2003), and shareholder value (Pruitt, et al., 2004; Clark, et al., 2009).

As some companies seem to pay attention to evaluate their sponsorship effectiveness, they are not entirely pleased with available instruments. The overall existence suggests that the desire for more applicable and effective methods to determine the outcomes of sponsorship activity is probably growing as companies are becoming more professional in their approach. Additionally, the lack of budget for measurement demonstrated by the interview also means that the evolved methods should be cost effective.

Based on observation, interview data and other relevant sources, the study grouped Vietnamese firms into two cluster unprofessional and more professional sponsors. The cluster 1 unprofessional is normally state-owned companies who pay not much attention on sponsorship management as the sponsorship decision was often made by individual preference of top manager and then they did not attempt to measure the returns of the money

they spent. In contrast, cluster 2 more professional includes companies with international factors. They have proper understanding about sponsorship management, more well-planned and put effort into evaluating the outcomes of their sponsorship budget. Actually, as a later market, Vietnamese firms need to be more rigorous about the application of sponsorship as an effective promotional method.

# 5.2. Methodological limitations

This project suffers from the usual weakness associated with qualitative approach. Qualitative research mainly aims at exploring how people feel and think about a specific situation. The information in qualitative research is also small and cannot be proved statistically. Therefore "the findings of qualitative research are misused when they are regarded as conclusive and are used to make generalisations to the population of interest" (Malhotra, 2004). As this project involves participants from only eight companies, the results cannot be generalised to the whole of Vietnam. Even though, the findings made should not be considered as conclusive in general but more as a foundation of research designed to promote future research.

In-depth interview is time consuming. As this project adopted in-depth interview, data collection took a lot of time especially when the author was based in U.K while respondents were in Vietnam (disproportion of time). Interview techniques also involved probing the interviewees in order to understand their perception on sponsorship management. For that reason, the sample size was generally small. Due to time constraint and small number of participants, the results might miss important issues of the problem. On the other hand, larger sample size could also be problematic to examine. Therefore, eight interviewees was selected and considered as an ideal number for this project regarding the time, geographic constraint and theoretical background as well.

Language also rose as a problem in translating and transcribing the interviews. Due to different culture, even with the great translating effort, the exact essence of the sentences might still be missed. These language barriers might have negative impact on the outcomes of research findings.

Final but quite important limitation stems from the overprotected tradition of Vietnamese business culture. It is not easy to share confidential and sensitive information. 8 interviewees were willing to join the project but they can hardly share the detailed figures of their own company due to restricted

regulations. This fact prevent researcher from reaching practical figures from the existing operation of Vietnamese companies.

#### 5.3. Recommendation

## 5.3.1. Marketing implications

In general, sponsorship outcomes are conditional upon the objectives that the sponsor attempts to attain, as long as the implementation and quality of the sponsorship activity, which should be justified in accordance with sponsorship goals and target group. Moreover, the factors in the sponsorship conditions such as the existence of co-sponsors, characteristics of target group, also play a significant role in influencing sponsorship process and its outcomes (Cornwell, et al., 2000). Therefore, sponsorship managers should invest in proper research and management these various factors when deciding to involve in a sponsorship programme and selecting an entity to sponsor.

As sponsorship is now recognised to go beyond joining a sponsor's name to an entity, event owners attempt to offer more attractive sponsorship rights to attract sponsors. However, well-protected sponsorship rights still not ensure success of a sponsorship programme if the audience is not receptive. Therefore, sponsorship managers are required to carefully investigate the sponsorship packages related to any event. Actually, the challenges in estimating sponsorship advantages have normally been compromised by a compliant method to sponsorship management in which sponsors often undertook agreements which enable them only limitedly access to some aspects of the event, and then it offered no guarantee of a positive result on their investment. Seeing the trending growth in sponsorship opportunities, Vietnamese managers should improve their negotiating stance in order to pick and choose suitable events for their firms.

The most important consideration is sponsorship evaluation practice which also still remains undeveloped. Sponsorship managers should be more rigorous in this key management stage. As above criticism, exposure-based methods are not valid. Regarding survey methods, sponsors need to attain better control in designing and interpreting their results. It is noted that there is not a perfect method for sponsorship evaluation but managers should put efforts to improve present ones and find out the most reasonable way for their specific firm's condition.

As sponsorship leverage was taken into consideration, it is noted to suggest professional marketers to avoid linking sponsorship with commercialization. More specifically, too much promotion of the sponsor may mislead customers to link sponsorship with commercialization. To avoid this, sponsorship managers should cleverly include social objectives within sponsorship activities.

In the sponsorship management context, accounting practices have a particularly potential importance, as they demonstrate a discipline requiring the transformation of sponsorship vision and strategy into financially terms. As the existing view of the board of directors only listening to pure financial information, it is notable for sponsorship managers to underscore the importance of associating carefully marketing plans with particular reference to budgets. Marketing should set up its goals regarding short and long-term sponsorship budgetary goals and also evaluate its contribution to corporate performance.

The last decade has witnessed remarkable change in both academic research and business practices, its effects address significant implications for sponsorship managers. For a later-developing market like Vietnam, it becomes more important to catch these trendy changes to better control sponsorship activities. The first change is the global financial crisis resulting in the unwelcome perspective of sponsorship which has been being considered as expensive and wasteful. The second change is the innovative development and rapid adoption of new media – social media– which have accounted for a significant part of sponsorship investment and been an outstanding channel for sponsorship activation. Both of these movements demonstrate more difficulties for the evaluation of sponsorship effects.

The explosion of digital communication has been providing a new scope of sponsorship opportunities. The attractiveness of broadcast sponsorship and online sponsorship leverage offer ability to connect with various groups, build communities of interest. Moreover, the capability to spread and evaluate communication in real time represents certain ability to reach not only consumer but also other stakeholder groups. Sponsorship managers need to understand these tools thoroughly then apply suitably and effectively to their firm's context.

Above all, sponsorship is argued to be a potentially powerful means of consumer persuasion. To maximize sponsorship persuasive effect, managers and marketers should take these fundamental steps into consideration. Firstly, they should start with the end in mind, which means critically establish the final objectives of who to reach and what to communicate i.e. functional, image or emotional advantages. Then second step is to examine the fit between the sponsored entities and corporate's objectives. The third one is to start early. If firms want to fully exploit the value of their sponsorship programme, they should not wait until the event begins, the pre-event activities can even create more advantage and preference. Fourthly, it is important to build the link between corporate brand and the sponsor. In order to do so, firms should invest properly their resources and take advantage of all other available communication opportunities such as public relations, packaging, promotion, advertising, merchandising, direct marketing,...Finally, sponsors should try to define for their targeted audience the meaning of their sponsorship in every possible message. Following these basic steps can improve the chances of achieving a successful sponsorship programme (Crimmins & Horn, 1996).

# 5.3.2. Scope of further research

Qualitative research was adopted in this project to examine manager's perception on sponsorship management. However, qualitative approach suffer itself normal shortcomings of time consuming data collecting and small sampling. To overcome these typical weaknesses, future research can approach problem from quantitative perspective to get more statistical and conclusive results, and then find out more meaningful issues.

As this study investigate sponsorship from the managers' perspective, there are still more rooms to examine the issue from the customer's point of view to understand to what extent customers are aware of and participating in sponsorship programmes of the firms. After that, they will likely present higher levels of gratitude towards the sponsor leading to more often reciprocal behaviours. This stream of research has been conducted in different contexts but not specific for Vietnamese context.

The literature of product relevance can also be developed to guide further sponsorship research. Researchers could focus on high involvement decisions to show the predicted effect of integrated product relevance on

sponsorship, which in turn influence consumer attitude towards sponsor. As sponsorship can reach several target audiences precisely, it allows marketers to sell upmarket products. It is noted that the integrated product relevance concept can be applicable to all types of goods and services and every type of sponsored event as well, further research in this direction can help firms have a holistic view of sponsorship opportunity.

The sponsorship process has been mentioned generally by respondents in some aspects. However, more research needs to be conduct to better understand the whole and detail sponsorship communication process. This can hopefully improve the evaluation practices. The proposed opinions could be considered as a starting point.

Further research should pay attention to build up a complementary paradigm to help firms understand when it is suitable to engage sponsorship into the marketing strategy. Not all sponsors achieve advantages from sponsorship programme and not all sponsorship programmes lead to expected returns. Additionally, the relationship between sponsorship processing and returns should be investigated in the long-term as there might be unexpected interruption between the sponsorship activity and short-term goals i.e. increased sales and market share. It could be also potentially noteworthy to discover the overdue time which a firm should presume to wait for recognising any rewards from its sponsorship activities.

Another area for future research involves the question of what happens after a sponsorship agreement is ended. It is concluded that customers are more probably to purchase from current sponsors, and less potentially to buy from past sponsors (Levin, et al., 2008). Moreover it could be attracting to examine the impact of sponsorship on share price of Vietnamese sponsoring firms both when sponsorship agreement is announced and then ended.

To sum up, it can be supposed that as sponsorship has become a popular vehicle in marketing communication, academic research on sponsorship is increasing. Hence, the research field is achieving more persuasive foundation, which contributes to improve professionalism in sponsorship management business practice. However, research on sponsorship still remains less developed than that on other marketing communication tools

i.e. advertising, so there are large number of opportunities for future research and investigation.

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# **Appendices**

## Appendix 1: Participant Information Letter

Programme of Study: Msc International Marketing Management

Title of Project: Sponsorship Management in Vietnam: Progression, Development, and Recommendation

Dear Participant,

You are being invited to take part in a research study. Before you decide whether to participate, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and ask us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

For the purposes of my Master thesis with the shortened title "Sponsorship management in Vietnam" supervised by Dr. Ayantunji Gbadamosi at the University of East London, I am conducting in-depth interview project. The project aims at investigating the reality of sponsorship activity in Vietnamese enterprises. Therefore I invite 8 top-level executives form 8 Vietnamese companies with different size, industry to participate in the interview. Each conversation lasts about 30 minutes at your convenient time. As geographic limitation, the discussion will be carried out via Skype and be recorded for the purpose of data analysing.

You are under no obligation to participate in this study. If you do decide to take part, you are free to withdraw at any time without giving a reason. If you do not take part or withdraw from the study at a later date, it will not disadvantage you.

Your participation in this study and all information collected will be kept strictly confidential. Where necessary, information collected will be coded so

that you cannot be recognised from it. The results of this study will be reported as part of my degree programme and may be further disseminated for scientific benefit. The results will be available to you on request.

If you need any further information or have any problems/concerns, please do not hesitate to contact me or my project supervisor.

Thank you for your supporting Nguyen Thanh Thuy

# Appendix 2: Interview guide: Sponsorship management in Vietnamese enterprises

- + Introduction of the purpose of the interview
- + Role of audio recording
- + Confidentiality of the data
- + Estimated time: 30 minutes

#### **Section 1: Introduction**

Can you introduce yourself and your company?

## Section 2: General knowledge about sponsorship

How do you define sponsorship according to your own understanding?

Does your company spend on sponsorship? If yes, what is the average amount spent on sponsorship and how many percentages does it account for on your total communication budget?

Why does your company invest in sponsorship?

#### Section 3: Decision-making process

Who has a major influence in deciding sponsorship investment within your company?

Does your company sponsorship activity coordinate with other marketing communications?

#### Section 4: Measuring sponsorship's effects

How you evaluate the effects of your sponsoring activity?

Do you use any appropriate measuring methods to investigate if you achieve your stated sponsorship goals?