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Moving Beyond Traditional Sponsorships: Understanding the Structure and Dynamics Of Minority Equity Sponsorship Agreements

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MOVING BEYOND TRADITIONAL SPONSORSHIPS:

UNDERSTANDING THE STRUCTURE AND DYNAMICS OF MINORITY EQUITY SPONSORSHIP AGREEMENTS

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Abstract

Purpose - The purpose of this study is to understand the structure and dynamics of minority equity sponsorship agreements and the motivations for organizations to go beyond traditional sponsorships by acquiring minority equity in the sponsored organization.

Design/methodology approach - This paper adopts a qualitative methodology and presents interview data from key actors involved in minority equity sponsorship agreements.

Findings - The findings of the paper include major characteristics of minority equity sponsorship agreements including the motivations, dynamics, and resources exchanged by sponsoring firms and clubs in these relationships, based on the experiences of key actors from firms, clubs, and other key stakeholders, and a conceptual model for forming and maintaining these relationships.

Practical implications – Sponsorships are increasingly evolving into minority equity sponsorship agreements, particularly in the European market. The findings of this study assist sponsoring firms and the executives of clubs in better understanding the dynamics and stakeholder-related consequences of these relations.

Originality/value: The findings of this paper illustrate the differences between minority equity sponsorship agreements and both traditional sponsorships and minority equity alliances. The findings also identify major characteristics of these relationships and the interdependencies among these characteristics.

Keywords: Minority equity sponsorship agreements, Marketing alliances, Sponsorship, Exchange theory, Relationship marketing

Paper type: Research paper

1. Introduction

Sponsorship has long been considered as a viable marketing strategy, utilized as a means to broaden the visibility and recognition of the sponsoring brand (Mazodier, Henderson, and Beck, 2018; Nickell, Cornwell, and Johnston, 2011). These marketing agreements generally consist of a firm paying a sum of money or value-in-kind (VIK) products/services to acquire certain rights to associate their brand with an organization, event, or individual and are considered traditional contract-based alliances (Groza, Cobbs, and Schaefers, 2012). Recently, some sponsorship arrangements have evolved into equity-based relationships, as they began to involve the acquisition of minority equity share below 50% (Ragozzino and Reuer, 2009). To date, a number of firms across a variety of industries have engaged in minority equity sponsorship agreements, including Nintendo, Volkswagen, Red Bull, Adidas, Allianz, Evonik, and Bayer AG, indicating that this is not an isolated phenomenon.

Although sponsorships align the firm and the organization being sponsored, these minority equity sponsorship agreements tie the two together in a more substantial manner, due to the equity being acquired by the sponsoring firm. While traditional sponsorships are considered contract-based marketing alliances (Farrelly and Quester, 2005; Urriolagoitia and Planellas, 2007), the equity stake in these minority equity sponsorship agreements bring them closer to equity-based strategic alliances (Das and Teng, 2000). In other words, while minority equity sponsorship agreements display similarities to both traditional sponsorships and minority equity alliances, given their unique composition these agreements may be different from both. Although there is significant multidisciplinary scholarly attention given to minority equity alliances (e.g., Devarakonda and Reuer, 2019; Drees *et al.*, 2013; Reuer and Tong, 2010) as well as to traditional sponsorships (Cornwell and Kwon, 2020; Jensen and Cornwell, 2017; 2021), there is a dearth of attention on the more recent trend of minority equity sponsorship agreements, revealing a need for research on the motivations, dynamics, and resources exchanged in these relationships. Accordingly, how then are minority equity sponsorship agreements planned and implemented in the experiences of involved organizations and their stakeholders? To answer this research question, we adopt exchange theory and relationship marketing (RM) perspectives and explore the characteristics of minority equity sponsorships including the motivations, dynamics (such as trust, reputation, and commitment), and resources exchanged in these relations.

Minority equity sponsorship agreements in the German Bundesliga (the premier professional football league in Germany) provide a fertile context for examining our research question, given that more than half of all the clubs are engaged in these agreements (KPMG, 2020). In this context, we adopt a qualitative methodology and interview key actors for forming and maintaining minority equity sponsorship agreements, including representatives from both sponsoring firms and the sponsored organizations, external stakeholders such as employees of participating law firms and advertising agencies, as well as local faculty specializing in these agreements. Based on our analysis of data capturing the experiences of these key actors, we then develop a conceptual model of minority equity sponsorship agreements, detailing the motivations, dynamics, and resources exchanged in these relations.

The findings of this study contribute to the academic literature in a number of ways. We contribute to the research building on exchange theory (McNally and Griffin, 2007) and the RM paradigm (Dorai and Varshney, 2012; Morgan and Hunt, 1994) by adopting these as lenses to study minority equity sponsorship agreements. Specifically, based on our comparison of traditional sponsorships and minority equity alliances, we note the differences of minority equity sponsorship agreements and explore a set of questions informed by exchange theory and RM to identify major characteristics related to the motivations, dynamics, and resources exchanged in these agreements. Moreover, we follow the recent suggestions in RM (Cobbs, 2011; Cornwell, Howard-Grenville, and Hampel, 2018) to extend beyond the dyadic partners and explore the roles of other key stakeholders for each partner in establishing and maintaining these agreements.

We also contribute to the research on sponsorships (Brochado, Dionísio, and Leal, 2018; Cobbs, Jensen, and Tyler, 2021; Nickell, Cornwell, and Johnston, 2011) which called for more research on managerial decision-making and on facets of the sponsorship process previously ignored by researchers. Our focus on decision-makers in firms and clubs engaged in the recent and under-researched phenomenon of minority equity sponsorship agreements helps us to both respond to this call and make a meaningful contribution to the sponsorship-linked marketing literature. Finally, our findings contribute to the literature on strategic and marketing alliances (Agostini and Nosella, 2017; Gomes, Barnes, and Mahmood, 2016) by offering insights regarding the differences of minority equity sponsorship agreements from traditional sponsorships and minority equity alliances and studying a different economic context (i.e., sponsorship) between non-traditional organizations (i.e., firms and clubs) which are important gaps in the recent literature (Devarakonda and Reuer, 2019; Piaskowska, Nadolska, and Barkema, 2019). This paper proceeds as follows: we begin with the theoretical background for our study, followed by the data and methods. We continue with the results of the study and conclude with a discussion of implications of our findings for future research.

1.1. Theoretical Background

1.1.1. Exchange Theory and Relationship Marketing (RM)

The relationship between a sponsoring firm and a sponsored organization is commonly understood to be undergirded by exchange theory (McCarville and Copeland, 1994). In applying exchange theory to sponsorship relationships, Dees (2011) explained that exchange theory is foundational to the relationship between both entities. Generally, there are two conditions that must exist for the relationship to be considered an exchange: two or more parties must be involved and the potential resources that may be exchanged between the two parties must be of some value (Dees, 2011). The tenets of exchange theory suggest that if either of these two distinct, yet interrelated, conditions are not in place, then a true exchange relationship will not exist (Dees, 2011). Exchange theory is based on the underlying concept that a successful exchange between two parties is dependent on an agreement from both sides of the relationship that the price for the goods or services being exchanged is at least equal to the value of what has been offered in exchange (Crompton, 2004). In other words, both parties in the relationship must feel assured that the relationship is mutually beneficial and is meeting its stated objectives before they can make a commitment to extend or expand upon the existing relationship.

McCarville and Copeland (1994) were among the first to apply exchange theory to assist in understanding the motivations of each side of the sponsorship relationship. The researchers proposed that the principles of rationality, marginal utility, and fairness are guiding forces in sponsorship-related decision-making. As noted by Dees (2011), McCarville and Copeland (1994) explained that a marketing relationship viewed through the lens of exchange theory will only continue if the sponsoring firm is realizing its stated objectives via the partnership. In applying their considerable work in RM to help understand exchanges, Palmatier *et al.* (2006) reasoned that the duration of a relationship, or the "length of time that the relationship between the exchange partners has existed," (p. 138) should be expected to influence the probability that a firm realizes its objectives from the partnership. Relatedly, Dwyer, Schurr, and Oh (1987) discussed the concept that these types of relationships are ongoing in nature, and accordingly conceptualized a framework for developing and maintaining a relational exchange with its foundation the levels of commitment and trust exhibited by the parties on both sides of the relationship. During the early stages of any relationship, when trust is theoretically at its lowest, both sides of the relationship are provided with the opportunity to understand each other's capabilities and objectives (Dorai and Varshney, 2012; Palmatier *et al.*, 2006).

Viewing sponsorship relationships through the lens of exchange theory informs the perspective that only when both sides are satisfied with the resources provided by each via the relationship will it continue. Given that both sides in our context have elected to deepen their relationship via an equity partnership in the formation of a minority equity sponsorship agreement, this investigation is a useful step towards a more nuanced understanding of the importance of various types of resources for both sides of the sponsorship relationship. Thus, the application of exchange theory in this study demonstrates that only once an understanding of the resources provided by both partners is achieved and trust is established, can a decision be made by one or both partners to either continue or end the relationship. In the context of this study, the longer-term relationship, as informed by exchange theory, will be marked by a continued exchange of resources throughout the duration of the partnership.

Having origins in exchange theory is the RM paradigm, which has been utilized previously to inform business-to-business (B2B) alliances, and also undergirds this study. RM is useful in the context of this study in that it offers a theoretical lens in which to view the relationship between, in the case of this study, a corporate entity (i.e., the sponsoring brand) and the sponsored organization (i.e., a Bundesliga club). In their seminal work on the applications of RM in marketing contexts, Morgan and Hunt (1994) explained that RM helps us understand "marketing activities directed toward establishing, developing, and maintaining successful relationship exchanges" (p. 22). In the development of this definition, the authors examined previous definitions of RM activities, finding that many did not include a customer as one of the sides of the exchange. In addition, they found that oftentimes prior definitions were not inclusive of a buyer and seller, but rather simply "partners exchanging resources" (Morgan and Hunt, 1994, p. 22). A few years later, Cornwell and Maignan (1998) were among the first to apply the RM paradigm to sponsorship relationships, and recommend it as an appropriate lens with which to view sponsorship. They considered RM an appropriate framework for sponsorship given that it is essentially an instrument of relationship building, both from a B2B perspective and in the sponsor's efforts to build a bond with the end consumer. In addition, throughout the sponsorship-linked marketing literature, sponsorship has been studied as a strategy in which to engage in both customer-and industry-focused relationships, across both the community at large and the firm's employees (Cornwell *et al.*, 2018; Cornwell and Maignan, 1998).

In terms of placing the relationships analyzed in this study in the most appropriate RM framework, Morgan and Hunt (1994) analyzed 10 different forms of RM, categorizing each into four groups identified as supplier, lateral, buyer, or internal partnerships. Based on this conceptualization, the alliances studied in this research are akin to lateral, or horizontal, partnerships (e.g., Jensen and Cornwell, 2021). The rationale for such a categorization is that these relationships are not internal in nature (in terms of focusing on internal departments, business units, or employees), nor are they considered to be suppliers (such as suppliers of good or services to the firm). In addition, relationships with an origin in sponsorship are not typically considered to be a buyer partnership, or focused on purchases of the firm's products by the other organization. Thus, the RM paradigm informs the perspective that these relationships are lateral (or horizontal) strategic alliances characterized by an exchange of resources.

This perspective is consistent with both exchange theory and RM, and informed various aspects of this study. For example, the interview guide was undergirded by both perspectives, and informed the questioning of individuals interviewed for this study (Appendix A). Themes focusing on the levels of trust and commitment required within the personal relationships among individuals and across both organizations were probed, based on the theoretical lens of RM. In another example, efforts were made to identify specific resources that each side of the relationship were seeking from the other, including discussions of the resources that were already identified or were expected to be acquired during the term of the alliance. Finally, consistent with exchange theory, the motivations of each side of the relationship were examined, with each integrated into the study's conceptual model (Figure 1). While minority equity sponsorship agreements may display characteristics similar to traditional sponsorship agreements, given the relationship characteristics such as trust and commitment as well as the longer duration of the relationship, these agreements may also display some unique characteristics similar to those of minority equity alliances. Accordingly, in the following we review the literature on both traditional sponsorships and on minority equity alliances, compare them along key characteristics and discuss how differences in these relations informed our study and findings.

1.1.2. *Traditional Sponsorship Agreements*

Prior literature has conceptualized traditional sponsorships as contract-based marketing alliances (Farrelly and Quester, 2005; Urriolagoitia and Planellas, 2007) and explored a set of topics to provide theoretical and empirical insights regarding the impact on both parties involved (Babiak *et al.*, 2018; Babiak and Willem, 2016). Specifically, previous research has studied a number of topics, including the behavioral effects of sponsorships (Herrmann *et al.*, 2016), sponsorship effects on brand image (Nickell *et al.*, 2017) and on shareholder value (Deitz *et al.*, 2013). More recently, Cornwell and Kwon (2020) reviewed the sponsorship-linked marketing literature, focusing on the period from 1996 to 2017. Notably, the work of the researchers revealed an over-reliance on the consumer effects of sponsorship, at the expense of research illuminating the management of the entire sponsorship process and studies from the perspective of corporate decision-makers. Their analysis concluded that the literature is tilted towards consumer outcomes, ostensibly the end of the sponsorship process. They concluded that one potential reason for this misalignment of research stems from a failure to consider the whole of the sponsorship process and a failure to understand the intricacies of the management of sponsorships from the brand marketer perspective (Cornwell and Kwon, 2020). One possible exception is a recent stream of research focusing on the decision, from the perspective of the sponsoring brand, on whether to continue or end sponsorship relationships (e.g., Jensen and Cornwell, 2017). For example, Dick and Uhrich (2017) utilized an experimental design to determine whether the type of exit or the consequences of the decision impacted consumer attitudes, utilizing the context of German football. They found that attitudes were negatively affected when the sponsor chose to exit the relationship of their own will, particularly when there were extensive consequences for the property (Dick and Uhrich, 2017).

Jensen and Cornwell (2017) also utilized an international context in their study of why sponsors choose to renew or end sponsorship relationships. The research found that economic conditions in the sponsor's home country and clutter increased the probability of a sponsor leaving. In contrast, congruence and high levels of brand equity were found to decrease the probability of a sponsor choosing to exit. Jensen and Cornwell (2021) then utilized a different context (title sponsorships of U.S.-based events), finding that a sponsor's regional proximity and a B2B perspective increased the propensity of renewal. Recently, van Rijn, Kristal, and Henseler

(2019) examined 24 different cases of sponsors exiting agreements with Netherlands-based football clubs and completed an in-depth analysis of the prior work of Copeland, Frisby, and McCarville (2006), Farrelly (2010), and Jensen and Cornwell (2017). After conducting 19 in-depth interviews, the research revealed 10 reasons why sponsors exited agreements.

Apart from this recent research emanating from a management-focused perspective, Cornwell and Kwon (2020) concluded that the literature would benefit from more studies on management decision-making, and those that examined facets of the sponsorship process previously ignored by researchers. Given that the current study utilizes the perspective of management decision-makers, as well as investigates the under-researched phenomenon of minority equity sponsorship agreements, we feel this research is well-positioned to both respond to this call and make a meaningful contribution to the sponsorship-linked marketing literature.

1.1.3. Minority Equity Alliances

Strategic alliances exist in a number of forms, for a multitude of motivations, and in a range of complexities (Gomes, Barnes, and Mahmood, 2016; Kohtamaki, Rabetino, and Moller, 2018). A strategic alliance by definition is “a formal agreement between two or more business organizations to pursue a set of private and common interests through the sharing of resources in contexts involving uncertainty over outcomes” (Arino, 2003, p. 67). The literature on strategic alliances has adopted diverse theoretical, paradigmatic, and methodological approaches to study a range of topics, including: motivations and partner selection for alliances, alliance negotiations, management, and outcomes (see Gomes *et al.*, 2016; Parmigiani and Rivera-Santos, 2011; Wassmer, 2010). A number of existing studies examine distinctions between the legal/structural forms of strategic alliances; namely joint ventures, minority equity alliances, and contractual-based alliances (Albers *et al.*, 2016; Das and Teng, 2000; 2001; Piaskowska *et al.*, 2019). Das and Teng (2001, p. 17), compare the characteristics of alliance structures and discuss that minority equity alliances differ from both joint ventures, as well as from other majority equity-based alliances. Specifically, minority equity alliances differ from other equity-based alliances in that the level of equity investment in minority equity alliances is below 50%. As a result, there is a relatively limited integration of both entities, which is especially evident in the investor's limited control over the investee operations and alignment of interests among parties (Ragozzino and Reuer, 2009). However, degree is dependent on the scale of equity position and may be one-sided (Das and Teng, 1998). Compared to contractual alliances, the equity position in a minority equity alliance results in an increased commitment of partners (Pangarkar, 2003). For example, firms that acquire equity often gain one or more board seats on the partner's board of directors. However, as shown by Devarakonda and Reuer (2019), the likelihood of a board seat is correlated with the size of the equity stake. Similar to joint ventures, the equity position results in a lower likelihood of engaging in opportunistic behavior (Das and Rahman, 2010).

Recent research on minority equity alliances has focused on underexplored governance mechanisms and outcomes of these relationships. The complexity and interdependency of a relationship increases when the engagement of partners in the relationship is higher, given the amount of resources exchanged to maintain the relationship (Gulati and Singh, 1998). Relatively lower levels of complexity and interdependency in minority equity alliances compared to majority equity alliances has been shown to positively affect learning opportunities for partners (Piaskowska *et al.*, 2019). Devarakonda and Reuer (2019) illustrated that the role of a seat on the board of directors of the investee goes beyond traditionally accepted governance-related monitoring and control and involves experience sharing and preventing knowledge spillovers.

While there is prior research comparing equity-based alliances to non-equity based alliances and fully owned subsidiaries, there is a dearth of research on the differences between various forms of equity-based alliances (i.e., minority, 50-50, majority) (Piaskowska *et al.,* 2019). Similarly, there is extensive research on the formation and structure of alliances (e.g., payoff structures, contingency planning, task descriptions) but there is limited attention to how these relationships are executed once formed. For instance, we know little about the implications for the board of directors and other internal (e.g., administrators and employees in parties responsible with undertaking the alliance) and external (e.g., customers, other allies, society) stakeholders of the organization (Devarakonda and Reuer, 2019). Moreover, we know little about minority equity alliances in different economic contexts between non-traditional organizations (such as sponsorships of sport organizations or corporate venture capital investments in startups) and how these may lead to different outcomes for these relationships (Piaskowska *et al.,* 2019). In the following, we focus on such a unique context, and discuss the differences between minority equity sponsorship agreements from both traditional sponsorships and minority equity alliances, which sets the stage for our data collection and analysis.

1.1.4. Minority Equity Sponsorship Agreements

While there has been abundant research on traditional sponsorships as contract-based relationships (e.g., Cornwell and Kwon, 2020) and on minority equity alliances (e.g., Piaskowska *et al.*, 2019), we know little about sponsorships that are organized as minority equity agreements. In particular, there is a dearth of research focusing on the key actors and stakeholders involved and the motivations, dynamics, and resources exchanged in these relationships for the partners we focus on in this study. This is important, given that minority equity sponsorship agreements are distinct from both traditional sponsorship agreements (which are essentially contract-based alliances; Farrelly and Quester, 2005; Urriolagoitia and Planellas, 2007) as well as from minority equity-based alliances. In a traditional sponsorship agreement, no equity is exchanged and therefore this alliance represents the lowest commitment level between the two parties (Albers *et al.,* 2016). Due to this, there exists less alignment of interest and subsequently results in traditional sponsorships being more appropriate for shorter-term strategic relationships where a building of trust between the two parties is not as necessary (Das and Teng, 1998; 2001). They also differ from traditional sponsorships based on their ownership structure, degree of integration, and governance mechanism for the alliance, length, and termination of the relationship. Similarly, relative to minority equity sponsorship agreements, traditional sponsorships involve less congruence among the goals of engaged parties, and mutual benefit is maintained by the contract and/or reciprocity in these relationships (Das and Teng, 2001).

Minority equity sponsorship agreements also differ from minority equity alliances established in the literature (Albers *et al.,* 2016; Piaskowska *et al.,* 2019). Specifically, these agreements diverge from minority equity alliances given that sponsored organizations (e.g., sport clubs) tend to be financially different than traditional businesses, as they do not distribute profits to shareholders like for-profit businesses, their external stakeholders (e.g., region, media, supporters) are more involved and important for the organization, and their organizational structure and governance are distinct from traditional for-profit businesses (da Silva and Casas, 2017; Leeds and Von Allmen, 2016). Similarly, as discussed below, sport sponsorship is a strong context wherein stakeholder involvement and scrutiny are elevated and key metrics to track organizational performance go beyond financial performance (McCarville and Copeland, 1994).

Accordingly, in minority equity sponsorship agreements, the sponsoring firm goes beyond traditional contractual agreements and invests in a sport organization, leading to some control over their activities, while at the same time navigating the unique structure of these organizations and the scrutiny of their external stakeholders. In Table 1, we compare traditional sponsorships with minority equity alliances based on the financial and organizational structure of the relationship, alignment of partners' interests, duration of the relationship, benefits received by the partners, effects of the relationship on the investee's board of directors and investors' monitoring ability of their investment, the role of trust and commitment for initiating and maintaining the relationship, and potential for partners to engage in opportunistic behavior. This comparison triggered various questions regarding the motivations, dynamics, and resources exchanged in minority equity sponsorship agreements (Table 1) which constituted the basis of our inquiry and informed our interview guide (Appendix A).

Insert Table 1 about here

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2. Methodology

We adopted a qualitative methodology following similar research exploring unique phenomena related to sport-related marketing (Benjits, Lagae, Vanclooster, 2011). This methodology allows us to look deeply into a phenomenon based on the insights of various key actors involved in it by systematically analyzing data collected from these actors to develop a comprehensive description of the phenomenon (Strauss and Corbin, 1998). In this case, the actors are employees and executives of firms and football clubs, as well as key stakeholders such as legal advisors, university professors and sport marketing executives in Germany.

2.1. Context

The context of our research is the German Bundesliga (Germany's top tier football league that consists of 18 clubs) which is one of the top sport leagues in the world in terms of its reputation, fan support, commercial value, and sponsorship tradition (Buhler, 2006). The German Bundesliga is listed as the most profitable sports industry in Germany and is a good context for studying interorganizational relations, as the football clubs are intertwined with each other and well-known to external stakeholders (Moliterno *et al.*, 2014). There is considerable business research on football in general and specifically on the German Bundesliga (e.g., Balliauw et al., 2019; Bartling *et al.*, 2015; Bauer *et al.*, 2005).

Sport organizations increasingly operate as large, multinational, and complex businesses presenting strategic actions and interactions, similar to their traditional counterparts including non-equity based or equity-based strategic alliances (Cousens *et al.*, 2006). Firms have been using sport sponsorship as a marketing channel to drive consumer traffic for decades. These arrangements consist of the firm paying a specific monetary amount for the rights to use a sport team's assets or intellectual property (e.g., logo, signage, tickets, suites, etc.). However, Bayern Munich recently initiated a new form of sponsorship agreement with the purpose of generating revenue to become more globally competitive, wherein firms also take equity positions in the football clubs they sponsor. This practice was quickly adopted by other competitive clubs in the Bundesliga but not yet prevalent for others (Reuters, 2014). While clubs including Bayern Munich, Borussia Dortmund, Eintracht Frankfurt, and Hertha BSC have one or more minority equity sponsors, other clubs such as Fortuna Dusseldorf, FSV Mainz, and FC Union Berlin do not have any partners (see KPMG, 2020 for a full list of 14 minority equity partners in six clubs in the Bundesliga). Clubs that pursue minority equity sponsorship agreements no longer organize as a "registered association" (which was the predominant organizational form in the Bundesliga prior to these agreements) but as a "limited partnership" or a "limited liability company" wherein the club sets aside minority shares to be acquired by limited partners in perpetuity guided by its board of directors without any reference to potential divestiture of minority equity in the future. As an example, German automobile manufacturer Audi announced that they would invest 90 million euros in Bayern Munich, in exchange for around a 9% perpetual equity stake (fcbayern.com, 2009). We posit that this practice changes the firm/club relationship from a marketing channel to a minority equity sponsorship agreement. In the Bundesliga, the practice of minority equity sponsorship agreements is particularly salient, given its 50+1 rule that limits commercial investments to 49 percent and assures the clubs have control over their operations (Bundesliga, 2018). Moreover, historically, German football clubs are known to engage in multiple long-term, high profile relationships with major sponsoring firms (Thomas and Roeseler, 2013) providing an opportunity to explore the nature of these relations. While the majority of these sponsorship agreements lay the foundation for long-term relationships, they are not always successfully maintained due to disputes over "calling the shots" in the club, inability to deliver results, or dissatisfaction of stakeholders (Honigstein, 2018; Reuters, 2015).

2.2. Data Overview

Our main source of data involved conducting 24 semi-structured interviews with key stakeholders. Following prior research (Kumar *et al.*, 1993), we adopted a purposeful sampling approach focusing on key informants with relevant insights on our phenomenon of interest. Specifically, we identified representatives of major football clubs, marketing managers in sponsoring firms, and key researchers at local universities, reaching out to them via email and conducting the initial interviews. Using these initial interviews as a starting point, we utilized snowball sampling (Lincoln and Guba, 1995; Rahman *et al.*, 2020), through which we gained access to more interviewees. Among the initial interviewees, a high level executive in a major football club as well as a researcher who also worked as a consultant to various clubs helped us gain access to many subsequent interviewees. This iterative process resulted in a sample which continued to evolve until we achieved "theoretical saturation" or the point at which additional interviews did not offer any new insights (Gioia *et al.*, 2013).

We interviewed representatives from various firms and football clubs (Table 2). Given that these minority equity sponsorship agreements impact key stakeholders such as third party organizations (i.e., law firms, advertising agencies, consultants, universities, club supporters), we also interviewed representatives from these stakeholder groups. Specifically, participants included six current or former firm employees or executives that purchased equity shares, six Bundesliga football club employees or executives, and 10 key stakeholders including a stadium employee, an advertising agency employee for a participating firm, a sport attorney well-versed in these strategic alliance negotiations between firms and clubs, researchers in the marketing and management disciplines at local universities, a sport marketing consultant, and official club support organizers for two different clubs. Our final sample includes representatives from seven different football clubs and six different corporate sponsors.

Insert Table 2 about here

All interviews were scheduled through email and were conducted face-to-face or over the phone between July of 2015 and September of 2017 at various locations in Germany (club headquarters, corporate offices, local universities, on the phone, and a café). The length of interviews ranged from 37 to 150 minutes, averaging around an hour, and all interviews were recorded and transcribed verbatim by a professional. Prior to beginning data collection, we prepared an interview guide (Appendix A), which was revised through two pilot interviews.

Triangulation, or using multiple sources of data, is critical for qualitative research because inferences from the data are corroborated by several sources helping to ensure construct validity (Yin, 2009). To triangulate our findings, following similar research (Benjits *et al.,* 2011), we collected data through participant observation (site visits in Germany on three different occasions, including stadium visits, factory tours, and attending games), as well as secondary data such as annual financial statements of participating firms and Bundesliga clubs, annual reports published by the Bundesliga, newspaper and magazine articles that dealt with these minority equity sponsorship agreements published in German newspaper's Handelsblatt (2009-2017) and Deutsche Welle (2010-2017), sport business industry newsletter Pro-Sports Media (all articles), and four books closely related to our phenomenon of interest (Ewing, 2017; Garcia and Zheng, 2017; Rudolph, 2002; Szymanski, 2015). We also searched the Lexis Nexis database for keywords, including: equity, sponsor, and Bundesliga after 2010 and reviewed and utilized the 177 unique articles published in various media outlets in English in our analysis.

2.3. Data Analysis

Following Strauss and Corbin (1998) and Gioia et al (2013), we pursued a three-stage process for data analysis to develop a detailed story regarding the minority equity sponsorship agreements in the context of German Bundesliga. We iteratively moved between our interview data, analytical memos, and relevant existing research to generate themes and dimensions underlying this phenomenon (Gioia *et al.,* 2013). We utilized the constant-comparison method in which we compared data within each interview, between interviews, and within and between codes (Strauss and Corbin, 1998). Throughout our analysis, we used the Nvivo 11 qualitative analysis software which helped to organize our data, develop theoretical links among codes, and analyze the data horizontally (within interview) and vertically (within code).

All the data was coded by a single author. Throughout the data analysis, the authors shared the evolving data structure and iterated numerous times through the composition of the data structure. Two authors, including one not involved in the data collection process, engaged in peer debriefing by continuously sharing the interpretations of each interview as well as the emerging code structure. In the first stage of data analysis, we began by reviewing a group of interviews to familiarize ourselves with the content and explore recurring themes across interviews and continued with a detailed ‘micro-analysis’ to develop first-order categories inferred from interviews and labeled with brief descriptive concepts (Strauss and Corbin, 1998). In the second stage, we worked on restructuring the interview data by relating first-order categories to abstract second-order themes that are utilized as the building blocks of the emerging theory based on their content, dimensions, and attributes (Gioia *et al.*, 2013). In the final stage of data analysis, we focused on developing a theoretical story line building on the second-order themes by analyzing the relationships between them and grouping them under aggregate dimensions that underlie the emerging theory (Strauss and Corbin, 1998). Accordingly, we focused on developing a detailed theory of motivations, dynamics, and consequences of the relationships between firms and German football clubs. Table 3 illustrates an overview of our data structure, including the first-order categories, second-order themes, and aggregate dimensions (Gioia *et al.*, 2013) organized separately for investing firms and clubs.

Throughout data analysis, the authors shared and continuously updated the evolving data structure (Table 3). Another, more detailed data analysis document was created to summarize each first-order category, their content, and representative quotes, as well as their role and importance for the emerging theory, which was continuously updated. We compared our findings to the literature on sponsorships and equity alliances. In both data collection and analysis, we carefully followed the criteria for rigor in qualitative research (Shah and Corley, 2006).

Insert Table 3 about here

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4. Findings

In this section, we discuss the findings related to the phenomenon of for-profit firms ("firms" or "sponsors" from here on) – in many cases publicly traded – purchasing minority equity shares in Bundesliga football clubs ("clubs" or "investees" from here on). Our findings revealed major themes regarding the rational and emotional motivations, dynamics and interorganizational relationship characteristics for minority equity sponsorship agreements as well as resources exchanged and stakeholder reactions to these relationships (Table 3). In line with exchange theory (McCarville and Copeland, 1994) and RM research (Cornwell and Maignan, 1998), we not only focus on a single side of the relationship but adopt a dual perspective and study the point of views of both sponsors and clubs. Moreover, consistent with the premises of RM literature (Cornwell *et al.*, 2018), we also integrate the role of other stakeholders such as firm customers, club supporters, employees, regional leaders, and media in the discussion of our findings. We provide further supportive evidence for each theme from the perspective of firms in Table 4 and clubs in Table 5, respectively.

Insert Tables 4 and 5 about here

4.1. Motivations for Engaging in Minority Equity Sponsorship Agreements

Exchange theory suggests that both parties involved in a relationship should perceive value in engaging in the relationship (Dees, 2011). Accordingly, the motivations to engage in interorganizational relationships may involve rational motivations such as marginal utility and access to specific resources as well as emotional motivations such as fairness and balance of power (McCarville and Copeland, 1994). In line with this perspective, we also identified firms' and clubs' rational and emotional motivations in engaging in minority equity sponsorship agreements (Table 3). Firms and clubs have complementary but unique reasons for deciding to engage in these sponsorship agreements (Tables 4 and 5). For firms, these may involve rational motivations such as tracking long-term impact of investments, gaining control over how the investment is used by clubs, and attracting and retaining better employees. Firms are also emotionally motivated as they seek to strengthen their impact in the region in which they are headquartered, achieve stakeholder satisfaction in the region, and advance interpersonal connections with regional leaders via these minority equity sponsorship agreements. For clubs, the rational motivation for engaging in these relationships is to secure financial resources for long-and-short-term investments to ensure the club's long-term survival and short-term success. Clubs are also emotionally motivated to engage in these agreements as they seek to serve as a connector for various stakeholders in a region to create a supportive community around the club.

4.1.1. Rational Motivations for Firms and Clubs

Our first theme deals with the rational motivations of firms and clubs for engaging in minority equity sponsorship agreements. According to our interviewees, firms want their equity investments to be spent on more long-term investments. Specifically, in these minority equity sponsorship agreements, firms mostly do not have control over the day-to-day operations of these clubs and they are not interested in short-term outcomes that might be better achieved, for example, by acquiring a potential highly marketable player in the transfer window. Rather, they are interested in long-term outcomes, such as investments in a youth academy system that will produce results in the longer term (e.g, Interviewees 16 and 24). Accordingly, by engaging in minority equity sponsorship agreements, firms can direct clubs towards investments such as updating the club's youth academies and stadium upgrades, which tend to increase the long-term value of the club by establishing or reinforcing a solid foundation for the future as noted by a news article regarding the investment by Allianz in Bayern Munich:

> *"German insurer Allianz in February took an 8.33 percent stake in Bayern Munich for 110 million euros as part of a deal to help the club pay down debts on its stadium and to sponsor a youth academy." (Reuters, 2014: paragraph 8).*

As noted by the relationship marketing perspective, the length of relationship is a function of congruence between party's objectives (Palmatier *et al*. 2006). In our case, the long-term orientation of firms is matched by clubs which try to navigate the conflict between these requests from investors and short-term expectations from club supporters and other stakeholders. Specifically, clubs are under constant pressure from supporters and the media to spend money on top players on the transfer market in hopes of providing immediate results for the club, which is an obvious conflicting interest between firms and clubs in a sponsorship agreement. While this philosophy potentially carries a higher chance of immediate success for the club, there is a larger downside concerned with putting the club in financial constraints with long-term contractual obligations for specific players. Specifically, in German football, clubs compete within their domestic league (Bundesliga) and also compete with other European clubs for both talent and supporters, as well as in large tournaments including the Champions League. For example, the rules of promotion and relegation (i.e., clubs that finish in the bottom each season get demoted and the ones at the top get promoted) in the league creates pressure for clubs resulting with a continuous search for external financial resources. As such, it seems only natural that firms would want tighter control over their investments in the club by acquiring equity and associated control over the clubs' strategic decisions, as illustrated by a club employee below:

> *The seat on the board is to protect their investment and make sure the football side doesn't spend it unwisely. (…) (Interviewee #2)*

Based on our findings, another rational motivation for building minority equity sponsorship agreements with regional clubs is to strengthen the firm's employee recruitment and retention, using a club's assets. Specifically, firms engage in agreements with clubs as a means for providing and supporting entertainment for their employees who live in that town. We posit this as a relationship marketing tool, using job embeddedness to increase human capital and thus firm value (Balliauw *et al.,* 2019; Holtom *et al.,* 2006). According to interviewees (e.g., Interviewees 18 and 21) and archival data (Burmaster, 2019), some of the minority equity sponsorship agreements are used as an employee management and recruitment tool. A professor who consults with Bundesliga clubs notes:

> *In the case of Ingolstadt and Wolfsburg, those are small towns without a lot to do. In order for those companies to recruit workers and their families they have to provide a reason other than work for people to live in that city. So they invest in sponsoring those clubs (…) to influence the labor market. (Interviewee #21)*

Regarding rational motivations for clubs to engage in minority equity sponsorship agreements, a reason for clubs to pursue these relationships also involves mimicking the success recipes of other successful clubs. With the exception of Bayer Leverkusen and Wolfsburg, whose agreements with Bayer and Volkswagen started in the early 1900's, the recent equity relationships started with Bayern Munich, the most successful club in Germany and a top club in both Europe and the rest of the world. As such, other clubs copied their strategy (e.g., "Dortmund may be taking a page from rival Bayern's playbook in seeking more corporate backing." (Reuters, 2014) as there seems to be a 'follow-the-leader' philosophy, as noted by Deutsche Welle (2014) and confirmed by a club executive:

> *Reigning German champions Bayern Munich serve as a role model in these endeavours. (…) Long ago it changed its status, becoming a public holding company. Sportsgear manufacturer Adidas, insurance giant Allianz and premium carmaker Audi now hold a combined stake of 24.9 percent in the club. Allianz alone paid 110 million euros to purchase the 8.3-percent stake it owns. (Deutsche Welle, 2014)*

> *With football, you always mimic the stronger teams. On and off the pitch. (…)Here, everyone follows Bayern Munich. They were the first club to enter into these equity deals (…). Then Borussia Dortmund. Stuttgart was the latest. We are all looking to raise new revenue without raising ticket prices. (Interviewee #21)*

4.1.2. Emotional Motivations for Firms and Clubs

Our next theme represents emotional motivations for both firms and clubs to engage in minority equity sponsorship agreements. Many of our interviewees noted that decisions related to these agreements are often made not based on bottom-line profit motives, but on personal relationships (e.g., Interviewee 8, 11, 18, and 23). Therefore, we classified these motivations as emotional (as opposed to rational) motivations. Like any other social interaction, minority equity sponsorship agreements take place through close ties between the executives of firms and clubs and are affected by external stakeholders such as regional political leaders or club supporters. From a managerial perspective, firms utilize these agreements to further their relations with stakeholders in a region where they are headquartered or have major production facilities.

While regional proximity between firms and clubs precedes these agreements, our findings show that this geographic proximity and maintaining and nourishing the ecosystem that it creates serves as an important motivation for minority equity sponsorship agreements. For example, Audi has a manufacturing plant in Ingolstadt. Their investments not only help to build social goodwill with supporters of the club, townspeople, and area political leaders but also a long-term partnership between the club, sponsor, and local stakeholders for the betterment of everyone. German firms – and equity investors in Dortmund – Evonik and Signal Iduna are based in/around the city. Athletic apparel firm Puma is a German firm with a large history supporting national sport interest. Allianz, Audi, and Adidas are all based in/around Munich. Large multinational firms Bayer and VW are headquartered in industrial cities where the club's Bayer Leverkusen and Wolfsburg reside. Deutsche Welle (2014) noted in an article exploring these minority equity sponsorships that relations between firms headquartered in a region and local clubs often begin as a traditional sponsorship and progress to an equity-based agreement:

> *German auto maker Daimler is set to participate in the share issue, scheduled to become the club's [Stuttgart] largest shareholder. Situated in the Stuttgart region, the carmaker already holds the rights to the name of the club's stadium which is called "Gottlieb Daimler Arena." (Deutsche Welle, 2014)*

Another finding with implications for both firms and clubs was that both engaged in minority equity sponsorship agreements as a way to placate specific stakeholder groups. Numerous interviewees noted the different stakeholder groups that were involved in a Bundesliga club. Similar to other sports, Bundesliga clubs enjoy the following of many distinct stakeholder groups including club supporters, sponsors, business leaders, local and regional firms, area politicians, media firms, and firm employees. A former sport marketing executive who has worked with numerous German sport clubs notes:

> *The one common denominator in all of [minority equity sponsorship agreements] is trying to make some constituency of the company happy. With the Volkswagen investment in Wolfsburg it is done to make the town a more pleasant place to live so Volkswagen can recruit top engineers to the town. With Audi, Adidas, and Allianz and Bayern Munich it is because the companies want to associate with a global football club. (Interviewee #8)*

In just one example of the political ties among stakeholders, Lower Saxony, the German state where Volkswagen and VfL Wolfsburg are located, owns 59 million shares of the automotive manufacturer's stock (Reuters, 2017). This stock is valued at 7.6 billion euros and gives the municipality influence in the firm's business practices. Moreover, numerous supervisory board members of the club have held positions with the surrounding city and state municipality governments. The club's supervisory committee also includes executives from the firm (Murphy, 2017). A club executive points to these strong ties:

> *In Germany, there is a lot of political involvement in football. The CEO's, politicians, and club leaders are all friends. Tightly connected. Ingolstadt is a perfect example. Historically, they were a lower level club. But Audi - the main employer in town - worked with the city's politicians and club leaders to build the club a new stadium and help it improve. They now play in the first division. Having a successful football club is seen as a win for the company's executives, company employees, club leadership, politicians, and city residents. Audi gets credit for driving this success. (Interviewee #23)*

Relatedly, a final motivation for minority equity sponsorship agreements for both firms and clubs involves personal interactions and relationships between key actors of these firms and clubs, as well as with key political figures. It was obvious from the interviewees that personal relationships played a large role in these arrangements. A club consultant states another strong bond was between corporate executives from area firms and club leadership:

> *(…) these are decisions that are made on the basis of community integration. Marketing and social benefits if you will. You have to understand that there is tremendous community overlap between these companies and the football clubs. I mean political and social. They know each other. The CEO's and the club leadership. I guess you could look at these as "soft investments." (Interviewee #18)*

4.2. Dynamics of Establishing and Maintaining Minority Equity Sponsorship Agreements

Establishing and maintaining successful exchanges requires accommodations by engaged parties to ensure mutual benefit for them (Chang *et al.,* 2015; Cropanzano and Mitchell, 2005; McCarville and Copeland, 1994). Building on and extending these findings, we illustrate that developing mutually beneficial minority equity alliances in our study's context requires both firms and clubs to have an insightful understanding of the institutional context and requirements, to commit to the relationship in the long-run by establishing trust and reputation, and often involves going through structural changes to accommodate the partnership (Table 3).

The RM paradigm suggests that the duration of the relationship is a function of interpersonal interactions in the sponsorship agreement (Cornwell *et al.*, 2018). These interpersonal interactions are guided by the main pillars of exchange theory, including trust and reciprocity (Cropanzano and Mitchell, 2005). However, even in long-term and equity-based relationships, opportunistic behavior is an unavoidable dynamic of interfirm cooperation (Das and Teng, 1998). Accordingly, in the following, we share our findings related to the dynamics that sets the stage for long-term minority equity sponsorship agreements especially focusing on the roles of commitment, trust, and reputation and highlighting some instances of opportunistic behavior in these relationships. We provide additional evidence from our data in Tables 4 and 5.

4.2.1. Managing Institutional Pressures and Committing to the Agreement

The institutional environment for minority equity sponsorship agreements in the Bundesliga is heavily regulated and is under constant public scrutiny (Moliterno *et al.,* 2014). Historically, clubs have been designated as “member associations” (Dietl and Franck, 2007). Numerous interviewees noted that this is a legal classification in Germany which gives clubs for-profit status. However, by law, any profits must be reinvested in the clubs. This member association designation is important to supporters of the clubs, who view themselves as part of the organization’s decision-making process. By selling an equity stake to firms, the clubs are forced to change their legal status from member associations to what is referred to in Germany as an AG organization (joint stock company). An attorney who negotiated numerous deals notes:

> *So there was a lot of pressure let’s say from the legal side to think about [if] the [registered] association is the right path of vehicle in which you can run a football club. The federation, the German Football Association, was heavily against any kind of change in that. (…) But then the pressure becomes higher and higher and the risk became higher*

> *and higher. The risk meaning that let's say if some association went bankrupt all of the members of the association would be held liable for that. (Interviewee #15)*

Owing to tradition, the German Football Federation (governing body of German football) is uncomfortable with the restructuring process. In an effort to control the pace of change, the German authorities implemented a 50 + 1 rule. Basically, the club had to own at least 51%, which in turn means that only 49% of the club can be owned by an outside interest (Bundesliga, 2018). This is critical, given that the majority owner has the final say in the major decisions of the club, which limits the minority partner's influence regarding the kind of actions they might prefer and request from the club. One interviewee noted:

> *(…) you have different legal entities, you have 'eingetragener Verein' which is a limited [partnership], you have 'aktiengesellschaft' which [is] a publicly-traded company (…), and then you even have clubs whose goal is not to make money; the primary goal is to serve the society and the secondary goal, they can make profit in order to fill the primary goal, (…) so it's really diverse in terms of the legal forms, but [what is] common is that the club itself still has to have the majority in terms of decision making. (Interviewee #12)*

According to our interviewees, these changes were instituted because of the increasing nature of commerce in the Bundesliga, as well as other top football leagues. This changing landscape included much larger television/internet rights deals. This creates a chain reaction with revenue from these agreements flowing to the top clubs, which in turn allows those clubs to purchase the best talent, ultimately creating a winner-take-all market, as explained in a 2014 interview with various club representatives published in Deutsche Welle:

> *In 2007, Stuttgart won the German football championship. It was the last time a club registered as an association under German law achieved this feat, Stuttgart President Bernd Wahler noted (…) "The probability of a registered football association winning a national championship again is very low," (…). As Stuttgart finished last season in the lower half of the table, they are now seeking to turn their fortunes around with the help of wealthy investors. Hamburg-based football club HSV is set to follow in Stuttgart's footsteps, and Hertha Berlin in the German capital has already taken a foreign investor (…) (Deutsche Welle, 2014)*

In light of these institutional as well as resource and competition-based pressures, minority equity sponsorship agreements are established in a way to account for the challenges discussed above. A high-level manager for a major football club that we interviewed outlines the dynamics and structural details of a recent minority equity sponsorship agreement in the following quote. This interviewee also clearly differentiates this agreement from traditional sponsorships and explains the commitment required from both parties:

> *It was a three-step process. First, Daimler paid 41.5 M for 11.75[%] shares of the new entity. They are our "anchor investor." They also get a seat on the board. It is important to understand that these deals are separate from sponsorships. (…) In our case, it came with a commitment to increase the sponsorship amount as well. (…) these companies give money two ways. The ownership stake and another is the sponsorship. These investments give them an element of control. The last part was an agreement to a lower amount of money if the club stayed in the lower league. Realize, this sends a powerful message to supporters that Daimler has confidence in us. It will also allow us to raise additional money from other investors. (Interviewee #10)*

4.2.2. Building Long-term Sponsorship Agreements through Reputation and Trust

Given that both firms and clubs have elected to deepen their relationship via an equity partnership in a minority equity sponsorship agreement, both parties are expected to be committed to a long-term relationship underlined by reputation and trust. There exists a reputational separation - both financial and status - between clubs within the Bundesliga. The clubs that consistently qualify for the UEFA Champions League attract the most media attention and supporters. Thus, top brands want to associate with them. The clubs that have attracted the most attention regarding equity investments are Bayern Munich and Borussia Dortmund. Bayern Munich is one of the top football clubs in the world and truly the only internationally known club in Bundesliga, although Borussia Dortmund has been competitive in the Champions League for the last decade. After these two clubs, there is a group of clubs which have what could be termed "national" reputations. Below those are clubs with a smaller local reputation. Accordingly, firms seek to use minority equity sponsorship agreements to tap into Bayern Munich's reputation as one of the top football clubs in the world. Industrial firms like Audi, Volkswagen, and Bayer, on the other hand, invest in other clubs because of workplace benefits, as detailed by a consultant:

> *Depends on what type of company you are and what your target audience is. The sponsorship platform has to match the marketing goals of the company. Bayern is a global football club. Audi, Adidas and Allianz partner with them to gain a global audience. That is a different marketing goal than Bayer and Volkswagen have for their investments in Bayer Leverkusen and Wolfsburg. (Interviewee #18)*

Accordingly, targeting long-term sponsorship agreements with global clubs is considered as an initial step towards globalization for firms that are aspiring to be global. However, equity investment could potentially serve as a stepping stone for the club to become a global competitor and give the firm global reach as well as regional support as noted by a club employee:

> *Stuttgart is trying to get Mercedes to partner. They [Mercedes] are based in Stuttgart. (…) They are interested because they are based in the city, but they are a global brand. Then again, Stuttgart is not a global football team. (…) Maybe that changes with the investment. They have historical legacy in German football as one of the top clubs. So maybe the investment can get them over the top. (Interviewee #2)*

For firms with regional emphasis, the priority is to associate with regional clubs that earned the trust of stakeholders in the region. In doing so, the firm can also join the circle of trust established in the region among stakeholders and may be considered as part of the ecosystem. This, in turn, contributes to the firm's reputation in the eyes of its customer as well as other regional stakeholders such as the local government, media, and club supporters. These regional considerations are largely the result of interpersonal interactions, reputation, and trust between key actors in each organization and lead to longer relationships as noted by an interviewee:

> *(…) if it's a regional alliance that is the people in the company have a personal interest to be affiliated to the club. I know from the Mainz club here for example that the son of the owner of Erdal which is a big company for shoe polishing and cleaning is one of the very old and biggest brands. (…) And he just wanted to be part of the club and wanted to have this VIP area and decided, "Okay, I become the main sponsor of the club." And then there was a 15, 20-year-long alliance. (Interviewee #12)*

For clubs, prior interactions and reputation of a potential sponsor serve as indicators of firm involvement in the relationship, once a minority equity sponsorship agreement is established. Accordingly, clubs attempt to seek firms that will only be involved in high-level strategic issues of the club as opposed to its daily operations (e.g., Interviewees 2, 3, 11, and 12). Moreover, clubs need to trust that the regional influence of a potential sponsor will be received well by their key stakeholders including club supporters. Supporters, on the other hand, trust and prefer regional sponsors with history and investments in the region, as opposed to outsiders that only consider the agreement as a marketing outlet. These delicate relationships woven on trust, reputation, and commitment are illustrated by a club supporter and organizer:

> *We have had a longstanding relationship with Daimler. The company has been a sponsor for years. (…) Volkswagen owns Wolfsburg, Audi has investments in Ingolstadt and Bayern. So it makes sense for the area's biggest employer to make an investment in the region's top club. In many of these arrangements fans don't like corporate investment in the clubs. (…) but most supporters were comfortable with Daimler. (…) They have offices right across the street from the club's stadium. (Interviewee #24)*

4.2.3. Acting Opportunistically for Firm or Club Benefit

Dynamics between firms and clubs in a minority equity sponsorship agreement are not always constructive and complementary but at times more complex, due to opportunistic behavior presented by either party in the relationship. Given the increased involvement of sponsors in the club in a minority equity sponsorship agreement, the major source of opportunistic behavior for firms is due to their equity investments in multiple clubs creating a conflict of interests (Reuters, 2014). The German Football Federation has no rules regarding potential conflict of interests (e.g., Volkswagen fully owns one club and has partial ownership in two others) in these agreements because the media acts as a watchdog against inappropriate behavior from the firms. Similarly, club stakeholders point to the fact that some firms capture too much influence and control over the club despite regulations including, for example, blocking other potential sponsors to invest in the club which could generate additional resources for the club to achieve success. A club employee lists various instances of opportunistic behavior:

> *No doubt Adidas's relationship with Bayern was to shut out Nike. At the time, Nike was looking to invest heavily in Germany football. Puma invests in Borussia in large part to keep Adidas from gaining sponsorship of the second biggest German club. VW's executives have publically stated many times the company's investment in Wolfsburg is because to remain competitive with other German car companies (…). (Interviewee #23)*

Due to institutional and competitive pressures noted above, there is a vicious cycle wherein the most successful clubs attract the major investors which in turn gives them more resources to be even more successful in Bundesliga and international competitions. Accordingly, clubs also tend to engage in opportunistic behaviors especially by crossing the fine line of being a member association and taking the form of a public holding company to attract multiple resourceful investors due to the value coming from these sponsorship agreements (Reuters, 2014). Especially internationally well-known clubs such as Bayern Munich and Borussia Dortmund, as well as followers like Stuttgart, HSV, and Hertha Berlin, engage in constant restructuring to accommodate multiple investors in their clubs (Deutsche Welle, 2014). Specifically, these clubs allow the football operations to split off from the rest of the operations (e.g., other sports, youth academies, stadium operations) of the club. In effect, the football operations of the club becomes a separate entity, although still majority controlled by the club. It also allows for a separate supervisory board to oversee the football operations of the club. The club supporters do not have a seat on the supervisory board. This allows seats for greater athletic expertise on the board and helps clubs to capitalize on the commerce aspect of football:

> *(…) we restructured our whole organization (…..) because the sponsors are looking to communicate with our fans, or the consumer in the stadium, but they are also looking to get business contacts. (…) The main sponsor, Mercedes-Benz Bank, obviously does both, (…) To be honest, it's really difficult to say a sponsorship has this or that value, but we are working together [research firm], which is a big company doing research and they*

> *are checking all the data (…)and we are going to our partners let's see what kind of data you reached. (Interviewee #10)*

4.3. Exchanged Resources and Stakeholder Reactions

We also explored the resources exchanged by firms and clubs in minority equity sponsorship agreements in our study's context (Table 3). For firms, the resources received in the exchange of resources may involve rational resources with direct impact to firm outcomes, such as a marketing advantage by being associated with a major club and the ability to limit competitors' marketing options. Similarly, the received resources by firms may be more emotional and intangible in nature with indirect implications for the firms' bottom line, such as networking and associating the brand with a popular sport and healthy lifestyle. However, our findings also suggest that minority equity sponsorship agreements that are especially affected by opportunistic behaviors from firms may lead to negative stakeholder reactions towards the sponsor, such as perceptions of foul play when a firm is an investor in multiple clubs as well as customer dissatisfaction (Table 4).

For clubs, these agreements can lead to rational resources such as much-needed investments in club infrastructure, access to top talent, and increased professionalism in managerial ranks due to interactions with, and added control from, professional corporations, as well as emotional resources such as networking opportunities with the corporate world. However, given the long-term nature of minority equity sponsorship agreements, it may be harder for clubs to switch sponsors, particularly when compared to traditional sponsorships, leading to potential opportunity costs in the long run. Similarly, minority equity sponsorship agreements may lead to discomfort among stakeholders of the club due to corporate (at times interlocking) ownership and perceived influence (Table 5).

4.3.1. Rational Resources Exchanged by Firms and Clubs with Direct Benefits

Minority equity sponsorship agreements can be leveraged to gain a competitive advantage within a highly competitive industry. One of those industries in Germany is automobile manufacturing. The country is famous for the slogan "German engineering" and the competition between German-based firms Volkswagen (Audi), Daimler (Mercedes-Benz) and BMW is intense. A club executive notes how a minority equity sponsorship agreement built as a long-term relationship between a firm and a club yields important value for both parties:

> *One of Audi's top competitors is BMW. BMW is synonymous with the Bavarian region, where Munich is located. (…) Audi becomes a sponsor of Bayern Munich the most popular football club in Bavaria and all of Germany. (…) Audi can leverage the Bayern brand to increase sales all over the world. The relationship with the club becomes a very valuable asset that BMW doesn't have and can't easily replicate. (Interviewee #23)*

Relatedly, another rational resource received by the club is the ability to effectively block rival firms from valuable advertising resources. Interviewees discussed the ability of one firm to strategically align itself with a club which, in turn, effectively blocks their rival firm from establishing a relationship (Interviewees 2, 11, 23). Since Bundesliga clubs are highly visible, exclusive sponsorship of a club is considered a valuable asset.

A major rational resource received by clubs from these minority equity sponsorship agreements is a new level of professionalism gained by clubs. Historically, clubs have been run as "mom and pop" organizations with little bottom line profit motive. Recently - owing to the influx of large media contracts – this has changed (Die Welt, 2020). Now there is a need and desire to bring long-term strategic business decision-making to clubs. The majority of firms that have purchased equity shares are large multinational corporations with experienced managers. These corporations gain seats on the club's board of directors which brings both a heightened level of managerial experience and oversight to the club as illustrated by a club supporter:

> *I also think they [minority equity sponsorship agreements] can help operate the club in a more professional manner. I saw that happen here at Hoffenheim. When {the founder of a*

> *major company} bought the club he installed professionals. Everything changed from before. It was a sleepy little club, now it is professional in every sense. (…) The club is ran more like a business and less like a sport club. (Interviewee #22)*

Relative to traditional sponsorships, firm executives have more control over how their investments are spent which they would like to direct to areas that would benefit the long-term future of the club. As such, they push clubs to direct investments in infrastructure for providing a long-term structural foundation for the club, a sentiment also shared by other stakeholders (e.g., German football federation, regional leaders) in the Bundesliga. In the late 1990's and early 2000's, after poor performances in international tournaments, the German football federation mandated clubs to focus on youth development and infrastructure as part of a strategic initiative to develop homegrown players. Interviewees noted that Bundesliga clubs have used their equity investments to strengthen the infrastructure of the club, specifically their youth academies. This strategy allows for clubs to develop homegrown talent and lessens the need to compete with other European clubs for top talent during the transfer window. A club employee explains:

> (….) *However, there was a lack of German talent in the Bundesliga. The DFL put rules in place regarding the academies. If you wanted a license (to own and operate a club) you had to invest in a youth academy. It was a way to foster young German players for both the Bundesliga and the national team. I will say that some of the money from the investments have been used to bolster the academies. (Interviewee#16)*

4.3.2. Emotional Resources Exchanged by Firms and Clubs with Indirect Benefits

Firms utilize club facilities and amenities to build and maintain relationships with other club stakeholders, which facilitates business. As such, firm executives and politicians use the football matches as opportunities to network. Similarly, networking at the games and training facilities between firms plays a large role in developing business relationships. One of the club goals in these relationships is to utilize the equity partner's business contacts to possibly reach out to additional firms that might be interested in spending advertising dollars with the club.

Similarly, a minority equity sponsorship agreement with a club also provides the executives of the investor a higher status that can be translated into interactions with the stakeholders of the club including politicians, media, and club supporters as noted by a club consultant:

> *I will say that in Europe, football involves politicians in a very social atmosphere. It is our main social institution in our country and because of that everyone wants to be involved. It is very social for the CEO's of these companies to be seen in the boxes at the stadium. That to me had a lot to do with these alliances. The companies get access to the club and that is important for both commercial and personal reasons. (Interviewee #20)*

Another emotional resource gained is increased stakeholder satisfaction because these stakeholders acknowledge the importance of equity investments for both long-term sustainability and short-term competitiveness and success of the club. Specifically, club stakeholders noted that the two most successful Bundesliga clubs (Bayern Munich and Borussia Dortmund) had moved to a different model largely involving minority equity sponsorship agreements. Accordingly, it was clear to some stakeholders that success was dependent on changing the club structure, as they understood the benefits these agreements brought to a club.

> *.(…) supporters also realize that to be competitive your club might have to move to a corporate model. So the competitive side wants the investment and the traditional side doesn't always welcome it. (Interviewee #18)*

Moreover, increased stakeholder satisfaction is also a function of investments to youth academies that we discussed above. These academies serve as training grounds for Bundesliga clubs. Typically, each club sponsors youth teams, with the goal of advancing the best players up through the system. Good academies create value for the clubs in two ways. One, if a player advances through a club's academy, that club owns the player's rights for a specific time period. If a club can use its academy to supply players, the clubs do not have to purchase players from other clubs. However, this practice can be both unpredictable and expensive. Two, if a club can develop players they can also sell them to other clubs for a profit. A club supporter explains:

> *If clubs want to be successful they must have a good youth training program. We call them academies. These cost money. Coaches, trainers, scouts. Really, only one Bundesliga club can buy top talent from other clubs – Bayern Munich. At Bayern, part of Audi and Allianz's money went to rebuilding their academy. Although Bayern has a good academy as well. (…)The rest of us have to home grown players. (Interviewee #21)*

4.3.3. Negative Stakeholder Reactions

Our findings suggest that minority equity sponsorship agreements in our study's context also lead to negative stakeholder reactions, such as customer and other stakeholder dissatisfaction. To begin, stakeholders, such as club supporters and media, felt a dissatisfaction due to excessive sponsor control over clubs. To properly understand their reactions, one has to understand the history behind these clubs. Most of these clubs have been member-owned for decades (Wilkesmann and Blutner, 2002). This means the members have been involved in making key decisions regarding the direction of the club. This has given members an ownership stake that was successful in creating lifelong bonds between the club and its supporters. As such, their supporters are reluctant to give up control of what they perceive as *their* club (Interviewees 3, 22, 24). Moreover, club supporters are leery of any changes to that structure that lessens their influence. For example, a firm employee (Interviewee 7) stated that in addition to losing direct influence on club decisions there is a general dislike for corporate involvement by supporters. Historically, there exists an attitude among supporters that clubs should not be used by wealthy patrons as a means of gaining status. A club consultant notes:

> *Club supporters are very reluctant to embrace what I call the corporate ownership model. (…) Germany has put in place [a] rule to limit company's involvement. (…) This rule states that the membership must own 51% of the club.(…) It is a source of constant agonizing among football supporters. They boycott games. Riot. (…) (Interviewee #18)*

The media is also skeptical about potential collusion involved in these minority equity sponsorship agreements. As discussed above, potential conflicts of interest could emerge as firms who own (at times controlling) shares in a club also have shares in other Bundesliga clubs. The press - which according to some of the interviewers views itself as the “keeper of integrity” regarding the league - consistently writes about the issue of interlocking ownership. For example, there is a lot of skepticism about the Volkswagen Group (which includes Audi) that has ownership stakes in 3 of the 18 league clubs as noted by a stadium employee:

> *The media also doesn’t like it (...) They think Volkswagen [which owns Audi] has too much influence. Control. They own parts of two clubs [Ingolstadt, Bayern] and all of one other (Wolfsburg). When the transfer season starts [selling players] the media is always waiting for one of their [Audi, Volkswagen] clubs to sell their best players to Bayern [Audi has a minority stake in].They are ready to jump all over it. (Interviewee #3)*

4.4. *Taking Stock of our Findings to Identify Characteristics of Minority Equity Sponsorship Agreements*

Taken together, our findings support our original premise that minority equity sponsorship agreements are distinct from both traditional sponsorship agreements and from minority equity-based alliances. In minority equity sponsorship agreements, the sponsoring firm goes beyond traditional contractual agreements and invests in an organization leading to some control over the activities of the sponsored organization, while at the same time navigating the unique structure of these organizations and the scrutiny of their external stakeholders.

Insert Table 6 about here

Overall, our findings provide insights in response to the questions regarding the motivations, dynamics, and resources exchanged in minority equity sponsorship agreements that we outlined in Table 1. Accordingly, we present our findings related to these questions and list the unique characteristics of minority equity sponsorship agreements relative to traditional sponsorships and minority equity alliances in Table 6. Specifically, we note that the relationship structure in these relationships is equity-based and often involves giving a seat to the sponsor on the board of directors of the club. However, due to institutional pressures and stakeholder reactions, sponsors are expected to be involved only in high-level decisions and not engaged in daily operations. Alignment of interests is high particularly due to trust, reputation, reciprocity, and commitment between key actors, as well as the mutually beneficial nature of these relationships. As a result of highly aligned regional interests and prior interactions, the prospect for the duration of minority equity sponsorship agreements is long. Exchanged resources not only involve direct, tangible, and rational resources, but also include indirect, intangible and stakeholder-based emotional resources. Compared to traditional sponsorships, firms' ability to monitor how their investment is utilized is high. While trust and commitment have been shown to be key characteristics of minority equity sponsorship agreements in our study, there is still room for relatively low levels of opportunistic behavior as illustrated by our findings.

5. Discussion

In this paper, we use a qualitative methodology designed to understand the unique motivations, dynamics, and resources exchanged in the emerging phenomenon of minority equity sponsorship agreements, which display similarities to both traditional sponsorships and minority equity alliances, but are different than both given their unique composition. Despite prior multidisciplinary research on minority equity alliances (e.g., Devarakonda and Reuer, 2019; Drees *et al.*, 2013) and on traditional sponsorships (Cornwell and Kwon, 2020; Jensen and Cornwell, 2017; 2021), there is a dearth of attention paid to these agreements in the context of sponsorships. Our careful analysis of data on this phenomenon undergirded by both exchange theory and RM revealed the major characteristics of minority equity sponsorship agreements including motivations, dynamics and resources exchanged in these relations.

Insert Figure 1 about here

Accordingly, we posit that the themes we identified in our findings are conceptually related and critical building blocks of a model for forming and maintaining minority equity sponsorship agreements (Figure 1). Specifically, we find that firms are mainly interested in minority equity sponsorship agreements in order to have better control over their investment and to contribute to an attractive environment for employees (i.e., rational motivations), and to develop positive relations with various stakeholders, including their customers, employees, and regional political leaders (i.e., emotional motivations). Clubs, on the other hand, are mainly concerned with securing resources and achieving consistency for continued success through these long-term relationships (i.e., rational motivations), as well as pleasing various stakeholders (i.e., emotional motivations). As firms and clubs engage in alliances for different but compatible reasons, they have to make these relations work by relying on each other's reputation and building trust-based relationships, restructuring their respective organizations to accommodate the partnership, and by committing to a long-term relationship. For firms, minority equity sponsorship agreements lead to opportunities for networking and marketing-based competitive advantage, as well as connections to key regional stakeholders. For clubs, these agreements result in increased financial resources, investments in youth infrastructure, and professionalism. However, due to institutional pressures including regulations and the necessity of external investments for competitive success, firms and clubs may engage in opportunistic behaviors such as investments in multiple clubs and split organizational structures to deceive stakeholders, which leads to negative stakeholder reactions.

6. Implications

Our paper contributes to the literature in multiple ways. To begin, a major contribution of our study to the rich traditions of research building on exchange theory (McNally and Griffin, 2007) and the RM paradigm (Morgan and Hunt, 1994) involves the stakeholder-related findings that we identify key to minority equity sponsorship agreements. However, we know from both sponsorship (e.g., Tsiotsou, 2011) and strategic alliance (e.g., Papadimitriou *et al.*, 2016) research, that the motivations and consequences of such relationships go beyond the engaged partners, and also include their respective stakeholders (Dorai and Varshney, 2012). Building on the literature on the RM paradigm (Cornwell, Howard-Grenville, and Hampel, 2018), we extend our exploration beyond the dyadic partners in these relationships and find the roles of other key stakeholders in establishing and maintaining minority equity sponsorship agreements. We find that minority equity sponsorship agreements feature close ties between investing firm executives, investee representatives, regional political leaders, as well as other external stakeholders. Building on our findings, future research could combine research on international sponsorship networks (Cobbs, 2011) and stakeholders (Laplume *et al.*, 2008) to explore the specific roles of each of these stakeholders for minority equity sponsorship agreements.

Our findings in particular build on the main premises of exchange theory and offer unique insights to this line of research. Similarly, we find that interpersonal interactions played a key role in minority equity sponsorship agreements, which are guided by trust and reciprocity well-established in this research (Cropanzano and Mitchell, 2005; Dwyer *et al.*, 1987; Palmatier *et al.*, 2006). Moreover, prior research illustrated that exchange relationships are shaped by and shape the institutional environment in which they take place (Cook and Whitmeyer, 1992). Accordingly, we find that developing mutually beneficial agreements requires that both investors and investees to have an insightful understanding of the institutional context and often involves the investee to go through structural changes to accommodate this partnership.

Regarding the resources exchanged in minority equity sponsorship agreements, we find unique mutual benefits of these relationships, such as the increased professionalism of the club resulting from the engagement and control of the firm in their organizational processes. In other words, investors' greater control over their investment also benefits the investee by improving their organizational processes. This is important, in that it is consistent with the main premise of exchange theory, which posits that long-term relationships should be mutually beneficial to both parties and meet their stated objectives (Crompton, 2004). Similarly, extending the research on consumer responses to sponsorship (e.g., Carrillat and Grohs, 2019) we find that minority equity sponsorship agreements may also result in negative reactions from stakeholders such as customer dissatisfaction and negative public perceptions in the region. While these consequences may not directly affect these organizations' short-term outcomes, they are expected to impact their long-term performance and future relationships (Koka and Prescott, 2002). Future research adopting a longitudinal approach could build on our findings and explore how these strategic benefits or negative stakeholder reactions affect subsequent relations between these organizations.

We also build on and extend the research on minority equity alliances, which suggests motivations for engaging in these relations include access to resources and collecting information about the investee (Drees *et al.*, 2013; Ragozzino and Reuer, 2009). We extend this literature, as our findings point to attracting, recruiting, and retaining highly skilled employees in a region as a major motivation for minority equity sponsorship agreements. Based on the premise that skilled employees are key to any major firms' success and a firm's location is in turn important for attracting top-talent (Chapman *et al.*, 2005), we illustrate that firms engage in minority equity sponsorship agreements to strengthen the firm's employee recruitment and retention using a club's regional influence and assets. Future research could extend this finding by exploring other underexplored motivations for initiating and maintaining sponsorships in general, and specifically for minority equity sponsorship agreements.

We also contribute to the research on sponsorships (Brochado *et al.*, 2018; Cobbs *et al.*, 2021; Jensen, 2021; Nickell *et al.*, 2011) which called for more research on managerial decision-making and on facets of the sponsorship process previously ignored by researchers. To address these calls for research, we focus on decision-makers in firms and clubs as well as other key stakeholders (e.g., club consultants, media, lawyers, and club supporters) engaged in minority equity sponsorship agreements, which is a recent and under-researched phenomenon. Specifically, we collect and analyze multi-faceted data from Bundesliga wherein minority equity sponsorship agreements are recently common (Reuters, 2014) and offer insights regarding motivations, dynamics, and resources exchanged as well as the role of stakeholders in these relationships. Future research could build on our findings to examine an emerging phenomenon in which minority equity partnerships are being pursued by private equity, rather than corporate sponsors (Foerster and Hellier, 2021). Moreover, future research could build on our study to explore the relationship characteristics of investments from sport organizations to private companies (such as the National Football League's investment in DraftKings). Similarly, future research could explore how needs for additional revenue sources may impact the nature and complexity of these agreements between a club and multiple minority equity investors.

Finally, our findings contribute to the literature by offering insights regarding the differences of minority equity sponsorship agreements from traditional sponsorships and minority equity alliances in a unique economic context (i.e., sponsorship) between non-traditional organizations (i.e., firms and clubs) (Devarakonda and Reuer, 2019; Piaskowska, Nadolska, and Barkema, 2019). Specifically, we review the literature on both traditional sponsorships and minority equity alliances, compare and contrast these relations among key characteristics. Moreover, we build on these differences and in light of exchange theory and the RM paradigm, we identify questions that pertain to unique characteristics of minority equity sponsorship agreements. Our findings offer important insights in response to these questions and accordingly we develop a list of major characteristics for these agreements.

7. Conclusion

The aim of this study was to examine minority equity sponsorships to better understand the motivation and impacts for both parties involved. As minority equity sponsorship agreements are growing in popularity, we used the German Bundesliga as the context of our study and interviewed key actors in minority equity sponsorship agreements to identify a number of key characteristics of these agreements including the motivations, dynamics, and resources exchanged by sponsoring firms and clubs. Furthermore, our findings allow a comparison of traditional sponsorships and minority equity alliances. The findings of this study will hopefully allow for a better understanding of minority equity sponsorship agreements for sponsoring firms and the executives of clubs, as well as for other stakeholders and the academic community.

As with any research, this study also has limitations. A potential limitation may be the generalizability of our findings due to our focus on the German Bundesliga as the context of our study. However, the German Bundesliga is among the top contexts for sponsorship investments (Buhler, 2006) and clubs in this league operate as large, multinational, and complex businesses attracting major investors across industries (e.g., BMW, Puma, Red Bull), making it a good context for studying interorganizational relationships (Cousens et al., 2006; Moliterno et al., 2014). As such, there is abundant business research conducted in this context (e.g., Bartling et al., 2015; Bauer et al., 2005) offering insights generalizable across industries and geographies. However, while the majority of our findings are broad and generalizable to all minority equity sponsorship agreements, some may be unique to our context. For example, a driving factor behind a number of these relations is the fact that the investor has a significant presence in the geographic region of the investee, which may not be as salient for other firms or industries. However, the importance of stakeholders as well as the institutional context has been widely noted across strategic alliance studies and contexts (Albers et al., 2013; Wassmer, 2010). Having said that, future research may replicate our findings regarding minority equity sponsorship agreements in other industries and geographical regions. For instance, the sponsor and sponsee relationships in college sports and Olympics are different from minority equity sponsorship agreements due to the highly regulated nature of these non-profit contexts and sponsors' inability to take minority equity in return for their investments. However, sponsorship agreements in these contexts can also be used to advance strategic firm interests as exemplified by the corporate sponsorships in the Beijing 2008 Olympics (Yang, 2008).

Due to the qualitative and exploratory nature of our inquiry we did not have definitive data on the size of minority equity sponsorship agreements in the context of our study. Accordingly, future research could explore if and how the size of the equity stake or the financial value of the agreement may impact the level of influence that a firm gains in a sport club. Another limitation to our findings could be related to the emerging consumer and marketing trends such as social media and data analytics and their implications for B2B marketing relationships (Jensen, 2021; Mora Cortez, Gilliland, and Johnston, 2019); future research could explore the implications of these trends for minority equity sponsorship agreements.

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Table 1. Comparing Traditional Sponsorships and Minority Equity Alliances

	Traditional Sponsorships	**Minority Equity Alliances**	**Questions about Minority Equity Sponsorship Agreements *in light of Exchange Theory and Relationship Marketing***
Relationship Structure	Sponsoring firm pays the entity being sponsored for rights to leverage the relationship for marketing purposes. (Farrelly and Quester, 2005)	Alliance in which one partner firm holds an equity position in the partner firm, or in which both firms hold equity positions in each other. (Das and Rahman, 2010)	What is the relationship structure in minority equity sponsorship agreements? Who are the partners in the relationship? What kind of characteristics do they look for in a partner?
Alignment of Interest	Low. The alignment comes only from the contract – an exchange of payment for marketing resources. (Farrelly and Quester, 2005)	Moderate/High. Equity position results in stronger alignment of interest. However, degree is dependent on scale of equity position and may be one-sided. (Das and Teng, 1996)	What are the motivations for each partner to engage in the relationship? How aligned are these motivations? What do partners do to further align these interests?
Duration of Alliance	Short. Sponsoring firm is only tied to the entity being sponsored for the life of the contract (typically 3 to 5 years; McDonald and Karg, 2013). While a relationship is developed, both sides have the right to exit the agreement once the contractual relationship ends (Jensen & Cornwell, 2018).	Long. The equity position results in an increased commitment relative to other alliances. (Pangarkar, 2003)	How long did the parties intend to maintain the relationship? What is the actual duration of the relationship? How are the extensions decided and implemented?
Benefits to Engaged Parties	Moderate. Mainly financial, with research indicating that financial and performance-based resources are more likely to contribute to survival of sponsored organization compared to operational resources (Cobbs et al., 2017).	Moderate/High. Equity position better aligns interests allowing for more integration and greater potential benefits than contractual alliances. However, firms continue to operate separately resulting in less coordination than joint ventures. (Teng and Das, 2008)	What are the resources exchanged? What are the implications of these relations on the stakeholders including customers, supporters, and the local community?
Effects on Board of Directors and Monitoring Ability	Low. Generally no impact on the composition of Board of Directors. Monitoring is generally purely relational unless detailed in the contract (Cornwell et al., 2000)	Moderate/High. The firm taking the equity position likely gains more ability to monitor. Firms with equity stake often acquire Board seat(s) on the partner's Board. However, as shown by Davarakonda and Reuer (2019), the likelihood of a Board seat is correlated with the size of the equity stake. (Gulati and Singh, 1998)	What are the specific terms of the agreement? Does the firm get a certain number of seats on the board?
Trust Commitment	Low/Moderate. Farrelly and Quester (2005) find that trust is generally present in the sponsorship relationship. However, this trust is likely more fragile due to the contractual nature of the relationship.	Moderate/High. The firm taking the equity position requires more trust for the partner. However, the degree is dependent on scale of equity position. (Das and Teng, 2001)	Was the investment tied to certain club infrastructure projects? Was the investment part of a regional or global strategy? What is the role of reputation in identifying trustworthy partners?
Potential for Opportunistic Behavior	Moderate/High. Given the lack of equity position, potential for opportunistic behavior is only limited by the contract and trust between partners. Urriolagoitia and Planellas (2007) argue that the potential for opportunistic behavior increases as the level of investments associated with the sponsorship relationship increases.	Low/Moderate. The equity position results in a lower likelihood of engaging in opportunistic behavior. However, the degree is dependent on scale of the equity position and may be one sided if only one partner has an equity stake. (Das and Rahman, 2010)	Did the club or firm act opportunistically at any point during the relationship? How? How did you solve the issue and continue the relationship?

Table 2. Sources of Interview Data

Interviewee #	Interviewee Firm, Club, or University	Experienced in the Industry?	Involved in Minority Equity Sponsorship?	Relevance to Study
1	Club employee	Yes	Yes	*Employee of a major Bundesliga club*
2	Club employee	Yes	Yes	*Employee of a major Bundesliga club*
3	Stadium employee	Yes	Yes	*Employee of a stadium for a major Bundesliga club*
4	Company employee	Yes	Yes	*[Now former] employee of a major shoe and apparel company*
5	Sport management researcher	Yes	No	*Studies organizational structure of European football with work on minority equity sponsorship agreements. This researcher played an essential role in helping us establish our initial contacts with German football clubs.*
6	Sport advertising agency employee	No	Yes	*Worked on advertising campaigns for a major chemical company involving investments in a major Bundesliga club*
7	Company employee	Yes	Yes	*Worked for a major German shoe and appearal company*
8	Former sport marketing employee	Yes	Yes	*Working knowledge of German sponsorship deals as was involved in establishing many of these*
9	Municipality (city) official	Yes	Yes	*Oversees a city that houses a football club with a minority investor; closely related to each organization and familiar with the relationship*
10	Manager of marketing	Yes	Yes	*Oversees marketing for a major Bundesliga club*
11	Sport management researcher in a German university	Yes	No	*Studies sport management in Germany and specializes in sponsorships in Bundesliga*
12	Sport management researcher in a German university	Yes	No	*German professor who studies sport management and specializes in sponsorships in Bundesliga*
13	Sport management researcher in a German university	Yes	No	*German professor who studies sport economics and specializes in sponsorships in Bundesliga. This professor provided background on the economic and financial consequences of both German football and the minority equity agreements*
14	Club employee	Yes	No	*Works for a major Bundesliga club*
15	Sport law attorney	Yes	Yes	*German attorney specilized in sport law and conducted the negotiations between clubs and firms*
16	Club employee	Yes	Yes	*Serves as Marketing Manager for a major Bundesliga club, as such he is very familiar with the clubs arrangements*
17	Club employee	Yes	Yes	*Serves as Marketing Manager for a major Bundesliga club*
18	Club Consultant and Professor	Yes	No	*Consultant to many clubs and professor who studies sport management, strategy and marketing*
19	Company employee	Yes	Yes	*[Now retired] company executive that invested in footbal clubs*
20	Club consultant	Yes	Yes	*Served as a consultant to numerous Bundesliga clubs*
21	Sport management researcher in a German university	No	No	*German professor who studies sport management and specializes in sponsorships in Bundesliga. Helped us establish contacts with both firms and German soccer clubs, also provided essential background information regarding the relationship between the German soocer clubs and area firms.*
22	Club supporter/organizer	Yes	No	*Official organizer of club support for a major Bundesliga club*
23	Club employee	Yes	Yes	*Long time German sports and business executive*

Table 3. Data Structure

Sponsor			*Club*	
First-order concepts	**Second-order themes**	**Third-order dimensions**	**Second-order themes**	**First-order concepts**
Spending investments for long-term impact given long-term duration of the relationship Having better control over how the investment is used by the investee Attracting and retaining better employees	RATIONAL MOTIVATIONS: LONG-TERM ORIENTED PRESSURES FOR INVESTORS	MOTIVATIONS FOR ENGAGING IN MINORITY EQUITY SPONSORSHIP AGREEMENTS	RATIONAL MOTIVATIONS: SHORT-TERM ORIENTED PRESSURES FOR CLUBS	Navigating the conflict between pressures for long-term impact by sponsors and short-term flashy transfers from stakeholders and media Mimicking the success recipes of other football clubs (herd mentality/follow the leader)
Keeping regional stakeholders happy Keeping the company regionally engaged across all areas of impact Advancing interpersonal interactions with regional leaders and stakeholders	EMOTIONAL MOTIVATIONS: MAXIMIZING REGIONAL IMPACT OF THE COMPANY		EMOTIONAL MOTIVATIONS: CONNECTING KEY STAKEHOLDERS OF THE REGION	Serving as the epicenter of interactions for main regional leaders Achieving community integration Facilitating interpersonal relationships between various regional actors
Regulations to ensure the stakeholder-orientation of clubs 50+1 rule limiting the control of corporate sponsors Complying with the requirements of 50+1 rule as an indicator of commitment displayed by sponsors Commitment to associate the firm with the team and the sport	MANAGING INSTITUTIONAL PRESSURES AND COMMITTING TO THE AGREEMENT BY LIMITING CONTROL	DYNAMICS OF ESTABLISHING AND MAINTAINING LONG-TERM MINORITY EQUITY SPONSORSHIP AGREEMENTS	COMMITTING TO THE AGREEMENT BY ORGANIZATIONAL RESTRUCTURING IN LINE WITH INSTITUTIONAL PRESSURES	Conflict of running the club as an association versus a non-profit organization Complying with the requirements to change structure as an indicator of commitment displayed by the clubs Success and professionalization commitment from the club Bringing new club management to create a new culture and leadership consistent with the sponsor
Seeking for global and reputable clubs for a global sponsor Searching regional and trustworthy clubs for a sponsor with regional emphasis Brand joining the civic trust in the region Contributes to firm's reputation in the eyes of customers and stakeholders Previous interactions are used to establish long-term relations	TARGETING LONG-TERM SPONSORSHIP AGREEMENTS THROUGH REPUTATION AND TRUST		ASSOCIATING THE CLUB WITH REPUTABLE AND TRUSTWORTHY SPONSORS TO MAINTAIN STAKEHOLDER SATISFACTION	Trust to the sponsor regarding how their involvement in the club will take place Understanding that the sponsor will only be involved in high-level strategic issues and not in daily operations Trust that the regional influence of the sponsor will be well-perceived by the stakeholders of the club Stakeholders trust and prefer regional sponsors Shared history leading to shared objectives and future
Investments in multiple clubs creating conflict of interests Capturing too much influence and control over the club despite regulations Using influence to keep direct competitors outside the club	ACTING OPPORTUNISTICALLY FOR SPONSOR BENEFIT		ACTING OPPORTUNISTICALLY FOR CLUB SUCCESS	Creating a vicious cycle: most successful clubs attract most investors which in turn gives them more resources to be even more successful Clubs crossing the fine line of being a non-profit association due to the value coming from the sponsorship agreement
Limiting competitors' marketing options Marketing advantage by being associated with a major club	EXCHANGING RATIONAL RESOURCES WITH DIRECT BENEFITS TO THE SPONSOR	RESOURCES EXCHANGED AND STAKEHOLDER REACTIONS	EXCHANGING RATIONAL RESOURCES WITH DIRECT BENEFITS TO THE CLUB	Getting access to top talent Investments to the youth academy Financial resources especially utilized for long-term investments to talent Professionalism in the managerial ranks
Getting access to social networks and influence Associating the brand with a sport and healthy lifestyle	EXCHANGING EMOTIONAL RESOURCES WITH INDIRECT BENEFITS TO THE SPONSOR		EXCHANGING EMOTIONAL RESOURCES WITH INDIRECT BENEFITS TO THE CLUB	Benefits to the region in turn helping the club Long-term relationships in the region Networking opportunities in the corporate world
Negative perceptions towards firms that have equity in multiple clubs Perceptions of cheating when there is transfer of players between clubs invested by same sponsors Customer dissatisfaction if they are fans of a rival club	NEGATIVE STAKEHOLDER REACTIONS TOWARDS THE SPONSOR		NEGATIVE STAKEHOLDER REACTIONS TOWARDS THE CLUB	Club supporters' discomfort towards sponsors' equity ownership in the club Club supporters' only accept regional sponsors

Table 4. Supportive Quotes about Sponsoring Firms

Third-order dimensions	Second-order themes	Supportive Quotes
MOTIVATIONS FOR ENGAGING IN MINORITY EQUITY SPONSORSHIP AGREEMENTS	RATIONAL MOTIVATIONS: LONG-TERM ORIENTED PRESSURES FOR INVESTORS	*I can say that they typically don't want the money used for players' salaries. For many clubs that is where the money goes, but I don't think that is the thinking behind these investments. More long term investment decisions. One that increase the value of the club over time. (Interviewee#11)* *Volkswagen is interesting. They sponsor Wolfsburg to give workers and their families something to do. I guess Wolfsburg is a boring town. (…) A way to keep labor force happy and productive. (Interviewee #18)*
	EMOTIONAL MOTIVATIONS: MAXIMIZING REGIONAL IMPACT OF THE COMPANY	*It's very, very much focused on the region. So you have, you know, like Allianz, (…) Volkswagen Wolfsburg is highly regional, Bayern Leverkusen is highly regional, SAP in Hoffenheim is very regional and even like teams where this hasn't happened but probably will happen at sometime like Stuttgart where they have Mercedes-Benz and so I think it's very regional. (Interviewee#11)* *As someone said, different companies have different motivations. Either, help sell more product or help buy more public trust. I mean, it makes the companies look good to their customers if they promote German football as well. It is a good investment although I don't think they (companies) do it with an eye towards a significant financial return. More as a way to build goodwill. (Interviewee#4)*
DYNAMICS OF ESTABLISHING AND MAINTATINING LONG-TERM MINORITY EQUITY SPONSORSHIP AGREEMENTS	MANAGING INSTITUTIONAL PRESSURES AND COMMITTING TO THE AGREEMENT BY LIMITING CONTROL	*The association is by the operation of law is not tailored for doing business. It's for doing nonprofit activities. And now with the football clubs in former times they were nonprofit organizations. And now let's say with the upcoming of the TV rights, the increased value and money coming into the business they're trying to become companies or businesses. (Interviewee#15)* *(...) in Germany, soccer is by far the most popular sport (...) they [firms] try to associate the company with the team. (...) what we can truly observe for those companies that were the companies by equities that it's really a consistent and committed relationship that they want to build up. (Interviewee#11)*
	TARGETING LONG-TERM SPONSORSHIP AGREEMENTS THROUGH REPUTATION AND TRUST	*Depends on what type of company you are and what your target audience is. The sponsorship platform has to match the marketing goals of the company. Bayern is a global football club. Audi, Adidas and Allianz partner with them to gain a global audience. That is a different marketing goal than Bayer and Volkswagen have for their investments in Bayer Leverkusen and Wolfsburg. (Interviewee #18)* *They are all different. The bigger the club the bigger sponsors they can get. For smaller clubs they have to rely more on smaller regional companies. Some (Adidas, Audi) want a global stage to promote their brand. Others just want to be involved. I do think personal relationships between club owners and management and company executives plays a big role. (Interviewee#15)*
	ACTING OPPORTUNISTICALLY FOR SPONSOR BENEFIT	*Especially, Audi. They think Volkswagen (which owns Audi) has too much influence. Control. They own parts of two clubs (Ingolstadt, Bayern) and all of one other (Wolfsburg). When the transfer season starts (selling players) the media is always waiting for one of their (Audi, Volkswagen) clubs to sell their best players to Bayern (which is also owned by Audi). They are ready to jump all over it. (Interviewee#3)* *Then again, Adidas clearly was trying to keep Nike out when they purchased some of Bayern. So it just depends. Same is true with Mercedes and Stuttgart. They (Mercedes) wants to keep out Porsche. (Interviewee#2)*
RESOURCES EXCHANGED AND STAKEHOLDER REACTIONS	EXCHANGING RATIONAL RESOURCES WITH DIRECT BENEFITS TO THE SPONSOR	*One of Audi's top competitors is BMW. BMW is synonymous with the Bavarian region, where Munich is located. (…) Audi becomes a sponsor of Bayern Munich which is far and away the most popular football club in Bavaria and all of Germany. (…) Audi can leverage the Bayern brand to increase sales all over the world. The relationship with the club becomes a very valuable asset that BMW doesn't have and can't easily replicate. (Interviewee #21)* *(…) if you have an equity partner and then you want to switch who your corporate sponsor is, (…) let's say that, yeah, BMW comes in and they take an equity stake in a club, 10% and then they have like a 5-year sponsorship agreement. At the end of the 5 years, they want to renegotiate to a new corporate sponsor, how do you phase BMW out now that they have equity stake in supervisory board seats (Interviewee#12)*
	EXCHANGING EMOTIONAL RESOURCES WITH INDIRECT BENEFITS TO THE SPONSOR	*I will say that in Europe, football involves politicians in a very social atmosphere. It (football) is our main social institution in our country and because of that everyone wants to be involved. It is very social for the CEO's of these companies to be seen in the boxes at the stadium. That to me had a lot to do with these alliances. The companies get access to the club and that is important for both commercial and personal reasons. (Interviewee#17)* *If you visit Bayer's website they use their investment in the football club as a catalyst for a larger health and wellness initiative. Which again, is all about the company creating a better work environment for their employees. That could certainly be used as an advantage over their competitors. (Interviewee#20)*
	NEGATIVE STAKEHOLDER REACTIONS TOWARDS THE SPONSOR	*The media also doesn't like it. The newspapers. Especially, Audi. They think Volkswagen (which owns Audi) has too much influence. Control. They own parts of two clubs (Ingolstadt, Bayern) and all of one other (Wolfsburg). When the transfer season starts (selling players) the media is always waiting for one of their (Audi, Volkswagen) clubs to sell their best players to Bayern (which is also owned by Audi). They are ready to jump all over it. (Interviewee#3)*

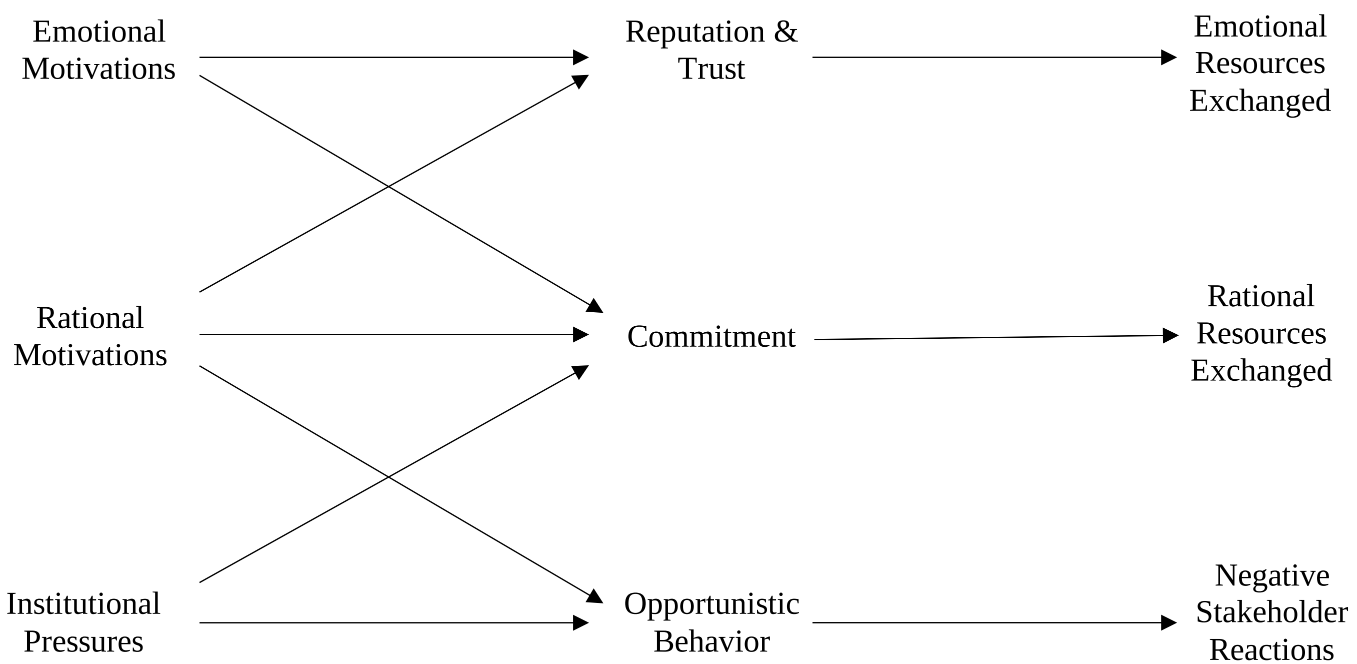
Table 5. Supportive Quotes about Sponsored Organizations

Third-order dimensions	Second-order themes	Supportive Quotes
MOTIVATIONS FOR ENGAGING IN MINORITY EQUITY SPONSORSHIP AGREEMENTS	RATIONAL MOTIVATIONS: SHORT-TERM ORIENTED PRESSURES FOR CLUBS	*Borussia Dortmund, from the Germany's rust belt Ruhr valley region, is seen as the only German club in a position to currently challenge the dominance of Bayern Munich. (...) Dortmund may be taking a page from rival Bayern's playbook in seeking more corporate backing. German insurer Allianz in February took an 8.33 percent stake in Bayern Munich for 110 million euros as part of a deal to help the club pay down debts on its stadium and to sponsor a youth academy. The deal at the time gave the unlisted club, which is majority controlled by its members, an implied valuation of 1.32 billion euros (1.07 billion pound), more than five times Dortmund's market value of 250 million (Reuters, 2014)* *Find players, scout them, develop them. That takes resources. You have to remember here if you finish at the bottom of the table you get relegated. Demoted. (…) You are under pressure not just from the fans and media (…) but also with the fear of dropping down to the lower leagues. (Interviewee#21)*
	EMOTIONAL MOTIVATIONS: CONNECTING KEY STAKEHOLDERS OF THE REGION	*Wolfsburg's deal with Volkswagen is different as is Ingolstadt and Audi. They are both based in the small communities. The football clubs are part of the fabric of those small cities. Bayer and Leverkusen go back 100 years. They started as worker's clubs. So the players were workers from the company. (Interviewee#1)* *Red Bull invests because they want to break into the German market. It seems like ownership is a Red Bull strategy as it relates to their sports sponsorships. In my opinion, the common denominator as far as the corporate investment goes is keeping stakeholders groups happy. (Interviewee#16)*
DYNAMICS OF ESTABLISHING AND MAINTATINING LONG-TERM MINORITY EQUITY SPONSORSHIP AGREEMENTS	COMMITTING TO THE AGREEMENT BY ORGANIZATIONAL RESTRUCTURING IN LINE WITH INSTITUTIONAL PRESSURES	*(...) they are hosting these meetings more like meetings in companies where you set strategic goals, where you provide a vision to those who support you to give really guidance to implement a culture of that the team wants to stand for. (...) it's the whole kind of guidance and leadership as part of the management that they bring in. (Interviewee#12)* *Henning Vöpel, a senior economist with the Hamburg Institute of International Economics (HWWI), told DW that German clubs were following a global trend in professional football. "The number of associations operating like a traditional sports club is in decline. They are changing their legal status to become more competitive and tap news sources of financing," (...) Unlike their "big money" rivals, current first division clubs Augsburg, Mainz, Freiburg and Paderborn are still organized along traditional lines. As registered football associations, their fortunes, however, will remain bleak. (DW, 2014)*
	ASSOCIATING THE CLUB WITH REPUTABLE AND TRUSTWORTHY SPONSORS TO MAINTAIN STAKEHOLDER SATISFACTION	*(...) it's long-term. I mean Wolfsburg and Bayern that's additional because it was a club from the company. It was a company club, so the company started the club. Like universities have their own university teams. The company had a company team with employees playing there. And then it developed, and then certainly the company supported the team, and then the tradition started and then they bought professional players and so. (Interviewee#15)* *And I mean sure, so it's the recruitment first and the second thing is trust that those meetings not like if you have a club meeting. So it's required for the club to have one meeting for a year and it's usually organized very democratically, everyone can raise a voice and lot of discussions and lots of small things happening. (Interviewee#12)*
	ACTING OPPORTUNISTICALLY FOR CLUB SUCCESS	*The association is by the operation of law is not tailored for doing business. It's for doing nonprofit activities. And now with the football clubs in former times they were nonprofit organizations. And now let's say with the upcoming of the TV rights, the increased value and money coming into the business they're trying to become companies or businesses. (Interviewee#15)*
RESOURCES EXCHANGED AND STAKEHOLDER REACTIONS	EXCHANGING RATIONAL RESOURCES WITH DIRECT BENEFITS TO THE CLUB	*(...) the overall strategy is to make sure that the brand they associate with the sports team act professionally. So, because those companies have high management skills, and you know in Germany, a lot of decisions are left to the clubs themselves, and the club's structure itself is an old structure (…) they just want to make sure that they have control over what I call, "Management Skills," inside the teams and the clubs. (Interviewee#12)* *I think the company's offer tremendous professionalism. In Bayern's case the club operates very efficiently. Some of the things they are doing are quite revolutionary in sport management. Now maybe you can say "Yes, but they are one of the richest clubs in the world." But I would say that the other – not so rich – clubs the investments are a form of professionalism. (Interviewee#20)* *It is a different mindset regarding these investments. These investments are over and above their sponsorships. (...) At some point, probably in the 1980's and 1990's the company realized they had a valuable asset of their hands. Not in a financial way. (...) They transformed into professional sport clubs. (...) Those companies invest because they want the benefit of association with a great club. (...) these investments have allowed the clubs to act in a more professional manner. (Interviewee#15)*
	EXCHANGING EMOTIONAL RESOURCES WITH INDIRECT BENEFITS TO THE CLUB	*We have had a longstanding relationship with Daimler. The company has been a sponsor for years. (…) Volkswagen owns Wolfsburg, Audi has investments in Ingolstadt and Bayern. So it makes sense for the area's biggest employer to make an investment in the region's top club. In many of these arrangements fans don't like corporate investment in the clubs. (…) but most supporters were comfortable with Daimler. (…) They have offices right across the street from the club's stadium. (Interviewee #21)*
	NEGATIVE STAKEHOLDER REACTIONS TOWARDS THE CLUB	*If the questions is regarding the supporters then I think they understand both party's needs. Now, some don't like corporations buying their teams, but I think they understand the benefits of it. (…) The media is also wary of these relationships. Most of our clubs have been membership based for years and years. Any changes to that established way of running the club is looked at negatively or at least some caution. (Interviewee#12)*

Table 6. Summary of Findings

	Questions about Minority Sponsorship Agreements	Findings	Characteristics of Minority Equity Sponsorship Agreements
Relationship Structure	What is the relationship structure in minority equity sponsorship agreements? Who are the partners in the relationship? What kind of characteristics do they look for in a partner?	The investing firm gets a minority ownership in the club and a seat in the board with minor involvement in club operations Firms headquartered in a region invests in a local and reputable club Partners are mostly clubs in the region "Member association" designation Separating football and other operations of the club	Sponsoring firms take equity position in the entity being sponsored. Firm control in the club is limited by regulations; they are only involved in high-level decisions.
Alignment of Interest	What are the motivations for each partner to engage in the relationship? How aligned are these motivations? What do partners do to further align these interests?	Achieve stakeholder satisfaction in the region Develop or maintain interpersonal relations with key stakeholders Associating the brand with the most popular sport Employee recruitment and retention Mimicking other clubs Reputation advantage for sponsors and financial support for clubs	High. While the benefits received from the agreement and resources exchanged are significantly different, both have incentive to see the other succeed. There is a strong alignment of benefits.
Duration of Alliance	How long did the parties intend to maintain the relationship? What is the actual duration of the relationship? How are the extensions decided and implemented?	Assessing congruence between marketing goals and club reputation Long-term stability and professionalism for clubs Investments in youth academies for ensuring long-term success Long-term investments to the region not just to the club Trust, reputation, and commitment as pillars of the relationship	Long. Sponsoring firm ties itself to the entity being sponsored indefinitely. The sponsoring firm becomes tied in to the long-term plans of the sponsored entity due to the equity stake and other aspects of the relationship.
Benefits to Engaged Parties	What are the resources exchanged? What are the implications of these relations on the stakeholders including customers, supporters, and the local community?	Utilizing these investments for attracting human capital Furthering political ties and establishing new connections/networking Reputation and marketing Financial resources New level of professionalism for clubs	High. Many additional strategic benefits including professionalism, investments to infrastructure, connections, reputation, and attracting human capital.
Effect on Board of Directors and Monitoring Ability	What are the specific terms of the agreement? Does the firm get a certain number of seats on the board?	Better control on investment alternatives Sponsor gets a seat on the club's board 50+1 rule (i.e., control remains in the club) Organizational restructuring from a member association to a public holding company	High. Sponsoring firm often has at least one seat on the Board of Directors for the entity being sponsored. The sponsoring firm gains more access and input to the decisions made by sponsored firm.
Trust and Commitment	Was the investment tied to certain club infrastructure projects? Was the investment part of a regional or global strategy? What is the role of reputation in identifying trustworthy partners?	Money used for long-term investments instead of player salaries Personal relationships play an important role Regional history and prior interactions are key Establishing a regional 'civic trust'	High. Sponsors make commitments for the long-term infrastructure of the club. Trust is established based on interpersonal interactions and previous ties.
Potential for Opportunistic Behavior	Did the club or firm act opportunistically at any point during the relationship? How? How did you solve the issue and continue the relationship?	Separating club and football operations to capitalize on the commercial opportunities of football Conflict of interests due to investments in multiple clubs	Low. Relationship is maintained based on long-term commitment and trust between partners. There are some instances of opportunistic behavior displayed by either party.

Figure 1. Conceptual Model



Appendix A. Interview Guide*

1. What is sponsorship? How do you utilize sponsorships for your company?
    a. How are they initiated and maintained?
    b. Who is responsible? How do you measure its efficiency?
        i. Follow up: How do you choose your sponsorship partners?
    c. Can you tell me about your current sponsorship agreements?
    d. How do you decide on these sponsorships?
        i. Follow up: Do you adopt the same sponsorship strategies in other countries or is it just limited to Germany? Why?
    e. What is the role of various stakeholders for these sponsorship agreements?
        i. Follow up: Role of governments?
        ii. Follow up: Role of customers? Other stakeholders?
2. Let's focus on your sponsorships involving equity now. Can you tell me more about them?
        i. Follow up: What was the rationale for your firm's investments in football clubs?
    b. How do they work? How are they initiated and maintained?
        i. Follow up: Who are the partners in the relationship? How do you pick them?
        ii. Follow up: What is the role of reputation in identifying trustworthy partners?
        iii. Follow up: What is the relationship structure?
        iv. Follow up: How long did you intend the relationship to last?
    c. What do you offer to the club and what do you receive in return?
        i. Follow up: Did the club act opportunistically at any point during the relationship? How? How did you solve the issue and continue the relationship?
    d. Was the investment tied to certain club infrastructure projects?
        i. Follow up: Does the firm get a certain number of seats on the board?
    e. What are the implications of these relations on the firm / on customers / on supporters of the club / on the community?
        i. Follow up: Were there any adverse impacts of the relationship?
    f. Was the investment part of a regional or global strategy?
        i. Follow up: Would they invest in non-German football clubs?

** Interview guide was slightly revised for different interviewees (e.g., club representatives, other key stakeholders).*