

# *From Cause-related Marketing Strategy To Implementation In Professional Sport Organizations: A Matter Of Alignment*

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## **Aim of the research**

As professional sports organizations are increasingly engaging in Cause-Related Marketing (CRM), there is a growing interest in understanding to what extent Corporate Social Responsibility (CSR) can deliver win-win outcomes for both the organization and society at large (Irwin, Lachowetz, & Clark, 2010). Research on CSR and CRM has primarily focused on conceptualization, and less on implementation (Maignan & Ferrell, 2004). This study clarifies what specific marketing decisions a professional sport organization attempts to make, and to what extent these are in line with the defined CRM strategy. Understanding this alignment and the potential lack thereof, is important since ineffectiveness in implementation will result in an inability to satisfy stakeholder needs and an under-deployed win-win outcome.

## **Literature review**

Marketing their CSR can provide sport organizations with first (revenue) and/or second (awareness and image) order benefits. However, professional sport teams often don't succeed in leveraging the CRM concept to its full potential (Babiak & Wolfe, 2009; Nielsen & Thomsen, 2009). This makes us wonder whether and why professional sport teams have difficulties in translating strategy to implementation.

Implementing a formulated marketing strategy is critical for the achievement of superior organizational performance (Noble, 1999). However, often, there is inconsistency between strategy and implementation, resulting in unsuccessful execution of strategy. Bad strategy implementation is a problem that is important but remains poorly understood. Strategic management theory recognizes various barriers to successful strategy implementation (Okumus, 2003). A wide range of individual, organizational, and inter-organizational factors can explain the variance in intended and enacted CRM strategy. Given the diffusion of CRM strategies adopted in sport, and the paradox that often exists between commercializing social engagement and safeguarding integrity (Babiak & Wolfe, 2009), the sport context is a rich setting to study the efficiency of strategy implementation.

This study builds on CRM literature that categorizes organizations into an altruistic, social, commercial or integrative type, according to their CRM strategy adopted (Liu, 2013). It analyzes how organizations translate their CRM strategy into practice. We thereby explore decision-making regarding campaign related variables - duration, geographical scope, cause selection and implementation type - in each CRM type. More specifically, we analyze the alignment between CRM strategy type and campaign execution. The following research question is addressed: Do professional sport organizations execute their CRM in line with strategy and what factors explain potential misalignment?

## **Methodology**

In order to study decision making in the different CRM types a qualitative research design was adopted. Interviews were conducted within a sample of professional basketball teams from 4 European countries; Belgium, Netherlands, United Kingdom and France. A total of 16 elite interviews occurred with the team or marketing manager, or the person responsible for

managing the CRM projects within the team. Interviews lasted between 45 and 65 minutes and were analyzed using NVIVO11 software. Additionally, content analysis was employed to analyze the CRM campaigns of the different teams as described on their organizational documents.

### **Results, discussion and conclusion**

Our results showed that the sport context is, perhaps more than a regular business setting, subject to ineffective strategy implementation. Despite the fact that most professional basketball organizations expect marketing outcomes from their CRM engagements, they execute CRM still rather altruistically. They keep their CRM engagements local, remain loyal to some non-profit organizations (NPO) for a long period of time and they limit their implementation tactics to donations in-kind.

Strategy “non-implementation” occurred mostly in teams with an instrumental CRM strategy. In this case, teams still seem to have legitimacy concerns in commercializing their social engagement.

Bad strategy implementation occurred in all CRM strategy types. Flaws in implementation in the integrative type were mainly due to macro level variables, such as conflicting stakeholder influences. A lack of communication and embeddedness are examples of meso level variables influencing CRM strategy implementation in the commercial type. Limited funding and a dysfunctional organizational structure were mentioned as key drivers for bad strategy implementation in the social CRM type. Finally, micro level variables like understanding and commitment appeared to be the main factors influencing alignment in the altruistic CRM type.

In sum, the results of this study showed that professional basketball organizations often don't act upon intended CRM strategy, and that, depending on CRM type, different macro, meso and micro level variables influence this alignment. Consequently, teams have marketing benefits from their CRM engagement, however, not maximized win-win outcomes for team, stakeholders and society. Clarifying the CRM decision making process, will enable more efficient strategy implementation, resulting in enhanced organizational performance, stakeholder satisfaction and NPO growth.

### **Key references**

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